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INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in May 1957.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - MAY 1957.

12. Activities of External Services.

Participation in Conferences, Meetings, etc.

Shri V.K.R. Menon, Director of this Office, attended a Seminar on Slum Clearance held at Bombay from 14 - 20 May 1957, under the auspices of the Indian Conference of Social Work. He was the Chairman of Working Group No.2 on 'Minimum House, Standards for Slum Improvement'; the report of the Working Group was approved unanimously by the Seminar.

Visits.

Among important visitors to the Office during the month was Mr. H.A. Bland, Secretary, Department of Labour and National Service, Government of Australia and Shri K.B. Panikkar, Permanent Representative of the World Federation of Trade Unions in India.

Shri V.V. Giri, who has been appointed as the Governor of Uttar Pradesh, also called on the Director.

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Chapter 2. International and National
Organisations

29. International Co-operation.

India - May 1957.

Indian Engineers to receive training in American Industry:
Grant by Ford Foundation.

The Ford Foundation has made a grant of 1.5 million dollars to enable Indian engineers to receive training in steel works in the U.S.A. On return~~s~~ the engineers are expected to be absorbed in the steel projects at Rourekela, Bhilai and Durgapur.

For details, see paragraph 83, pages 97-98 of this report.

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U.S. Technical Aid to India: Assistance for Railways
and Community Development.

The Government of India and the United States of America concluded at New Delhi on 27 April 1957 two supplementary project agreements providing for 10.5 million dollars in development assistance funds for the Indian railways and 2 million dollars for the community development programme.

This total of 12.5 million dollars is part of the 55 million dollars in development funds available to India during the current fiscal year under the Indo-American programme and is in addition to the Technical Assistance Funds.

The sum of 10.5 million dollars will be used by the Railway Board for buying approximately 56,400 tons of steel rails and 1,900 tons of fish-plates.

A sum of 2 million dollars is intended to continue assistance to the community development programme by providing necessary funds for procuring equipment required for opening 200 new community development blocks.

(The Statesman, 28 April 1957).

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Chapter 3. Economic Questions.

32. Public Finance and Fiscal Policy.

India - May 1957.

Over 300 Million Surplus in Railway Budget: Supplementary Levy on Goods doubled.

Union Railway Minister.

On 14 May 1957, Shri Jagjivan Ram presented in the Lok Sabha the Railway Budget for 1957-58. In doing so he proposed doubling the existing supplementary levy on goods and parcels traffic to 12-1/2 per cent from 1 July 1957 to increase the net surplus to 308.3 million rupees from 214.3 million rupees anticipated in the "caretaker" Budget presented in March 1957 (vide pp.35-43 of the report of this Office for March 1957).

The table below shows the budget at a glance:-

	(Rupees in Millions)			
	Actuals 1955-56	Revised Estimate 1956-57	Budget Estimate As proposed in March 1957	Budget Estimate 1957-58 As now proposed.
Gross Traffic Receipts.	3162.9	3500.0	3685.0	3779.0
Working Expenses.	2132.2	2293.4	2441.6	2441.6
Net Miscellaneous Expenditure.	77.3	110.2	141.2	141.2
Appropriation to Depreciation Reserve Fund.	450.0	450.0	450.0	450.0
Total.	2659.5	2853.6	3032.8	3032.8
Net Railway Revenues.	503.4	646.4	652.2	746.2
Dividend to General Revenues.	361.2	376.9	437.9	437.9
Net Surplus.	142.2	269.5	214.3	308.3

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Shri Jagjivan Ram justified the increase in the surcharge by pointing to the urgent need for timely creation of capacity to carry the anticipated additional traffic load. He said that on the basis of the present supplementary charge of 6-1/4 per cent the resources that would be available after filling an initial gap of 500 million rupees would not amount to more than a small proportion of the extra 2000 million rupees needed to cope with the additional traffic.

The increase in the supplementary levy is estimated to bring an additional 113 million rupees from goods traffic and 12 million rupees from parcels traffic in a full working year, but in the current financial year the additional earnings will be about 95 million rupees only, raising the surplus to 308.3 million rupees, which will be credited to the Development Fund.

The estimates of gross traffic receipts and net revenues also have increased by about 95 million rupees as a result of the additional earnings over the estimates provided for in the interim Budget, but the estimates of expenditure remain the same (working expenses 2441.6 million rupees; net miscellaneous expenditure 141.2 million rupees), except for a few minor changes in individual demands. The gross traffic receipts are 3779.0 million rupees as compared to 3685.0 million rupees.

Railway Plan.- A substantial increase straightway in the size of the Railway Plan, which had been reduced from 14,800 million rupees to 11,250 million rupees, was considered "inescapable" by the Minister, who pointed out that with the present funds it was possible to provide for an increase of only 15 per cent in passenger traffic and a total of 162 million tons in goods transport.

Thus there was little prospect of reducing overcrowding to any great extent during the Plan period. But the reduction of the provision for extra goods transport from 180.8 million tons to 162 million tons would have serious repercussions, as the experience of the first year of the Plan had made it clear that the demands on rail transport were likely to exceed even the original estimate.

Shri Jagjivan Ram estimated that an additional 1,000 million rupees would be required at the present price levels to carry 180.8 million tons. Moreover, another 1,000 million rupees would be needed for achieving the physical targets originally included in the 11,250 million rupees Plan because of the rise in the cost of labour and essential raw materials.

Shri Jagjivan Ram said that the Government of India has approached the World Bank for a loan to help finance the Railway Plan, and that, following the conversations in Washington last winter between the World Bank and a mission of Railway officers, a team of experts was sent out by the World Bank to study conditions on Indian Railways on the spot. This team has submitted its report to the World Bank, and a mission including two members of the Railway Board is proceeding to Washington immediately to finalize the loan negotiations. It is hoped that the loan will provide substantial relief from the foreign exchange difficulties besetting the Railway Plan.

Staff Questions.— Referring to various aspects of railway administration, Shri Jagjivan Ram said that in reply to the Budget discussions in March he had stated that two or three alternative proposals were being considered for the introduction for railway staff of the pension system of retirement benefits in place of the existing provident fund-cum-gratuity system. He was now in a position to say that definite proposals had since been formulated which he intended discussing in the near future with the representatives of organised labour.

Another matter mentioned during the March session was the improvement of the channels of promotion of members of the Class IV staff in their own class and into the Class III Service. A committee had since been appointed to review the channels of promotion of these staff, with Shri G.D. Tapase as Chairman, and a number of senior officers representing the Railway and Posts and Telegraphs departments and the Planning Commission and two representatives of labour, as members. The committee is expected to start work immediately.

The question of improved housing and other amenities for Railway staff had been in the forefront, both in the first and in the second Five-Year Plans. A little over 40,000 staff quarters were built during the first Five-Year Plan. About 15,000 quarters were built last year, 15,000 quarters more are again programmed for the current year and it was anticipated that at the end of the second Five-Year Plan 64,500 new quarters would have been added to the number at the commencement of the Plan. The policy was to provide quarters not only for essential staff, who were liable to be called out for duty at any time of the day or night and, therefore, required to live near the places of their work, where housing was difficult due to lack of private enterprise. In addition to building new quarters, improvements to existing quarters had been undertaken on a large scale, such as by substitution of better types of quarters for the old, and provision of amenities like water-borne sanitation and electrification.

The Minister also gave details of the Railways' plans for providing educational facilities for children of railway personnel and for provision of medical arrangements. Referring particularly to treatment for tuberculosis, Shri Jagjivan Ram said that to enable incipient T.B. infections to be detected and treated in the initial stages of the disease, it had been planned to set up 80 chest clinics, and of these 33 were already in operation. Efforts were being made to augment the facilities for the treatment of advanced T.B. patients in sanatoria. On March 1956 there were 200 beds reserved for railway employees in various sanatoria. This figure had now gone up to 646 beds and it was proposed to increase this to about 1350 beds by March 1961.

(Text of Speech of Shri Jagjivan Ram,
introducing the Budget, published
by the Railway Ministry.
The Hindustan Times, 15 May 1957).

Central Government's Budget for 1957-1958:
Heavy Measures of Taxation on Sugar, Motor
Spirit, Cement, Steel, etc. And on Wealth
and Expenditure Proposed: Efforts to fulfil
Second Five Year Plan: Surplus of 778.5
Million Rupees estimated.

Shri T.T. Krishnamachari, Union Finance Minister, presented on 15 May 1957, the Government of India's budget for 1957-1958. The main feature of the budget is a formidable array of taxes with the dual purpose of reducing the large deficit disclosed in the interim budget (vide pp.13-32 of the report of this Office for March 1957) and to restrain domestic consumption.

Sugar, Tea, Coffee, Tobacco, Matches, Edible oils, Paper, Petrol and Diesel Oil, Cement and Steel will all cost much more owing to a sharp increase in excise duties. About 90 categories of imported goods may also cost slightly more as a result of enhanced import duties.

In addition, there will be a marked rise in all classes of rail fares ranging from 5 per cent to 15 per cent according to distance. Postal rates on cards, packets, parcels and inland telegrams will also go up.

The Finance Minister has also proposed two completely new taxes - on wealth and expenditure. At present rates, however, these will only affect the higher income groups.

The new Budget is not without its bright spots. With the stated intention of providing incentive "to work and save", Shri Krishnamachari has given relief to earned incomes. At the same time, the taxable minimum has been reduced from 4,200 rupees to 5,000 rupees*.

*There were some changes in these taxation measures, which will be indicated in a subsequent report.

This wide range taxation measures were expected to convert a revenue deficit of 268.7 million rupees into a surplus of 447.3 million rupees and reduce the overall deficit from 3650 million rupees to 22750 million rupees.

The revenue for the coming year ^{is} estimated at 7128.2 million rupees, including 778.5 million rupees from new taxes and expenditure at 6680.9 million rupees.

A statement showing the main features of the budget is given below:-

<u>REVENUE</u>	<u>(In Millions Rupees)</u>		
	<u>Budget 1956-57.</u>	<u>Revised 1956-57.</u>	<u>Budget 1957-58.</u>
Customs. -----	1,500	1,710	1,620
Union Excise Duties. -----	1,703.5	1,887.3	2,094.3
Corporation Tax. -----	482.4	482.4	490#
Excise Duty Taxes on Income other than Corporation Tax. -----	863.5	826.1	505
Estate Duty. -----	1.8	1.1	42.5#
Taxes on Wealth. -----	859.6
Opium. -----	21	22.4	+ 27.5#
Interest. -----	54.9	52.4	0.9
Civil Administration. -----	110.6	154.9	150*
Currency and Mint. -----	236.7	244.8	25
Civil Works. -----	23.9	27	49
Other Sources of Revenue. -----	193.9	193.2	432.1
Posts & Telegraphs - Net Contribution to General Revenue. -----	16	53	360.2
Railways - Net contribution to general revenues. -----	65.7	60.3	29.5
TOTAL REVENUE. -----	5,273.9	5,714.9	276.5
			- 30.9
			+ 8.5 *
			66.7
			+ 778.5#

* Effect of budget proposals.

P.T.O.

(In Millions Rupees)

<u>EXPENDITURE</u>	<u>Budget</u> <u>1956-57.</u>	<u>Revised</u> <u>1956-57.</u>	<u>Budget</u> <u>1957-58.</u>
Direct Demands on Revenue. -----	371.5	379.2	418.0
Irrigation. -----	0.5	0.8	1.0
Debt Services. -----	355.0	382.1	350.0
Civil Administration. -----	1,359.1	1,336.4	1,910.2
Currency and Mint. -----	37.6	50.2	67.2
Civil Works & Miscellaneous Public Improvements. -----	159.0	145.4	159.3
Pensions. -----	88.4	89.8	91.7
Miscellaneous:-			
Expenditure on Displaced Persons. -----	214.2	218.6	225.0
Other Expenditure. -----	302.3	283.2	440.5
Grants to States, etc. -----	380.0	296.0	252.5
Extraordinary Items. -----	147.0	124.3	238.6
Defence Services (net). -----	2,039.7	2,029.5	2,527.1
TOTAL EXPENDITURE. -----	5,454.3	5,335.5	6,680.9
Surplus (+)			
Deficit (-)			
	(-) 180.4	(+) 379.4	(-) 331.2 (*) 778.5*

*Effect of budget proposals.

Finance Minister's Budget Speech.- In the course of his budget speech, the Finance Minister stated that the broad analysis of economic trends given in the White Paper issued along with the interim budget needed little modification; he would, however, review briefly the latest available economic indicators and make an assessment of emergent and prospective trends.

Prices.- In recent months, the index of wholesale prices had remained stable around 420. For the week ending 27 April, it was 423.5, which was a rise of 8.5 per cent over the level a year ago. Rice prices were now at 633 and wheat prices at 581, 14.1 percent and 16.4 per cent respectively above the level that obtained a year ago. Prices of industrial raw materials had risen by 9 percent during the year, of semi-manufactures by 5.3 per cent and of manufactures by 2.4 percent. The rising price trend was due in part to the insufficiency of food production in relation to the demand, and in part to certain external factors. There were, however, clear signs of demands in the economy tending to outstrip the supplies available. If unchecked, these trends could not but get reflected in further increases in the cost of living and in the cost structure of industries.

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Production.- The Minister stated that the latest available estimates of agricultural ~~is~~ production indicate that the fall in production in 1955-56 was somewhat smaller than had been estimated earlier. The output of rice was now estimated at 26.8 million tons as compared to the earlier estimate of 25.5 million tons, and the estimate for the total foodgrains output for the year had now been revised upwards from 63.4 million tons to 64.8 million tons. Even so, the year showed a shortfall of some 4 million tons as compared to 1953-54 and some 2 million tons as compared to 1954-55. The decline in foodgrains output in 1955-56 was mainly in respect of coarse grains, while the output of rice was higher and that of wheat only slightly lower than in the previous year.

The output of commercial crops showed no significant change relatively to the estimates given in the White Paper issued in March. The overall index of agricultural production, taking food crops and commercial crops together, would still show a fall of about 2 per cent in 1955-56 as compared to 1954-55.

The estimates of the likely level of agricultural production in 1956-57 indicated that the outturn should on the whole, be somewhat better than the previous year's. The production of rice was expected to be around 28 million tons, that is, about 1.2 million tons better than in 1955-56, and of wheat about 8.6 million tons as compared to 8.3 million tons in 1955-56. The output of coarse grains and pulses ~~was~~ estimated at about the same level as in 1955-56. Among commercial crops, latest reports indicated that the production of cotton had increased by 20 per cent, groundnut by 6 per cent and sugarcane by about 17 per cent. Nevertheless, reports on the food situation in recent weeks indicated difficult conditions in some of the States. While he would not like to minimize the gravity of the situation as it obtained in these pockets, but statistically, it did seem that if at all there was an overall shortage, it was of a marginal character. With the arrangements that had been made for the import of food grains from abroad to meet normal needs and with the availability of additional supplies under the P.L.480 agreement, it should be possible to ensure adequate supplies to enable us to hold the price line. The situation would need careful watching and the apparatus necessary to deal with the situation as it developed from time to time would have to be kept in readiness.

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Industrial production had continued to rise at an annual rate of about 8 per cent, the newer industries, both in the capital goods and in the consumer goods sector advancing more rapidly than the older industries. The pace at which industrial development had been proceeding is encouraging. In that process, it generated heavy demands on foreign exchange resources for import of capital goods as well as raw materials. The immediate difficulties in respect of foreign exchange notwithstanding, it would be reasonable to hope that the rate of progress in the industrial sector will be maintained.

The overall position that emerged from the review of production trends so far was that the supply of domestic goods and services had, on the whole, shown only a modest improvement over the previous year, and that the rise in prices during the year reflected the pressure of a shortage in supplies relatively to the strength of the expansionary factors in the economy generated by the rising levels of both public and private investment.

Monetary factors.— Shri Krishnamachari said that considered by itself the increase in money supply over the last 12 months or so (1,320 million rupees) was not very large. This increase, however, occurred in spite of the large balance of payments deficit, which resulted in a precipitous fall in the Reserve Bank's foreign exchange holdings. The increase in the rupee securities held by the Reserve Bank worked out at 2,730 million rupees over the past 12 months. This was clearly an expansionary factor which reflected, in the main, the growing borrowings of the Government by the Reserve Bank. It was also due partly to the commercial banks shedding their security holdings. The liquidity of the banks had, in the process, been strained and money rates had hardened. This stringency was a usual accompaniment of a phase of economic boom when investment tended to outrun savings; it was not an indication of an insufficiency of the monetary media. An abatement of monetary stringency had at this stage to be sought not through a general increase in the supply of credit but through measures to prevent an excessive diversion of credit to less essential uses and through the creation of special institutions or facilities for supplying selectively the type of credit-needed for priority developments.

Foreign exchange. Stating that the major problem before the country was the large and continuous strain on foreign exchange resources, Shri Krishnamachari said that on a rough estimate, imports for the year, 1956-57 will aggregate to over 10,000 million rupees, while exports will be around 6,500 million rupees. The bulk of the additional imports received during the year was for developmental purposes and should help strengthen the economy in due course. It was however, obvious that foreign exchange expenditure had to be limited to the availability of resources, and the present imbalance in the country's external account rectified. The various corrective measures adopted during the year were reviewed in the March White Paper; further action in the same direction which was necessary would be taken.

There was hardly any cushion left in foreign exchange reserves to permit a further significant draft on them. The level of imports hereafter had necessarily to be regulated in the light of current earnings and the inflow of supplemental resources that can be secured from abroad and should be closely related to essential requirements of the high priority projects in the Plan. The import policy for the second half of 1957-58 was being formulated with the objective of securing a further sizable saving on imports. The large volume of imports of capital goods and of developmental commodities that had already come in should make it possible for investment within the economy to go forward for a time at a satisfactory rate and care will be taken to allow such imports as were necessary for getting the benefit of whatever equipment had been obtained and for maintaining production at a reasonable level. It would, however, be idle to pretend that all hardship can be avoided. The exigencies of the situation required that a balance on external account must be restored as early as possible, and the necessary price had to be paid.

An improvement in the balance of payments situation was he added largely conditional upon the adoption of domestic policies designed to hold inflationary pressures in check. An excess of purchasing power within the economy raised internal prices; it also reduced the availability of supplies for export and pushes up the demand for imports. It was therefore, necessary to orient fiscal and monetary policies to the keeping down of domestic consumption and to the diversion of a part of the domestic output to export markets. He mentioned in this connection that the exports of cotton textiles in the first three months of 1957 had reached a total of 260 million yards, which gave an annual rate of over 1,000 million yards. The increase in excise duty on cloth in September last had it seemed succeeded in one of its objectives without raising prices in the process.

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Estimates for 1957-58.- The Minister said that the interim budget has taken the revenue at 5,362.2 million rupees and expenditure at 6,630.9 million rupees leaving a deficit on revenue account of 268.7 million rupees. As a result of certain modifications which had since been found to be necessary, revenue deficit, on the basis of existing taxation, was now estimated to increase by 62.5 million rupees. Taking the Revenue and Capital accounts together, the overall deficit of 3,650 million rupees estimated earlier will now increase by 28.9 million rupees to 3678.9 million rupees. Of the new provisions made under the capital budget was 150 million rupees for a Refinance Corporation to be set up shortly. The Refinance Corporation will provide re-lending facilities against loans given by Indian Banks.

An assessment.- Making an assessment of the economic situation and financial position, in the context of which the budget would have to be framed, Shri Krishnamachari said that it was clear that while more resources were required for meeting the increasing demands of the investment programme, both public and private, the economy was not generating the necessary savings. Budgetary deficits, rapid expansion of bank credit, continued pressure on prices and a large balance of payments deficit - these taken together - connoted a deficiency of voluntary savings relatively to the size of the investments being undertaken. Further, the emerging pressures had to be judged in relation to the requirements over the entire Plan period. Expenditure on the Plan had inevitably to be stepped up year by year, and the strain on the country's resources will grow in the period that must elapse before the investments being made come to fruition. These demands on the economy can be met successfully only by sustained effort at increasing productivity and mobilizing savings on a national scale. Simultaneously, it was essential that the pace of investment, both in the public and private sectors was kept in reasonable relationship to the progress made in enlarging domestic savings and securing an inflow of external finance adequate to meet the foreign exchange requirements of the programmes in hand. This was the setting against which the policies and proposals that he proposed to place before the House have to be judged.

Credit policy.- Referring to the expansion of bank credit and the consequent strain on the liquidity of the banking system, the Finance Minister said the Reserve Bank's policy had not been one of mere restriction of overall credit; in fact, it had been one of ensuring controlled expansion - a process which had been helped in particular, by the liberalisation of the bank's credit facilities under the bank's credit bill market scheme and also through its open market policy.

In view of the increasing tempo of developmental activity programmes for the current year and in the succeeding years, he was convinced that credit policy should continue to be directed towards moderating the pressure of demand for funds without at the same time hampering essential lines of productive activity. It was in this context that the Reserve Bank had been continuously keeping its bank rate under review. The Reserve Bank had announced an increase in the bank rate from 3-1/2 per cent to 4 per cent. As the effective lending rate of the Reserve Bank to scheduled banks had been 4 per cent for some months now and the markets had had sufficient time to adjust themselves to this rate, this seemed an opportune moment for rationalising the lending rate structure of the Reserve Bank by raising the bank rate itself.

The Finance Minister also emphasised the need to promote small savings and announced as incentives to this end a rise of 1/2 per cent in the rate of interest on post office savings bank deposits and a new series of 12 year National Plan Savings Certificates in replacement of the existing National Savings Certificates and National Plan Certificates.

Priorities in the Second Plan.- Shri Krishnamachari stated that the estimates of required outlay have gone up since the Plan was formulated. The fulfilment of the Plan to schedule postulated, inter alia, the availability of external resources on a considerable scale, and the need for these resources was the greatest in the earlier part of the Plan. Evidently, shortfalls in this respect cannot be made good by a draft on domestic resources. This aspect of the problem was under continuous review. It was not possible to say at this stage to what extent the progress of the Plan will be affected because of foreign exchange shortage. The core of the Plan was steel, coal, transport and ancillary power. With the external assistance that had been already promised and with further support from the International Bank and other sources, the country shall be able to carry through the projects in this "core".

This group of programmes had the highest priority in view of its bearing on further development. But, in regard to other projects, especially those for which no external resources were specifically forthcoming, and which were not otherwise of high priority, it would be prudent not to make fresh commitments for some time until the outlook became clear. Some rephrasing of the Plan was thus inevitable, but, if as he hoped the balance of payments situation took a turn for the better before long and if the country succeeded in securing adequate external resources, the achievement on the Plan should not fall much behind schedule.

Even if the Plan did not encounter difficulties in certain sectors - which it did - a rephrasing of it might be necessary in certain parts. The rapid development of the country in the last few years had made it incumbent on the Government's part to give closer attention to the socio-economic objectives of the Plan. The Plan had set to itself the objective of increasing national income progressively over a period of 15 to 20 years. The urgency of development was related to the need for raising living standards all round and for creating an environment in which democratic values and ways of life took root and gather strength. To those who regard the Plan as too ambitious, he would respectfully submit that they should take a good look at the living conditions of the bulk of the people. If they would only do this, he was sure they will, along with him be able to see the several directions in which the Plan was inadequate. In the last few years there had been some visible improvement in the standards of nutrition and probably of clothing. The housing conditions and environmental hygiene in urban and rural areas of the low income groups were deplorable; the slums in cities were a disgrace to any society which claimed to be considered civilized. He was deeply anxious to see that the Plan was strengthened in this respect. In this connection the Finance Minister emphasised particularly the need to better the conditions of State Government employees in regard to which the Central Government had recently taken some steps.

Taxation policy.- Turning to taxation policy, the Finance Minister enumerated the following objectives of the Government's policy in this regard:-

- (a) They must produce a sizable addition to public revenues;
- (b) they must provide incentives for larger earnings and more savings;
- (c) they must restrain consumption over a fairly wide field so as to keep in check domestic inflationary pressures and to release the resources required for investment; and
- (d) they must initiate such changes in the tax structure as would make tax yields progressively more responsible to increased incomes and facilitate an orderly development of the economy with due regard to the social objectives we have adopted.

New Taxation Measures.- The Finance Minister then announced his taxation measures which are briefly reviewed below:-

A. Indirect taxes.-

Customs duties.- Minor increases in import duties on 90 different articles ranging from cocoa powder to enamelled iron ware. These increases would yield an additional revenue of 60 million rupees.

Excise duties.- Increase in excise duties on the following items: -

- Sugar (from 5 nP per lb to 10 nP).
- Motor spirit (from 98 nP. per gallon to Re.1.25).
- Vegetable oils (from 3 nP per lb to 5 nP).
- Cement (from 5 rupees per ton to 20 rupees).
- Steel ingots (from 4 rupees per ton to 40 rupees).
- Tea (loose) (from 6.25 nP per lb to 10 nP); package tea converted from duty-paid loose tea (from 19 nP per lb to 35 nP); package tea (from 25 nP per lb to 45 nP).
- Coffee (from 19 nP per lb to 35 nP).
- Unmanufactured tobacco other than flue-cured (a) used for the manufacture of cigarettes and smoking mixtures (from 56 nP per lb to 75 nP); (b) mainly used for the manufacture of bidis (from 87 nP per lb to Re.1); (c) other sorts (from 37 nP per lb to 50 nP).

Matches: (a) 60s boxes (from 25 nP per dozen boxes to 40.8 nP); (b) 40s boxes (from 16.7 nP per dozen to 27 nP). The existing statutory rebates for smaller units are continued.

Kerosene (from 18.75 nP per imperial gallon to 20 nP).

Excise duties on diesel oil and paper have also been raised.

These proposals in respect of Central Excise Duties were estimated to yield 608.0 million rupees in a full year. For the remaining part of the current year, their yield was estimated at 532.0 million rupees out of which the share of the States would be about 42 million rupees in respect of tobacco and matches.

B. Direct Taxes.-

Income Tax.- Taxable minimum reduced from 4,200 rupees per annum to 3,000 rupees.

Reduction in personal income-tax and super-tax rates for higher-income groups. Income-tax payable by companies raised from 4 annas in the rupee to 30 per cent and corporation tax from the present level of 2 annas 9 pies in the rupee to 20 per cent, but Excess Dividends Tax reduced. A reduction to 45 per cent on the undistributed profits of companies was also announced. Additional yields will be 50 million rupees on account of income tax and 75 million rupees on account of tax on companies.

Tax on Wealth and Expenditure.- The Finance Minister also announced two new taxes, on wealth and on expenditure "designed to alter the tax structure in a way that will ensure a more effective and at the same time a more equitable basis for taxation". The tax on wealth will be payable by individuals, Hindu, undivided families and companies. In the case of individuals, values up to 200,000 rupees and in the case of Hindu undivided families values up to 300,000 rupees will be exempted. In respect of wealth exceeding that amount the rate will be 1/2 per cent for the first 1 million rupees, 1 per cent for the next 1 million rupees and 1-1/2 per cent on the balance. This will thus be a progressive tax which, together with the surcharges in respect of income-tax on unearned incomes, will contribute towards a more effective taxation of the richer classes without diminishing incentives to earn in the process. In the case of companies, there will be no tax on assets up to a value of 500,000 rupees; on values beyond that the rate will be 1/2 per cent. Certain properties will be exempted from this tax. Some of these are: Agricultural properties; Properties belonging charitable or religious trusts; Works of art; Archaeological collections not intended for sale; Balances in recognised provident funds and insurance policies; Personal effects including furniture, cars, jewellery, etc., up to a maximum of 25,000 rupees; and Books and publications not intended for sale. The yield from this tax was estimated at about 150 million rupees.

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That tax on Expenditure was a form of taxation which had no backing as yet of historical experience. It was, however, a tax which, given effective administrative arrangements, could be a potent instrument for restraining ostentatious expenditure and for promoting savings. It was proposed to levy this tax only on individuals and Hindu undivided families whose income for income-tax purposes was not less than 60,000 rupees. The tax will be imposed on all expenditure incurred, from whatever source it may be, in excess of certain sums which will vary with the size of the family. The amounts excluded were a basic amount of 24,000 rupees for an assessee and his wife; and 5,000 rupees for each dependent child. The rate of tax will be based on a slab system, the rate for each slab increasing progressively with the increase in the level of expenditure. Thus, for excess expenditure up to 10,000 rupees the rate will be 10 per cent and for higher slabs the rate will increase progressively.

Tax on fares.— A tax on fares payable by passengers travelling by Railway. This will yield 80 million rupees which will be distributed entirely to the States.

Postal rates.— Changes in postal and telegram rates which would be expected to yield a revenue of 8.5 million rupees.

The net accretion to the Central revenues as a result of these proposals will amount to 778.5 million rupees and the revenue budget will now show a surplus of 447.3 million rupees. Ordinarily, the overall deficit would, as a consequence, amount to 2,900 million rupees, if the additional revenue of 150 million rupees which would be passed on to the States as a result of these proposals was not taken into account. But Central assistance to the States for financing the Plan during 1957-58 had been placed at 2,780 million rupees. As a result of the additional revenue according to the States, there will therefore be a corresponding reduction in this figure, the reduction being taken in the provision for loans to State Governments. The overall deficit will thus amount to 2,750 million rupees and will be met by expansion of Treasury Bills.

Justification for new taxes.— The Minister said: "We are pledged to move in the direction of a socialist society. This means that we wish to develop an efficient system of production and an equitable pattern of income and wealth which will ensure well-balanced progress. Such a system requires a strengthening of incentives to work and to save. This is the rationale of my tax concessions on earned incomes."

"My proposals involve a raising of burdens on the near necessities of the common man. This is inevitable in the present circumstances. These burdens, large as they may look in the aggregate, have a low average incidence. A process of development in a country where most incomes are low cannot be financed without calling for sacrifices from all sections of the community, and there are special reasons at this juncture for applying some restraint on consumption in order to check inflationary pressures and to stimulate exports. I recognize, at the same time, the need in particular sectors may well be from time to time assist in maintaining consumption at a reasonable level in terms of the minimum nutritional standards, and to this end, it may be necessary to subsidize food. My intention, therefore, is to build up from out of the additional receipts of taxation a food subsidy fund of the order of 250 million rupees. This fund will be used to keep down food prices, particularly for the more vulnerable areas.

"The proposals that I have made will still leave the overall deficit for the year at a level somewhat higher than I would consider safe; but it is not unwise in my judgment to run a measure of risk especially if by doing so the expansionary impulse in the economy can be maintained at a reasonably high level. A budgetary deficit involves creation of fresh purchasing power. It implies that, on balance, Government puts more purchasing power into the hands of the public than it withdraws from it. The stresses and strains that have developed in the economy are a warning against unrestricted deficit financing. I am not against deficit financing; I recognise it can play a role in promoting development. But, it is a medicine to be taken in small doses; it is not food that would sustain the system. On the whole, I doubt if we shall be able over the Plan period to undertake deficit financing of the order indicated in the Plan, and this means we have to raise more resources by taxation, loans and small savings. Considering the needs not only of the current year but also of the next few years in terms of the Second Five-Year Plan, I am convinced that the measures I have placed before the House today are essential and salutary."

The Finance Minister also introduced the Finance Bills implementing the budget proposals.

(The Hindustan Times, 16 May 1957).

33. Full Employment Policy.

India - May 1957.

Craft Training for Educated Unemployed:
Work-cum-Orientation Centre opened at
Delhi.

Shri Gulzarilal Nanda, Union Minister for Labour and Planning, inaugurated on 21 April 1957 at Delhi a work-cum-orientation centre for the educated unemployed youngmen.

For details, please see pp. 101-102 of this report.

Industrial Disputes (Amendment) Ordinance, 1957:
Provisions relating to Retrenchment Compensation
Amended.

An Ordinance providing that retrenchment compensation will be payable in 'bona fide' closure or transfer of an undertaking has been promulgated by the Government of India on 27 April 1957. For details please see pages 92-93 of this report.



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Unemployment Position: Central Government asks States
to furnish Information.

Shri Gulzarilal Nanda, Union Minister for Planning, stated in the Lok Sabha on 17 May 1957, that the Government had asked the States to furnish information about employment in important projects and also about the general unemployment position.

He said the States had also been asked to give this information in their annual reports regularly. Some of the States had already furnished the information, while replies from others would come in due course.

Shri Nanda was replying to a series of questions put by members whether the Government had statistics of the unemployment situation in the country.

Shri ~~Nanda~~ Mishra asked whether any assessment had been made of the progress achieved in solving the unemployment problem in pursuance of the recommendations made in the second Five-Year Plan.

Shri Abid Ali, Deputy Minister for Labour, replied that from their ninth round onwards - which started in May 1955 - the National Sample Survey had been collecting information regarding employment and unemployment in their regular programme.

(The Hindustan Times, 18 May 1957).

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54. Economic Planning, Control and Development.

India - May 1957.

Heavy Machinery Manufacture in India: Broad Pattern approved.

The broad pattern of the development of heavy machinery manufacture during the second Plan is understood to have been approved by the Government of India.

The scheme provides for a heavy machine building shop; a foundry forge shop to meet the requirements of the machine shop and other industries; a heavy structural shop; a plate and vessels shop; a heavy machine tool plant; a mining machinery and equipment plant and an alloy and tool steel plant.

The Government is understood to have decided to accept the recommendations of the Soviet team of experts on heavy machinery manufacture for setting up a Central heavy machine building plant. The Soviet experts' recommendations envisage a plant with an annual capacity to manufacture 80,000 tons of machinery and equipment, to be set up in two stages. At the end of the first stage of the project, the annual capacity for the production of machinery will be 45,000 tons. The project is proposed to be completed as far as possible in the second Plan period with spill-over in the third Plan period, wherever necessary.

It is understood that a part of the 600 million rupees credit offered by the Soviet Union and accepted by the Government of India will be utilised for establishing the heavy machine building plant and the mining machinery and equipment plant.

The Government has further decided that a heavy structural fabricating work and a plate and vessel shop and a heavy machine tool plant should be established, as recommended by the U.K. Heavy Engineering Mission.

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For these projects, it is understood that suitable credit terms were discussed when Sir Norman Kipping, Director-General of the Federation of British Industries, was in New Delhi, and further talks are taking place in London. It is understood that the Colombo Plan assistance for technical consultative services for these units is likely to be available. Talks with Sir Norman indicated that British industrial interests would be willing to collaborate in setting up these units.

Regarding the foundry forge project, discussions are going on with Czech, Russian, British and German interests. It is likely that the foundry forge project will be finalised with the collaboration of one of these countries.

As regards the heavy machine tool plant, which is a very integral and vital part of the entire project, it is understood that some proposals have also been received from the Continent and a well-known German group has been discussing the possibilities of technical collaboration as well as credit facilities.

The entire group of projects will be developed as an integral whole so as to meet the needs of the country for several industries, including steel plants, chemical and fertilizer industries and various other industries.

While details of the different projects covered by this programme have yet to be worked out, it is estimated that the entire development will cost over 800 to 900 million rupees of which about 500 million rupees will be the foreign exchange component.

(The Statesman, 11 May 1957).

Critical Review of Community Development and National Extension Service Programmes: Fourth Report of the Evaluation Organisation.

A sharply worded criticism of the working of the Community Projects and National Extension Service blocks is made by the Programme Evaluation Board set up by the Government.

The Board has reviewed the progress from year to year and the present review is important because the period marks the completion of the first series of Community Projects started four years ago.

After a period of intensive development of three to four years, these areas are now being normalised and put on a pattern which would continue more or less indefinitely.

Too much dependence on Government assistance.- The Board has come to the conclusion that "while there has been considerable increase in rural consciousness of economic and to a smaller extent, ~~to~~ social needs the objective of stimulating continuing and positive effort based on self-help for promoting economic or social development has been comparatively unsuccessful". Too much dependence on Government initiative and assistance is still being exhibited by the vast majority of the rural population affected by the programmes. The Board feels that the expectation of the rural population as to what Government can do to help them has reached a stage beyond the current resources of Government. There has been no corresponding development of strong sentiment ~~to~~ self-reliance and initiative whether individual or co-operative. The Board has warned that unless Government deployed more resources in rural areas and the people in turn show greater initiative and self-help, a situation might arise which was bound to create serious difficulties.

The Programme Evaluation Organisation was set up in 1952 as an independent body to make a periodical assessment of the progress of the Community Development and National Extension programmes. Its present report is based on observations made in the field and detailed investigations by the Project Evaluation Officers on their respective evaluation centres. Use has also been made of observations made during tours by senior officers of the P.E.O. and by the Chairman of the Programme Evaluation Board.

The Programme Evaluation Board was set up recently with Dr. V.K.R.V. Rao, the well-known economist, as its first non-official Chairman, and has been entrusted with the responsibility of planning and guiding the work of the P.E.O.

Adult Literacy.- The Report enumerates various items of the community development programme and points out those which have been successful and those where an equal measure of success has not been attained. Items, for instance, involving physical change, especially constructional and irrigational activity and those involving change in production attitudes in agriculture and animal husbandry have been comparatively successful, while those concerning cottage industries were neither widespread nor particularly successful. While success has been achieved in regard to items involving changes in standards or norms of living, especially in regard to primary education and drinking water, those concerning adult literacy and personal and environmental hygiene have not been equally successful.

The least successful items in the Programme, in the P.E.O.'s view, have been those involving changes in social attitudes, such as readiness to go in for community centres, youth clubs and women's organisations. Programmes regarding change in organisational attitudes in the economic field such as better understanding of the objectives and obligations of co-operation and readiness to make use of co-operative societies for purposes other than credit have also been unsuccessful. The same applies to programmes involving change in organisational attitudes in the political field, such as better understanding of the objectives and responsibilities of panchayat membership and readiness to use panchayats for planning and executing village development programmes.

Disparities.- Another conclusion arrived at by the Programme Evaluation Organisation is that there is wide disparity in the distribution of the achievements and, therefore, of the benefits of the community project programmes. This disparity exists as between the headquarters villages of Gram Sevaks, the villages easily accessible to them, and the villages not so easily accessible. Within the villages, it exists between cultivators and non-cultivators, and within the cultivating classes, between those with bigger holdings and larger financial resources and those with smaller holdings. "This", the Report emphasises, "is a matter of serious concern not only in terms of regional and social justice but also in terms of the political consequences that may ensue in the context of the increasing awakening among the people".

Post-Intensive Blocks.- The Report deals with the problems created by the transformation of the first series of Community Projects, started in 1952-53, into what are called "post-intensive" blocks (P.I.P.).

The last year of operation of the community projects, in most cases ending with September 1956, saw an intensification of activity mainly directed towards expenditure, says the Report. "Construction dominated the thinking and activity of the project staff, including the Gram Sevaks; and extension failed to emerge from the back seat to which it had been delegated even earlier".

The Report goes on to say that the transition to the 'post-intensive programme' pattern was sharp and sudden. The block staff, most of whom had functioned with large funds under the old projects, now did not seem to know quite how to spend their time. Inactivity or what largely appeared to be so, succeeded the intense activity of the last days of the project period; and sharply focussed attention on what the P.E.O. Reports had always been laying stress on viz., the role of extension in Community Development and N.E.S. work. This period of inactivity and attendant frustration was aggravated by the time taken in getting the new set-up and arrangements going.

Emphasising the need to ensure orderly transition, particularly to eliminate the transitional periods of inactivity, the Report says, "What is probably required is better pre-planning and a more rational correlation of requirements to resources than perhaps has been shown so far in drawing up the Community Development and N.E.S. programmes".

The transition from community project to the P.I.P. pattern has created a number of important problems of maintenance of facilities, satisfaction of demands and activating of project staff. These, says the Report, need to be served urgently, if we are to activate both the project staff and the population of the project blocks which are now passing into 'post-intensive' phase. Only then can economic and social development of a self-sustaining character be made possible for these areas.

Adverting specifically to the problem of maintenance of facilities created during the period project period, the Report suggests that long-term maintenance of these facilities has to be the responsibility of the village panchayats. Permanent reliance, it says, cannot be placed on either individual or unorganised or ad hoc collective effort. For the future, the Report suggests the association of the organised or collective will of the community with the planning of the programme and also, to the extent possible, with its actual implementation. The current problem, it says, is that of maintenance of village facilities in the transitional period. The project staff should have some responsibility in this matter and it is also necessary that a small financial provision is made for this purpose in the budget of the post-intensive blocks.

Administrative Problems.- Referring to problems of administration, the Report says that the whole question of administrative co-ordination and orientation needs re-thinking now that development is the major activity of Government and the community development, N.E.S. and P.I.P. programmes are expected to cover the entire country within the next four years.

The Report suggests that the primary function of the administrative head of the district should be recognised as development and he should be given special assistants for dealing with law and order and revenue functions rather than the other way about.

For the second year in succession, the P.E.O. makes a reference to the need for a more precise and adequate definition of the role and functions of the Gram Sevak. This need, it says, has become even more urgent as a result of development during the current year. With the sharp decline in the construction activity in the post-intensive phase, the Gram Sevak's work has been greatly reduced. The P.E.O. has received reports from a number of centres that Gram Sevaks were not visiting villages and if they did so, were confining their activities to people whom they know well. They were also getting more "official".

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Place of Co-operation.- Drawing the attention to the importance that the Planning Commission and the country attach to the role of co-operation in rural development, the report points out that it is a matter of serious concern that the impact of the programmes on the co-operative movement has been quite uneven, although the Community Development and NES programmes have created material conditions that are favourable for the expansion of the co-operative movement. It is also a matter of concern, says the report, that multi-purpose co-operative societies are multi-purpose only in name and just function as credit societies. In view of the importance of linking, the report recommends a more detailed study of the systems of "integrated finance" which it points out, have been working with considerable success in some project areas. In this connection, the report emphasizes the need for giving greater importance in the project areas to the question of education in co-operation. Reports received by the P.E.O. have revealed that except in a few project areas, the co-operative movement is still largely official in initiative and support and has not evoked that sense of identification and responsibility without which there can be no real or lasting progress. The report suggests ~~staff~~ suitable orientation of the project staff in the work of co-operative societies and greater emphasis on the quality of co-operative societies rather than on an increase in their numbers.

Cottage Industries.- Referring to the 25 pilot projects started in community project areas for the development of cottage industries, the report says that the scheme has been in operation for hardly a year and it is, therefore, too early to attempt any evaluation of this programme. It, however, draws attention to certain problems facing these pilot projects, and says that a great deal of fundamental thinking is necessary from the point of view of the long-range success of these new programmes for cottage and small industries.

(The Hindu, 26 April 1957)

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35. Productivity.

India - May 1957.

Setting up a National Productivity Council to
spearhead Country-wide Movement suggested:
Report of Indian Delegation to Japan.

The creation of a National Productivity Council, to launch an effective national movement for increased productivity in India, has been recommended by a Delegation of officials and non-officials which visited Japan last October.

The Delegation, sponsored by the then Ministry of Heavy Industries, was asked to study the productivity movement in Japan and recommend measures for propagating a productivity programme in India.

In its report*, the Delegation says that, in the context of the ambitious industrial programme in the Second Five Year Plan, increase of productivity could play an important role by stimulating operations and by motivating industrial personnel to produce more goods of better quality.

The report emphasises that in a rapidly increasing economy, the increase of productivity could be a powerful element of national policy for increase of national wealth and the raising of the standard of living without creating unemployment. The delegation warns that productivity should not be confused with rationalisation and the retrenchment of surplus labour.

* Report of the Indian Productivity Delegation to Japan
(Report and Appendices): Ministry of Commerce and Industry,
Government of India, pp. V - 158.

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National Productivity Council.- The National Productivity Council, the report has recommended, should be an autonomous organisation at the Centre which should create productivity consciousness in the country. It should stimulate the establishment of local productivity councils at places of concentration of industries. The Council should be representative of employers, labour, Government, technicians in industry, scholars, research workers and professional consultants. The report has recommended that the number of representatives of labour and management on the Board of the National Council should be equal.

The report suggests that before the Council is set up, the Government of India should convene a seminar representing these various sections who should be interested in the increase of productivity. The seminar should determine the principles which should govern the movement in order to ensure full co-operation of the various elements and should suggest how the movement should be organised at the national and local levels. On the conclusion of the seminar, Government should set up a Steering Committee to work out the details of the organisation of the Council.

The report recommends that the activities of the National Council should be: i) the creation of a climate for increased productivity by propaganda and by the exchange of teams both within this country and with foreign countries; ii) the channelising of financial aid from national and international sources; and iii) the provision of specialist technical assistance which would be required as a result of the successful generation of the consciousness for increasing productivity.

The delegation toured Japan for five weeks. It was led by Dr. Vilram A. Sarabhai, President, Ahmedabad Management Association and consisted of Shri S.N. Bhaduri, Liaison Officer, Ahmedabad Textile Industries Research Association (ATIRA), Dr. Kamla Chowdhry, Head of Division of Human Relations, ATIRA, Shri N. Mazumdar, Industrial Advisor (Textile Production), Government of India, Shri N.S. Mankekar, Chief Adviser (Factories), Ministry of Labour, Shri Navnitlal Shodhan, Director, Saharanpur Cotton Manufacturing Co., Ahmedabad, Shri H.D. Shourie, Director of Industries, Punjab Government, Shri Sreenivasan, Honorary Director, South India Textile Research Association, and Shri E.R. Subram, President, Textile Association, Ahmedabad.

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Shri Shourie has been appointed Officer on Special Duty in the Ministry of Commerce and Industries, to deal with the recommendations contained in the report, which are now being considered by the Government of India.

Terms of Reference.- The terms of reference of the delegation included the study of factors such as organisational structure and management practices, selection and training functions, collective bargaining, control techniques, and industrial research, which have contributed to the increase of productivity in the industries of Japan. The delegation was asked to make this study with specific reference to the large-scale industries dealing with iron and steel, engineering, chemicals and textiles. It was also required to study the constitution, organisation, programme of work and the mode of operation of the Japanese Productivity Centre and to recommend to the Government of India steps necessary to the establishment of an organisation to propagate and implement a Productivity Programme.

In its Report, comprising two volumes, the delegation has made a comprehensive survey of these factors. This survey has been set against the background of the industrial revolution in the earlier part of this century in which Japan achieved, in the course of 20 years, the progress which countries of Western Europe took 70 to 100 years to achieve.

The report also contains a survey of the organisations of labour in Japan and traces the history of growth of the trade union movement. It embodies a survey of the Government measures affecting industrial development, operation of Government control in the spheres of large-scale and small industries, structure of taxation, salient features of labour legislation, facilities accorded for vocational and apprentice training, and the emphasis laid on research in the field of industries.

Ownership and Management.- The report states that an important feature of the Japanese industry is that, while in the pre-war years the industry had developed on monopolistic basis of big combines, called the Zaibatsus, which dominated industry and held sway in the political field, during the past few years the management has been separated from ownership and is now by and large in the hands of professional and full-time executives. In the majority of large enterprises no individual today holds more than a few per cent of the shares.

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Groups of banks and insurance companies and allied business interests do hold between them a large portion of the shares of some big companies but these groups do not exercise any great influence on the management of the companies. The Boards of Directors of the companies are almost exclusively composed of full-time executives, the majority of whom have no significant ownership of stock.

Most of the Directors rise from within the enterprises which they join in comparatively junior posts, and hereditary element is not very predominant in the larger enterprises.

The report observes that in the Japanese industry the hierarchical levels and the delegation of authority in the organisations are distinctly defined. In some companies manuals of functions and responsibility of each member of the management have been prepared. Activities in the organisations are grouped in distinct departments, such as those dealing with general affairs, finance, production, planning, technical operation, marketing personnel, research etc. Grouping of activities under managing directors or managers is sometimes on the basis of functions like commercial, personnel, research and technical, or sometimes according to products like home appliances, heavy machinery and lamps. A striking feature of the management in the Japanese industry, observed by the delegation, is the wide use made of committees formed on at all levels within the organisations. There are committees formed on functional basis such as dealing with personnel matters, research, technical improvements in plant operations etc. There are, in addition, inter-departmental committees which are formed at different levels to ensure coordination of the various company functions. In these committees the members in line responsibility are associated and this facilitates the formulation of effective policies, team work, and the smooth implementation of policies. In some companies the production programmes are discussed in committees including workers' representatives.

Recruitment and Training.— A great deal of emphasis is laid in Japan on the selection and training functions in an organisation. Selection of personnel is generally done at three education levels, junior high school, senior high school and college graduates. There is compulsory education upto junior high school level, i.e., nine years of schooling. Senior high school comprises three years of further schooling. Workers at operative level are generally selected from graduates of junior high schools, skilled technicians from senior high schools, and executives from colleges. The report states that intensive effort at various levels has been organised in Japan for imparting vocational and technical training. Nearly 300 public vocational training centres have been established all over the country since the war.

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The unified direction, supervision, and assistance of the Central Government, in the enforcement of the provisions relating to vocational training, is stated to have helped in making a rational adjustment of the demand and supply of skilled labour, so much so that, according to the Japanese Ministry of Labour, the placement of the trainees is almost cent per cent.

Apprentice training.- Regulation of apprenticeship course has been proscribed by statute in order to prevent exploitation of the apprentices. It is implemented through administrative supervision and promotes training for the skilled jobs which require longer training. Small-scale units which found it difficult to give apprentice training individually have organised cooperative apprentice training programmes. They jointly employ qualified instructors to give group instructions in general subjects, whereas practical training is conducted in individual establishments.

In 1954 over 28,000 establishments conducted apprentice training programmes with 65,000 apprentices. Out of these 87.4 per cent were small-scale units employing less than 10 workers. This is indicative of the value attached to systematic apprentice training even by small-scale industries. Central and Prefectural Governments make some financial allocations to help enterprises to undertake apprentice training programmes. There are also a number of corporate bodies and associations which contribute to the training functions of the organisations. These are mainly concerned with supervisory and management training programmes.

Within the individual companies there is systematic training programme for each person employed. Very rarely companies take skilled and experienced workers or executives on higher pay from other organisations. Intensive training spread over different periods, according to the requirements of the respective industries is given in the companies after selection of the personnel. Each company has full-time trainers though the major responsibility for training is on the line staff.

T.W.I.- Training within Industry (TWI) and Management Training Programme (MTP) are also widely practised in the industries. TWI is used for jobbers and supervisors and MTP for section chiefs and senior levels of management.

Industrial Relations.- In the sphere of industrial relations the report points out that the labour unions in Japan have been organised on individual or enterprise basis. These unions are often affiliated to industry-wise unions which in turn are affiliated to national associations of unions. Collective bargaining takes place generally on unit or company basis. In the productivity drive it was noticed that even though the national union SOHYO has declared itself opposed to the productivity movement, the plant and local unions are generally cooperating with the management in the productivity increase.

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About the structure of wages the report observes that in Japan the wages are made up of basic wage, incentive wage, over-time and family allowances, and bonus. The salary is determined mainly on the basis of seniority, and annual increments are given in most industries. Difference in the wages of the workers and the executives in Japan is much less than what is obtaining in India. In addition to the family allowances and bonus the workers are given certain fringe benefits by the companies. These include loans for construction of houses, provision of canteens, subsidised lunches, provision of uniforms and their laundrying, medical aid, retirement gratuity, recreation, educational and cultural facilities such as training of women workers in cooking, sewing, doll-making, flower ~~worker~~ arrangements, and marriage allowance to women workers.

Stress on Quality.- It has been observed that for effective competition in the world markets, the Japanese industries are very quality conscious and they strive to enhance and maintain the quality of their products. In the factories there is considerable stress on production, planning and technical control of processing. Representatives of various sections within a plant are associated in functional committees to consider production policy. This ensures participation of the key people in charge of line responsibility in the formulation policies.

In the plant there is generally a production control section as a part of the technical control department. The production is planned at least three to six months ahead in every detail, and in some industries such as machinery, iron and steel, and ship building, for a much longer period. Systematic cost accounting and cost control are exercised widely. The budgetary system is used as a basis of over-all management, control of cost and return on investment. In the exercise of quality control there is a systematic inspection of raw and finished materials and processed goods at every stage of manufacture. Most of the organisations have a separate section devoted to the implementation of quality control.

Another striking feature of the Japanese industries is the extensive prevalence of the system of sub-contracting by the larger industries to the small-industries. A large proportion of components is got manufactured by the large industries from the small industries by the sub-contracting which includes a system of rigid inspection. The practice of sub-contracting reduces the necessity of heavy back investment in large industries and spreads the investment over the wider area of small industries.

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Industrial Research.- An important feature observed by the delegation in Japan is the emphasis laid on industrial research by the national Government, prefectural Governments, municipal bodies, universities and industries. National laboratories established and maintained by the Central Government are mainly devoted to fundamental research. The eleven national laboratories have branch laboratories in various parts of the country. Each of the 47 prefectures in the country has its own laboratory. In some highly industrialised prefectures there is one laboratory for each industry in the prefecture. These laboratories are financed by the prefectural governments with some contribution by the Central Government. For services rendered to individual companies a small fee is levied by the laboratories. The prefectural laboratories restrict their activities primarily to operational research, disseminating information widely to the medium and small industries. Great importance is attached in research work to industrial design. The report remarks that the industrial laboratory of AICHI Prefecture, which it visited, has a staff of 79 research workers, of whom 15 are university graduates.

Municipalities also have their own laboratories in every major city. Their primary objective is to give assistance of research to the medium and small industries. Nagoya city, for instance, maintains a research institute which is manned by a staff of 98, including 72 engineers, of whom 57 are university graduates. Persons from individual plants are also allowed to conduct research on their own specific problems in these laboratories.

Most of the large companies have their own research laboratories. The importance attached to research is evident from the fact that the head of the research department is generally directly responsible to the managing director and is sometimes a member of the board of directors. Generally 1.5 percent to 3 per cent of the entire personnel of an organisation are employed in research work. Of these 25 per cent are university graduates, 50 per cent senior high school graduates and the rest junior high school graduates. The expenditure on research in individual industries varies from a minimum of 0.3 per cent to a maximum of about 3.0 per cent on the total sales. In large companies employing 20,000 to 30,000 workers and having a turn-over of many billions of yen, the 0.3 per cent works out to a substantial amount.

Productivity Movement.- The productivity of Japanese industries, though considerably high as compared to India, is yet substantially low as compared to countries like U.K., U.S.A. and West Germany. It is 1/5th of U.S.A., 1/3rd of U.K. and 2/5ths of West Germany. Recognition of this fact has brought about the launching of a productivity movement in the country.

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With the help of the national Government and on the initiatives of four important national economic organisations, namely, the Federation of Economic Organisations, the Japan Federation of Employers Association, the Japan Chamber of Commerce and Industry, and the Japan Management Association, a move was set afoot in the latter half of 1953 to create an organisation for propagating the productivity concept and techniques. The Japanese Productivity Centre (JPC) was established in March 1955. Simultaneously, progressive industrialists in the various regions of the country took the initiative of establishing regional productivity centres. The JPC facilitated the establishment of the regional Centres. So far four regional centres have been established, and JPC has its own branches in the remaining four regions of the country.

The productivity movement launched through these organisations is based on certain enunciated principles which lay down that the profits of productivity increase will be shared between capital, labour, and the consumers, that the productivity movement should not be confused with labour intensification or mere efficiency drive, and that the redundancy of labour must be avoided by the joint effort of Government and the industries by transposition etc.

Finance for the productivity movement is provided partly by the National Government as well as from the Technical Assistance Programme of the United States and is partly met from membership fees from industries. The JPC and Regional Centres are governed by Boards on which there are representatives of employers, labour, and scholars. The productivity organisations stimulate and encourage exchange of technical information in the international field as well as the domestic field.

The JPB has sent a number of teams of industrialists, labour and technicians for study of the techniques of productivity increase in the United States. Productivity consultants and specialists are secured from abroad for organising training courses and seminars. Productivity information and propaganda literature is widely disseminated in the country through the JPC's weekly productivity journal, exhibitions, and film shows etc.

The movement in Japan has the full support of the employers and the Government. SOHYO, the important organisation of labour, at the national level, is opposed to the movement, but the report states that at the local and plant levels a number of labour unions, even though affiliated to SOHYO, are cooperating with the movement. Barring SOHYO other important labour organisations of the country are giving their support to the movement.



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36. Wages.

India - May 1957.

Kerala: Minimum Wages Act, 1948, to be extended
to Employment in Banking Companies.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Kerala has declared its intention to add "employment in banking companies" to Part I of the Schedule to the said Act. The proposal will be taken into consideration by the Government after 7 August 1957.

(Kerala Gazette, Part I, 7 May 1957,
page 1031).

37. Salaries.

India - May 1957.

Fixation of Pay Scales for Journalists: Wage Board
announces decisions.

The Wage Board for Working Journalists appointed by the Government of India under the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955, for fixing rates of wages for working journalists, announced its decisions here on 11 May 1957.

For details, please see pp. 76-82 of this report.



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Higher Pay Scales for Insurance Employees:
Finance Minister announces Agreement with
Staff.

Shri T.T. Krishnamachari, Union Finance Minister, announced at Bombay on 9 May 1957, a general upward revision in the pay-scales and dearness allowance of 21,000 clerical and lower grade employees of the Life Insurance Corporation of India.

The new pay-scales would increase the Corporation's expenditure from 3.4 million rupees to about 3.8 million rupees or 3.9 million rupees.

The Union Finance Minister, who came to Bombay to finalise the week-long talks on pay-scales between the Corporation and the two unions, the All-India Life Insurance Employees' Association and the All-India Insurance Employees' Association, expressed the hope that a new era of friendly co-operation would begin between the staff and the Corporation.

Shri Krishnamachari said: "Pay-scales have been a sore point with the Corporation's employees. I have offered certain proposals and concessions to the leaders of the two unions who have declared their acceptance. They have agreed to recommend the ratification of the proposals by the union councils".

The main points of agreement were:

Clerical staff will get a single grade starting from 75 rupees and going up to 300 rupees. Supervisory staff will get a special pay which will be integrated with their basic salary. New recruits will, however, have a grade of 75 rupees to 275 rupees.

Pay-scales of Class V employees (lower grade) have been increased by 5 rupees in addition to an upward revision of ceilings.

Dearness allowance is increased by 5 rupees for those drawing a basic salary of less than 50 rupees per month. Dearness allowance will remain the same for other employees.

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Assistants will have a grade of 55 rupees to 180 rupees, an increase of 20 rupees in the ceiling.

A new cadre of higher assistants will be introduced with a pay-scale of 140 rupees to 410 rupees.

Drivers have been given a grade of 70 rupees to 115 rupees.

Liftmen, head peons and watchmen will get an additional pay of 5 rupees over the Class V grade.

Shri Krishnamachari stated that the effect of the new pay-scales would be that the pay-scales of the State Bank of India, or, the former Oriental Life Assurance Company, would generally apply, with little variations, to the present insurance staff.

The new scale of 75 rupees to 300 rupees, with a span of 25 years, will replace the two existing grades with a total span of 28 years - 55 rupees to 220 rupees and 100 rupees to 300 rupees. Similarly, the new Class V pay-scale of 35 rupees to 95 rupees has been introduced in place of the former scale of 30 rupees to 75 rupees.

The Finance Minister observed that the new pay-scales would benefit almost all employees of the various units of the Corporation. There was also an option clause in the agreement providing for employees who wished to continue in the old company grades, he added. Under the option clause, clerks who opted for the new scales would get an increase in pay of 10 rupees and Class V employees an increase of 5 rupees before adjustments were made in the new pay-scales.

(The Times of India, (Mofussil Edition)
11 May 1957).

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

INDIA - MAY 1957.

41. Agriculture.

Mysore: Coorg Tenants Act, 1957 (Mysore Act 14 of 1957).

The Coorg Tenants Bill (vide page 59 of the report of this Office for April 1957) as passed by the Mysore Legislature received the assent of the President on 26 April 1957 and has been gazetted as Mysore Act No.14 of 1957. The Act regulates the law relating to tenancies of agricultural lands in certain respects in the Coorg District and makes certain other provisions in regard to those lands.

(Mysore Gazette, Extraordinary,
Part IV-2B, 27 April 1957, pp.1-8).

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43. Handicrafts.

India - May 1957.

Problems of Rural Credit: Recommendations of
Co-operative Banks' Conference.

A Conference of representatives of State Co-operative Banks was inaugurated in New Delhi on 10 May 1957 by Shri K.D. Malaviya, Minister for Mines and Power and the President of the All-India Co-operative Union.

The Conference reaffirmed its faith in the efficacy of the solution offered by the Rural Credit Survey Committee (vide pp. 76-80 of the report of this Office for January 1956) for tackling the rural credit problem of the country subject to adjustments recommended by the Indian Co-operative Congress at Patna in 1954 and was of the view that there was no better agency than the co-operative banking system built up on a federal basis, to shoulder the responsibility of providing credit to the rural producer in accordance with his needs and for the economic development of rural areas. It was also of the view that in this task State partnership was essential and had to be reinforced by resources which the Reserve Bank of India alone was in a position to provide.

The Conference noted with satisfaction the progress made in the field of rural credit with the assistance and guidance of the Reserve Bank and was of the view that any attempt to alter the pattern would cut at the very root of rural credit which had been the kingpin of the rural development programme launched by the Government. The Conference, therefore, viewed with concern Press reports to the effect that the rural credit operation machinery of the Reserve Bank of India would be transferred to the State Bank of India.

In this connection the Conference opined that the State Bank of India was by tradition, outlook and administrative equipment, a commercial banking institution and though it could serve the needs of the country in the field of commercial banking, it fell short of the requirements to organise rural credit and would not be in a position to assess correctly or meet adequately the problems and needs of the rural areas regarding credit and production.

The Conference felt that the issues involved in the reported proposal of the Government were of great importance to the future of rural economy and requested the Government of India to assure the co-operative movement that no unilateral decisions would be taken in this regard without consulting the All-India Co-operative Union.

The Conference noted with disappointment the slow progress made in some of the States in the implementation of the scheme of building up an integrated system of rural credit as visualized by the Rural Credit Survey Committee and which was to be jointly shouldered by the co-operative banking system and the Government of each State.

With a view to promoting the objectives of ~~expanding and~~ Government policy in the matter of expanding and strengthening rural economic activity and raising productivity and the living standards of rural workers through a banking system integrated at all levels the Conference made several recommendations. These included the setting up of consultative machinery at the district and apex levels in each State in order to ensure that decisions on development programmes and policies in regard to rural credit are taken jointly by the Government and the Co-operative institution.

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The Conference also resolved to request the Government to expedite the arrangements for the financial partnership of the Government in co-operative credit institutions in all States where such arrangements had not yet been completed.

The Conference further recommended that the State Banks should, through their respective State Co-operative Unions, take steps to organise necessary training facilities and that the Government of India and the State Governments should subsidise such schemes to the extent necessary.

The need was emphasised by the Conference for co-ordinating the activities of the State Bank of India with the co-operative banks in each State and towards this end it recommended that the State Bank of India should invariably consult the apex co-operative bank of the State, particularly in respect of its branch expansion programme.

The Conference urged upon the Central and State Governments the need to constitute immediately the Relief and Guarantee Funds as recommended by the Rural Credit Survey Committee for writing off irrevocable arrears where they assumed a magnitude which threatened the stability of the co-operative credit structure.

(The Statesman, 12 May 1957).

44. Merchant Marine and Fisheries.

India - May 1957.

Merchant Seamen at Calcutta Port: Recruitment,
Health Conditions and Welfare Facilities.

An article in the Indian Labour Gazette, March 1957*, gives a brief account of the recruitment, health and welfare and other working conditions of merchant navy ratings at Calcutta Port.

A) Recruitment.- The people of Eastern India, particularly in the riverine districts of Bengal, have a long tradition of seamen'ship and therefore Calcutta, which is one of the biggest ports in India, became one of the most important recruitment centres for sea-faring personnel of all categories - Deck, Engine and Saloon ratings. Many of the junior deck and engine room ratings of Bengal continued their original agricultural profession while remaining unemployed at their respective village homes, and their visits to Calcutta port for seeking seafaring re-employment was closely inter-linked with their own village economy, and apparently the supply fluctuated from time to time. Hence in order to maintain a continuous flow of deck and engine room ratings, the Government of India started giving pre-sea training to the prospective seamen ratings (aged 18-25 years) since 1950 on training ships, of which T.S. "Bhadra", ~~are~~ ~~subje~~ is stationed in Calcutta. Prospective recruits for the T.S. "Bhadra" are subjected to intensive disciplinary training for 75 days at one of the West Bengal National Volunteer Force Camps of the Government of West Bengal, prior to their joining the training ship for trainings seafarers for 3 months.

* Merchant Navy Ratings at Calcutta Port: by Dr. A.K. Mallik, M.B.B.S., B.P.S., Deputy Port Health Officer, Calcutta and Shri K.C. Roy, M.Sc., B.L., Ex-Principal, Seamen's Welfare Officer, and Director, Seamen's Employment Office, Calcutta.

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Recruitment of saloon ratings was formerly done by the shipping master but now it is conducted by a selection committee consisting of the Director, Seamen's Employment Office, the shipping master, the captain superintendent of T.S. "Bhadra", and a representative each from the ship-owners and seafarers.

It is believed that regular recruitment of seamen from the Indian sub-continent started some 85 years ago. In Calcutta there were licensed shipping brokers for the supply of ratings, the system, however, being abolished in 1922, but the most important agency for the supply of seamen, namely, the various recruiting agents of the shipping companies, continued till 1941. Whenever a ship required crew, the company's recruiting agent was informed of her requirements by the captain of the ship. The agent recruited some butlers and deck and engine serangs who were brought before the shipping master, and the final engagement of the butler, the deck serang and the engine serang of the ship was made from amongst them by the captain of the ship or his representative in the presence of the shipping master. The selected deck and engine-room serangs and the butler who were in charge of the deck, engine-room and saloon ratings, respectively, then collected their own crew according to their own choice and produced their men before the captain of the ship, after whose approval they were finally selected for engagement.

Various improvements of the method of recruitment were being considered and in 1941 the "open-muster" system for selection of crew was introduced as a first step. According to this system, the agents or the master of a ship informed the shipping master of their requirements. All seamen ratings with C.D.C.s* (Nullios), desirous of employment on that ship, had to muster at the appointed place and time according to their individual categories, viz., serangs, butlers, seamen, coal trimmers, etc. The selection was made by the master of the ship or his representative in the presence of the shipping master, preference being given to those who were unemployed the longest and also to those who had had war service to their credit. Selection by the serangs, which was so prevalent earlier, was strictly prohibited so that every seaman could get an equal opportunity for employment.

* It is a certificate of service and engagement, affixed with a photograph of the individual seaman and was introduced in December 1926, so that only bonafide seamen could be engaged for sea-service.

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In 1947 the Joint Supply Office was established under the Calcutta Maritime Board formed by the representatives of the Government, employers and employees, with a view to having a single source for the supply of all seamen. The Board used to lay down general policies which were executed by the two Joint Secretaries (one from the employers' side and the other from the employees' side) at the Joint Supply Office. At first, recruitment of engine-room ratings, and later on also that of saloon ratings, was taken over by the Joint Supply Office as an experimental measure, whereas selection of deck ratings continued to be held under the direct supervision of the shipping master from the "open muster" as before. Engine-room and saloon ratings, desirous of employment, had to register their names at the Joint Supply Office which was responsible to offer them employment after issuing them with muster cards. One of the objectives of the Joint Supply Office was to supply seamen according to rotation as far as practicable.

Pursuant to the recommendations made at the Asian Maritime Conference held in October 1953, at Nuwara Eliya in Ceylon under the auspices of the International Labour Organisation, the Government of India decided to take over the control over the supply of crew at Indian ports and the Seamen's Employment Office was set up at Calcutta in March 1955, with the object of offering jobs to seamen on the principle of rotation ('late by late'), with the consequential closing down of the Joint Supply Office at the end of July 1955. According to this scheme, a seaman is required to register his name with the Seamen's Employment Office if he is desirous of future employment, and each seaman has the option of registering his name in the roster of a particular Company - of course, with the latter's necessary endorsement - so that he can be offered employment in ships belonging to that Company only, or he may have his name registered in the General Roster, i.e., without any preference for a particular shipping line. The Government of India has also constituted a board (Seamen's Employment Board), consisting of equal number of representatives from the various interests concerned, to discuss problems relating to employment of seamen and make recommendations within the frame-work of the Seamen's Employment Office Rules.

Out of an estimated total of about 40,000 experienced seamen available for employment at the port, approximately 36,000 have been found medically fit up to 31 December 1955 according to the prescribed standards. The number of seamen annually employed is about 26,000 whereas at any given time roughly 18,000 seamen remain afloat. The waiting period varies in individual cases depending on the vacancies on the ships and the economic return of the secondary occupation they are following, viz., agriculture, shore employment, etc. An analysis of seamen coming up for next employment is given below:-

Waiting on shore (period in months).	Percentage of total population of seamen seeking re-employment	
	Before setting-up of the Seamen's Employment Office.	After setting up of the Seamen's Employment Office.
0-3	3.6	83.6
-3	7.1	12.8
-12	15.0	3.6
-18	23.3	
-24	13.9	
-30	8.0	
- 36	8.7	
-48	11.6	
-60	4.3	
60 +	4.5	

For sea-services, seamen are 'signed-on' on the Articles of Agreement to serve for 12 months (extendable to 18 months only), but as a matter of fact, on an average, a seaman performs a voyage lasting only 7.5 months, although in some cases a voyage may last for less than 3 months, while in others it may extend beyond 12 months, as will be seen from below:-

Duration of voyage (in months).	Estimated percentage of seamen population afloat	
	Before setting up of the Seamen's Employment Office.	After setting up of the Seamen's Employ- ment Office.
1-3	7.8	7.2
4-8	65.1	61.2
9-12	23.5	24.5
13-18	3.6	7.1

On signing on, a seaman is paid one month's wages in advance to help him make necessary purchases for the voyage, and thereafter he is also permitted to make an allotment from his wages which is disbursed to the allottee by the Shipping Master of the Port, and he is also paid advances during voyage, if necessary.

After the completion of a voyage, a seaman has to wait a little before he may be re-engaged, unless the duration of his previous voyage is less than 9 months or there is any shortage of seamen of that particular category at the time of recruitment.

The estimated percentage of experienced seamen in the different age-groups are as follows:-

Age (in years).	Percentage.
18-30	11.6
-40	30.9
-50	34.4
-60	20.5
60 +	2.6

The minimum and maximum age-limits for sea service are 18 years and 60 years respectively, but as a temporary measure seamen above 60 years but not exceeding 65, are also allowed in view of their experience. The estimated percentage of deck, engine-room and saloon ratings among the whole seamen population are 37.2, 38.4 and 24.4 respectively.

On an average, about 50 crews are engaged in the three departments on cargo vessels of about 7 to 10 thousand tons. After the termination of their voyage they are paid off in the presence of the shipping master within 5 days from the date of their discharge from the Articles of Agreement. They are also paid one day's leave salary for each completed month of service and are generally given time-off in lieu of overtime. In case of accidents with the ~~Workmen's~~ occurring in the course of duty they are paid compensation in accordance with the Workmen's Compensation Act. In the event of loss of baggage, compensation also is paid to them.

Rates of Pay.- The rates of pay for some of the categories of Indian ratings in the foreign-going vessels are given below:-

Categories.	Wages per month
	<u>Rs.</u>
<u>SALOON</u>	
Steward.	336
Butler.	276
Ship's Cook.	276
Butcher.	216
Butcher's Mate.	125
Chief Saloon Boy and Head Waiter.	186
Dk. Steward.	186
1st Class Pantryman.	201
General Saloon Servant.	168, 160 & 150
1st Dhobee.	201
Bhandary.	125
Chief Cook.	276
Half G.S.	75

Table continued:-

Category.	Wages per month.	
	Rs.	
<u>DECK</u>		
Deck Serang.	246	
1st Tindal.	177	
2nd Tindal.	150	
Winchman.	140	
Lascar.	90	& 125
Lascar Boy.	60	
Bhandary.	125	
Carpenter.	360	
<u>ENGINE ROOM</u>		
Fireman Serang.	246	
Fireman 1st Tindal.	171	
Fireman 2nd Tindal.	180	
Winchman.	140	
Greaser and Oil Man.	130	
Fireman.	115	
Bhandary.	125	
Lampman.	130	
Drivers 1st Class.	240	
Drivers 2nd Class.	200	

As a seaman has to wait on shore unemployed for some period, his net average monthly income, calculated on a long-term basis, is consequently much reduced, and in addition, during the period of unemployment he loses the benefit of free accommodation and food on board (approximately 67 rupees 8 annas per month).

B) Health Condition of Ratings.- Prior to engagement for sea-service, a seaman has to be considered physically fit by a medical officer for the work which he is going to be employed on board the vessel. The state of physical fitness among seamen (excluding prospective seamen) as revealed by the Government Medical Examination Scheme, during the first day of examination, is given below:-

Nature of Physical Fitness.	During	During
	1st Cycle.	2nd Cycle.
	Per Cent.	Per Cent.
Fit in all respects.	60-65	63
Temporarily fit requiring further check-up after 6 months or one voyage.	10-15	14
Temporarily unfit requiring further treatment or investigation.	20-30	22
Permanently unfit.	3-4	1

Seamen requiring treatment or investigation are sent to the Seamen's Clinic (if unemployed for less than a year) or to the local State-managed hospitals through the Principal Seamen's Welfare Officer (if unemployed for more than one year). Those requiring specialists' opinions or special laboratory investigation reports are sent to State-managed hospitals, wherefrom the necessary reports can be obtained at concessional rates (usually 50 per cent less than the scheduled rates laid down for the general public - in some cases even less than this*). Majority of these seamen re-appear before the Seamen's Medical Examination Organisation after the completion of treatment or investigation or after obtaining the necessary opinion of the respective Specialists, and amongst them roughly 70 per cent are subsequently declared fit for sea-service, so that ultimately only 10-12 per cent of the total number of seamen examined remain temporarily unfit and the final percentage of fit seamen, including those of shorter duration, increases to roughly 85 per cent.

During the first cycle of medical examination by the Seamen's Medical Examination Organisation it was revealed that roughly 28 per cent of the seamen population suffered from diseases or defects though some of them were declared fit for sea-service according to the physical standard laid down by the Government. Of these, however, about 15 per cent had more than one disease.

The ^cCommonest diseases or defects observed among the seamen are: Poor vision - 12.9 per cent; Lung diseases - 5.8 per cent; Inguinal diseases - hernia - 3.1 per cent; Hypertension - 2.3 per cent; Chronic Otitis Media - 1.5 per cent; and Albiminuria - 1.3 per cent,

It has been observed that many of these above diseases could be definitely classified as "hazards of the seafaring profession", and as such even amongst those seamen who had previously been examined and found fit in all respects by the Seamen's Medical Examination Organisation, 6.82 per cent, 3.09 per cent, 0.83 per cent, 0.48 per cent, 3.76 per cent, 2.74 per cent, 0.86 per cent and 0.51 per cent subsequently developed poor vision, lung disease, glycosuria, heart disease, hypertension, inguinal hernia, otitis media and miscellaneous diseases respectively within 2-1/2- 3 years. Moreover, apart from age, sea voyage itself affected the health of elderly seamen aged above 50 years, mainly in the form of deterioration of vision and increase of blood pressure.

* The Government is expected to shortly announce the detailed procedure on the question of bearing the cost of all laboratory and other necessary tests in respect of seamen declared temporarily unfit.

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It is rather surprising that both age and voyage experience affected the saloon ratings more adversely than the deck and engine hands although it was expected that the latter two would suffer more because of their very strenuous nature of work, usually under very trying condition. The probable reasons for such observations may be due to the fact that the majority of the saloon ratings, being recruited from urban areas, are habituated to lead a very dissipated life, whereas the deck and engine room ratings being recruited mainly from the rural areas keep up their rural tradition of simple life even during sea voyages, and, in addition, the former have no fixed hours of work on board vessels while the latter two have regulated working hours.

C) Welfare facilities.— Prior to World War II, welfare facilities for the ratings at the port was scanty. However, during the War, amenities offices for seamen (one for the British and Allied Seamen and the other for the Indian Seamen) were established at Calcutta. These offices were later amalgamated into one as the Seamen's Welfare Office, with the Principal Seaman's Welfare Officer as its head, to look after the welfare of all seamen, irrespective of caste, creed and nationality. At the same time, two advisory bodies known as the Welfare Committee for British and Allied Seamen and a similar body for the Indian Seaman, composed of representatives of shipowners, seamen and the Government, were formed under the chairmanship of the chairman of the Commissioners for the Port of Calcutta, to advise the Government of various matters connected with the improvement of the condition of seamen at the port. These committees also were subsequently amalgamated into one and reconstituted as the Merchant Seamen's Welfare Committee. Welfare facilities available at present at the port can be described under three heads, viz., accommodation, medical and miscellaneous facilities.

(a) Accommodation.— On Ships: Excepting for the leading ratings, the crew members are accommodated in cabins fitted with bunks, where they have to share the room with others, depending on the arrangements for quarters on the particular ship.

On Shore: As early as 1837, a Sailors' Home was opened in Calcutta as an 'information bureau' by a voluntary organisation known as the Sailors' Home Committee which was later on converted in 1925 into the Seamen's Welfare Association. Although the home was supposed to be open to seamen of all nationalities, in practice it was supposed to be open to seamen of all nations catered mostly for the European seamen only. Hence even when the home was replaced in 1929 by a new residential institution known as the Marine Club with all modern amenities and recreational facilities, swimming pools, etc., very few Indian ratings took advantage of it and they preferred to live in privately owned houses, known as 'lathis', when they had to wait at the port for future re-employment.

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Seamen used to huddle together like cattle in those houses where sanitary arrangements for cleanliness, drinking water, ventilation, lighting, latrine, etc., were most unsatisfactory. Still these houses are very popular with seamen because they can live there under the credit system. The 'lathi house' owners advance them money on high interest which the seamen have to pay back after securing employment.

With a view to improving the living condition of seamen at the port the Government of India started the Indian Seaman's Club in 1944 in a rented building where recreational facilities also were provided. As the club became more and more popular and as lack of space was being keenly felt, a more spacious Seaman's Home - Nabik Griha - was built in 1954 to replace it. The Nabik Griha is a fully furnished residential house where unemployed seamen, irrespective of caste, creed and nationality, can stay at a nominal charge of -/4/- annas only perhead per day, for which they get the facilities of bed, bedding, linen, light, electric fan, locker, etc. They can have their meals on a-la-carte basis, at cheap rates, in the attached Canteen having a well-equipped Dining Hall. Recreational facilities as gramophone with records, radiograms, several indoor and outdoor games, equipment for gymnastic exercises, daily newspapers, pictorial magazines, and loan of books from the attached library are also available free to the boarders.

(b) Medical: On Ships.- Each cargo ship has to carry a medical chest, in charge of the second officer, containing medicines, etc., as per scale laid down by the Government of India and checked by the Port Health Organisation. Seamen are given first aid and other medical assistance in minor ailments by the second officer; other-wise they are sent to hospitals whenever necessary. In case of any emergency occurring on high seas, the ship can obtain prompt medical advice from shore over the wireless. If a seaman is hospitalised in any foreign port during his engagement, he is paid full wages for 12 weeks from the date of his admission into the hospital or discharge from the ship, and thereafter 2/5ths of his wages till the date of his placement on a ship for repatriation, whence he is again paid his full wages.

On Shore.- Formerly the expenditure incurred on the treatment of seamen in local hospitals used to be met from the Hospital Port Dues Fund, a statutory fund raised from the shipowners, on a tonnage basis, under the Indian Ports Act, 1908; this fund was, however, closed in 1944. Meantime, in 1937, the Seamen's Welfare Association opened a clinic for the seamen (Seamen's Clinic) for venereal diseases, dental diseases, and outdoor treatment of other diseases. This clinic was later on taken over by the Central Government in 1948, so that free medical relief like general outdoor treatment, treatment for V.D. and dental disease cases, and clinical laboratory investigation, could be rendered in a more organised manner to seamen 'on-articled' or 'off-articled within one year of discharge'. Regarding seamen who are off-articled (unemployed) for more than one year, the Principal Seamen's Welfare Officer renders all assistance in arranging their treatment either as outdoor or indoor patients in the local State-managed hospitals.

The expenditure connected with the treatment of 'on-articled' seamen is borne by the shipowners employing them, and the Government has undertaken the responsibility to meet the cost of hospitalisation of seamen off-articled up to one year of discharge, whereas seamen off-articled beyond this period are considered at par with the general public so far as hospitalisation is concerned. Accordingly beds have been reserved for seamen in the local State-managed hospitals. Once admitted into a hospital under the scheme, a seaman may not be discharged until completion of his treatment, even if it might go beyond the off-articled one year period. There is also a proposal, now under the consideration of the Government, to have a separate hospital exclusively for the seamen.

National Welfare Board for Seafarers. - Following the recommendations made at the Asian Maritime Conference held in October 1953, at Nuwara Eliya (Ceylon), the Government of India has set up a National Welfare Board for Seafarers, composed of the various interests concerned, under the Chairmanship of the Minister for Transport, Government of India. The function of this Board will be to advise the Government on matters relating to the welfare of seafarers.

The shipowners and the seafarers have recently reconstituted the Maritime Board at the port whose functions, inter alia, would be to settle the terms and conditions of service of seafarers, other than employment.



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Chapter 5. Working Conditions and Living
Standards

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

India - May 1957.

Medical Aid to Miners: Government aid to Employers.

The Government of India has sanctioned a scheme for the grant of financial assistance to colliery owners for providing dispensary services. Under the scheme, the assistance will be given in the shape of interest free loan from the Coal Mines Labour Welfare Fund. The amount of such assistance will, however, be equal to the actual cost of construction of new dispensaries or for improvement of existing dispensary buildings and/or purchase of equipment therefor subject to certain limits and conditions.

(Indian Labour Gazette, Vol. XIV, No. 9,
March 1957, page 734).

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Workers' Education in U.P. : Study Tour by
Trade Union Leaders of India.

Trade union leaders of U.P. will soon have an opportunity to see the working of trade unionism and labour welfare activities in different parts of the country under a study tour scheme sponsored by the State's Labour Department.

The scheme envisaged two to three week's tour by batches of trade union leaders. The tour will cover important industrial centres under the guidance of a senior officer of the Labour Department.

For the purpose of study tours the country is being divided into three zones - Southern, Eastern and Central. The Southern zone includes Mysore, Bangalore, Hyderabad, Madras, Bombay and Ahmedabad, while Tatanagar, Patanagar, Calcutta and Bihar coalfields have been included in the Eastern zone. The Central Zone comprises Indore, Bhopal, Nagpur, Jabalpur, the manganese and coalfields in Madhya Pradesh and Delhi.

For the present, it is proposed to send batches of 10 to 12 leaders to each of these regions.

(The Hindustan Times, 22 April 1957).

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Welfare Activities in Coal Mines: Review of Activities
Financed from the Coal Mines Labour Welfare Fund during
the Year 1955-1956.

The following information regarding the activities of the different sections of the Coal Mines Labour Welfare Fund Organisation for the year 1955-56 is taken from the annual report on the activities of the Coal Mines Labour Welfare Fund for the same year*.

Legislation.- The Coal Mines Labour Welfare Fund Rules, 1949, were amended during the year so as to provide for payment of remuneration at prescribed rates to a member of the Committee in respect of journey undertaken by him. Another amendment specifies the circumstances under which grant-in-aid may be paid to the owner or agent of the colliery and the circumstances under which it may be utilised.

Study Group.- The study group appointed by the Labour Ministry for the purpose of quick review of the welfare work under the Coal Mines Labour Welfare Fund and for making recommendations for improvement and acceleration of welfare activities made several recommendations. The main recommendations were:-

- (a) provision of open spaces or "lungs" for coal-miners;
- (b) provision of smokeless "chulas" in the miners' houses;
- (c) rehabilitation of Bhuli; (d) construction of miners' houses direct by the Fund; (e) improvements in the activities of the Multipurpose Institutes; (f) supply of milk and tiffin to children attending the centres;
- (g) arrangements for visits of doctors to the multipurpose institutes to examine the health of children; (h) provision for increasing the number of cinema vans; (i) supply of artificial limbs, teeth and spectacles free of cost to miners;
- (j) expansion of the maternity and dispensary services;
- (k) provision for increased facilities for treatment of T.B. cases;

* Government of India, Ministry of Labour, Report on the Activities of the Coal Mines Labour Welfare Fund, 1955-1956. Printed by the Manager, Government of India Press, Nasik Road, 1957, pp. 59.

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(l) family counselling service; (m) grant of scholarships to miners' children for education; (n) vocational and technical training facilities for the minors' children; (o) provision of wells in the coalfields; (p) financial assistance for widows and school going children of miners who met with fatal accidents; (q) fixing target dates for projects, issue of monthly bulletins etc.; (r) training of welfare personnel; (s) rehabilitation of disabled miners; and (t) appointment of lady welfare workers for demonstration in better living standards.

Hospitals and other medical facilities. During the year under report, the Central Hospital, Dhanbad, entered into the 5th year of its existence rendering specialised treatment, particularly to the colliery workers, for whom it is primarily intended. Almost all the equipments required for the day-to-day working of the hospital were received and put into commission. The number of patients exceeded the sanctioned bed strength of 122. A proposal for increasing the bed strength to 250 beds with proportionate increase in staff and other items was under consideration and the expansion scheme was sanctioned in April 1956.

A separate building for the Rehabilitation Centre was constructed during the year under review. Almost all the major items of equipments for the Rehabilitation Centre were received, installed and put into commission. The centre continued to render useful service to the patients.

Under the scheme for supplying artificial limbs to disabled coal miners from the Military Artificial Limb Centre, Poona, at the expense of the Coal Mines Labour Welfare Fund, the first batch of 4 disabled miners was sent to Poona where they were provided with artificial limbs.

Family Counselling Centres at the Central Hospital, Dhanbad and at the Regional Hospitals where there were Lady Doctors continued to function. They were becoming popular.

During the year under review another notable feature was the introduction of Recreation Sections to the Central Hospital, Dhanbad and all the Regional Hospitals. A Social Worker was attached to the Central Hospital, Dhanbad, who attended to the personal and domestic correspondence of the inpatients and helped the patients to learn elementary lessons in Hindi.

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Central Hospital, Kalla (Asansol).- The hospital started functioning from 9 April 1955. The hospital is popular and the influx was so great that it reached a peak figure of 220 against the sanctioned strength of 165. The proposal for increasing the bed strength to 250, similar to that of the Central Hospital, Dhanbad, was examined and a concrete scheme therefor was under consideration of the Government of India.

Starting of a Rehabilitation Centre similar to that at Dhanbad was sanctioned and steps for procurement of equipments and recruitment of staff were taken. A Social Worker was attached to the Central Hospital, Asansol, who rendered very useful service to the patients on the same lines as other at the Central Hospital, Dhanbad. A recreation section was also started and full advantage of it was taken by the patients.

Regional Hospitals in Bihar and West Bengal.- Four regional hospitals and maternity and child welfare centres at Tisra and Katras in the Jharia coalfield and Chora and Searsole in the Raniganj coalfield entered the 8th year of their existence and continued to render useful services.

The following statement shows the total number of cases (old and new) treated at the hospitals:-

	<u>Indoor Patients.</u>	<u>Outdoor Patients.</u>
Katras -----	12,064	16,807
Tisra -----	11,873	14,170
Searsole -----	7,358	18,270
Chora -----	7,399	10,086

Other regional hospitals.- Construction work of a 30-bed regional hospital at Jamai in the Penn Valley coalfield had made satisfactory progress and was nearing completion. The reservation of beds at the Barkui Hospital of Messrs Shaw Wallace and Co. Ltd., could not be finalised as the Madhya Pradesh Coalfield Sub-committee recommended that the question of reservation of beds at the Government Hospital, Chhindwara might be examined. The construction of a regional hospital at Dhanpuri had made considerable progress.

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Provision of a mobile medical unit for the Mugma coalfield was sanctioned and steps were taken for its procurement. It was decided that the static dispensary at Mugma would close after the Mobile Medical Unit started functioning. The question of having a dispensary at Laitryngew in the Assam coalfield in a rented building for the present was under consideration.

A dispensary at the Bhuli Township continued to function satisfactorily. The number of cases treated at the dispensary during the year under review was 25,670 as against 17,877 during the previous year.

A dispensary continued to function at the Mugma in the Mugma coalfield and 8,209 cases were treated during the year under review as against 6,276 cases during the previous year.

Maternity and Child Welfare Centres.- Three maternity and child welfare centres in charge of lady doctors, two at Katras and Tisra in the Jharia coalfield and one at Chora in the Raniganj coalfield continued to function. The maternity and child welfare centre at Searsole did not function fully as the lady doctor was not in position. Pre-natal and post-natal care to workers' wives and other female dependents in the Sambalpur and Talcher coalfields was given by the lady health visitor posted in the Sambalpur coalfield.

Anti-T.B. measures.- The two T.B. clinics at Katras in the Jharia coalfield and Searsole in the Raniganj coalfield continued to function well during the year under report. For treatment of colliery workers suffering from T.B., beds were reserved in different recognised sanatoria. Six beds were reserved in the Pendara Road Sanatorium in the Korea Coalfield, 5 in Government T.B. Hospital, Chhindwara in the Pench Valley coalfield and 5 in the Government T.B. hospital Nowgong in the Vindhya Pradesh Coalfield. Continuance of the scheme for treatment of 2 T.B. patients at the Christian Mission Hospital Jorhat in the Assam coalfield was sanctioned.

A non-recurring grant of 150,000 rupees was paid to the Ramkrishna Mission T.B. Sanatorium authorities at Ranchi for construction and equipment of a 30 bed T.B. ward for treatment of colliery workers, suffering from T.B. Patient Payment was made in July, 1955 and according to the terms of the agreement the ward should be completed within a year from the date of payment. Pending construction of the ward the Sanatorium authorities agreed to reserve 5 beds at the Ramkrishna Mission T.B. Sanatorium.

The question of having two 100-bed T.B. hospitals, one in the Bengal coalfield and the other in the Bihar coalfield was under examination.

A proposal from the Singareni Collieries Company Limited in the Hyderabad coalfield, for Domiciliary T.B. treatment was under consideration.

Leprosy relief.- The 12-bed ward constructed out of a grant from the Fund at the Tetulmari Leprosy hospital for which the Fund also pays a recurring grant for the maintenance of the ward continued to function well. Construction of another 10-bed ward for which the Fund would pay a non-recurring grant of 20,000 rupees was taken in hand.

The Fund made non-recurring grant for construction of a 24-bed ward at Asansol in the Raniganj coalfield.

Assistance to colliery owners.- During the year under review 49 dispensaries were inspected by the inspecting medical officers of the fund and 44 of them were found conforming to the standard. The following table denotes the payments of grants-in-aid for the year 1950, 1951, 1952, 1953 and 1954:-

<u>Year.</u>	<u>Amount Paid.</u>		
	Rs.	A.	P.
1950	97,931	15	9
1951	160,244	1	0
1952	169,059	2	3
1953	292,654	12	3
1954	215,462	6	0
	Provisional.		

Anti-Malaria operations.- Malaria control operations were continued in the Jharia, Raniganj, Hazaribagh, Ponch Valley, Chanda, Korea, Margherita, Talcher, Sambalpur, Singareni and Ranchi District coalfields throughout the year. The main programme of work was interception of transmission by residual insecticidal spraying of dwelling and cattle sheds. During the spraying season, on an average 174 stirrup pump squads worked per day and a total of 268,000 units were sprayed per round.

Besides insecticidal spraying programme, oiling of water collection on a restricted scale was also carried out; imported labourers from hyperendemic areas were given weekly suppressive paludrine treatment.

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Study of parasitaemia in fever cases was done in Jharia, Raniganj, Hazaribagh and Pench Valley coalfields. A total of 11,852 blood slides of fever from different collieries were examined; 348 only were positive for malaria parasite. This small number of positive slides indicate a very low transmission of malaria.

Schools.- Grant-in-aid was continued to be paid to the three primary schools in Talcher, four in Hyderabad and one in the Assam Coalfield and also to the Lahiri High School in the Korea Coalfield.

In the Hyderabad Coalfield, the State Government continued to run the eight primary schools in the buildings constructed from the Coal Mines Labour Welfare Fund. A sum of 12,000 rupees from the Fund was sanctioned for purchase of equipment to the schools. A proposal for grant of a loan of 18,000 rupees to the St. Mary's School for extension to the school building was approved by the Advisory Committee and sanctioned by Government. Non-recurring grant-in-aid of 250 rupees each was sanctioned for purchase of equipment to two primary schools in the Jharia Coalfield.

Miners' Institutes.- The scheme for the construction of miners' institutes consisting of an adult education centre, a women's welfare centre and a children's corner, continued to make steady progress. Of the 55 institute buildings sanctioned for construction, 34 had been completed and six were under construction.

In respect of eight buildings, the construction of which could not be started during the year, negotiations with colliery owners concerned for gift or lease on payment of a nominal rent of suitable places of land on reasonable terms, were in progress.

Government were requested to sanction construction of five additional Multipurpose Institute buildings, three in the Raniganj coalfield and one each in the Korea and the Pench Valley coalfields.

Centres for Welfare of Women and Children.- Up to the end of the last year, 55 centres were sanctioned of which 44 were functioning in different coalfields including the women's welfare-cum-maternity and child welfare centre in the Hyderabad coalfield. Three new centres were opened during the year under review, one each at Bagmara in the Jharia coalfield, at Swang in the Bokaro coalfield and at Birsinghpur in the Vindhya Pradesh coalfield.

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The centres continued to provide elementary education to workers' children upto class II and vocational training to workers' wives and other female dependents. Home visits and talks on health, hygiene, sanitation etc., were also continued.

At each centre one sewing machine and other materials required were provided for training of ~~kamins~~^{UDALWA} in handicrafts which comprised knitting, embroidery, repairing of old garments and making of garments for the children attending centres. With a view to encouraging them to take up this vocation as a cottage industry venture, a sum of 1,246 rupees and 5 annas was paid to them as their wages.

Adult literacy classes were introduced to encourage the kamins to learn reading and writing. Two hundred eighty-two kamins attended the adult literacy classes in the different centres and every effort was made by the field workers to increase the number by giving effective talks to the kamins while visiting the Dhowrahs.

Adult education centres. - Up to the end of the last year 55 adult education centres had been sanctioned of which 40 were functioning in the different coalfields including the Hyderabad coalfield. During the year under review 4 new centres were opened at Loyabad and Baghmara in the Jharia coalfield and Bokaro II and Swang in the Bokaro Coalfield.

Out of 44 centres opened, 35 were functioning in the Miners' Institutes constructed by the Fund and the rest in accommodation offered by the colliery owners except one at Baghmara in the Jharia coalfield which was functioning in the Fund's own building. Efforts were made to obtain suitable accommodation for opening the remaining centres.

The daily attendance at the centres differed from place to place depending upon various factors but on an average 50 to 70 persons attended a centre daily either for recreation or for literacy purposes. During the year under review more than 4,000 workers were enrolled at these centres. A total number of 3,671 adults were made literate upto the end of the year.

In order to improve the activities at the centres, a proposal to increase the expenditure on running the centres, was approved by the Advisory Committee. A scheme for establishment of 35 new adult education centres in the midst of workers' residences at the collieries in the various coalfields was also approved by the Advisory Committee. Steps for implementation of some of the suggestions made by the Study Group and the Adult Education Expert of the Union Ministry of Education for improving the activities of the adult education centres were taken.

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Housing.— The Coal Mines Labour Housing Board has constructed in all 1,566 houses at Bhuli, 48 at Bijohnagar, 219 at Bokaro, 180 at Kargali, 50 at Giridih, 50 at Bhurkunda and 40 at Kurasia.

Five hundred and fortyone houses were lying vacant at the close of the year.

The outline of a new scheme for construction of miners' houses to be entirely financed from the accumulated balance in the Housing Account of the Coal Mines Labour Welfare Fund was discussed in a meeting of the employers' and Workers' representatives held on 20 December 1955 and by the Coal Mines Labour Welfare Fund Advisory Committee on 21 December 1955. The main features of the proposed scheme were as follows: (1) The houses should be constructed at the colliery premises in small blocks of about 20 each and the land required should be leased out by the colliery owners to the Housing Board on a nominal rent for a term of 40 years. (2) The colliery owners should be responsible for annual maintenance and repairs to the houses at their own expenses and should also provide sanitary services, light and water supply for the houses. (3) The colliery owners should pay to the Housing Board a monthly rent of 2 rupees per house per month irrespective of whether the houses were occupied or not.

The scheme was under consideration of the Government of India.

Under the old subsidy scheme 1,603 houses are reported to have been completed. Out of 1,603 houses reported as complete, claims in respect of 1,571 houses for subsidy amounting to 1,084,256 rupees 8 annas and 10 pies were received. Sanction to the payment of a total sum of 1,044,406 rupees 14 annas and 3 pies for 1,533 houses was received and payment made to colliery owners.

Applications of 48 Collieries for the construction of 2,756 houses under the scheme were sanctioned. Out of 2,756 houses, 274 houses were reported as complete and 387 houses under construction.

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Water Supply.- Details of the implementation of the Damodar Water Supply Scheme of the Jharia Water Board remained under consideration of the State Government of Bihar also during the year 1955-1956.

At its meeting held on 16 March 1956, the Coal Mines Labour Welfare Fund Advisory Committee considered a request of the Jharia Water Board for the grant of a sum of 120,000 rupees only for augmenting the Board's Water Supply arrangement and agreed to the payment of the grant.

The Government of India sanctioned payment of a sum of 27,000 rupees to the West Bengal Government for undertaking a survey for preparing a scheme for water supply in the Raniganj Coalfield.

Wells.- One of the recommendations made by the Study Group was that in order to improve water supply at various collieries a scheme for the sinking of wells should be prepared. In pursuance of this, a circular letter to 939 colliery companies requesting them to furnish the information was issued. The information was furnished by 401 collieries. On the basis of information collected, the matter was considered at a meeting of the Advisory Committee held on 11 July 1955 and the Advisory Committee decided that the Chairman of the Coalfield Sub-Committees might be informed about the amount available for sinking wells and that they should select sites in order to undertake this work. It was also decided that the scheme might be tried in Madhya Pradesh and Vindhya Pradesh. Detailed schemes furnished by Hazaribagh, Hyderabad, Orissa and West Bengal Coalfields Sub-Committees were considered by the Advisory Committee, and the Committee decided that the Coal Mines Welfare Commissioner be authorised to incur expenditure up to the estimated amounts shown above provided he was satisfied after consultation with the respective Coalfield Sub-Committee that the schemes were satisfactory and feasible.

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Accounts.- The Coal Mines Labour Welfare excise duty continued to be levied at annas six per ton of coal and coke despatched from collieries. On the despatches by rail collections were made by the railways and a total sum of 11,799,050 rupees was credited to the Fund. On the despatches by means other than rail the collections were made departmentally from the individual collieries and a sum totalling 589,904 rupees was credited to the Fund. The proceeds were distributed between the Housing Accounts and the General Welfare Account in the ratio of 2:7. A total sum of 1,434,062 rupees was credited to the said accounts on account of 'other receipts'.

A total sum of 13,823,016 rupees was credited to the Fund.

A total sum of 6,527,218 rupees was spent from the Fund on various schemes.

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56. Labour Administration.

India - May 1957.

Punjab: Annual Report on the Working of the
Factories Act, 1948, during the year 1954.

According to the review by the Government of Punjab on the working of the Factories Act, 1948, during the year 1954, the number of registered factories in the State rose from 1,953 to 2,120 during the year with an average of 53,012 workers against 44,324 of the previous year. These included 2,486 women, 45 adolescents and 277 children. During the year under report 240 new factories were registered while 73 factories were removed from the list of registered factories. A total of 648 registered factories did not submit the prescribed returns of workers and suitable action was taken against them.

Out of 2,120 factories 37 did not work during the year. A total of 647 factories were inspected once, 413 twice, 98 thrice and 65 more than three times. Many unregistered factories were visited to see if they came within the purview of the Factories Act.

Accidents.- In all, 2,219 accidents were reported during the year under report in the various factories against 1,950 in the previous year. Of these, 17 accidents proved fatal while the number of such accidents proved reported during the previous year was 22. The rise in the number of accidents was due to the increase in the number of registered factories.

Prosecutions.- A total of 5,026 prosecutions were launched against the managements of the factories for contravention of the various provisions of the Factories Act. Of these, 1,100 cases resulted in convictions and 1,142 were pending in courts, at the close of the year and their results have not yet been communicated to Government. The results of the remaining cases have been received but have not been tabulated. The total amount of fines imposed was 19,144 rupees.

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Industrial Housing.- During the year under report 200 houses at Amritsar and 124 at Eudhiana were constructed by Government under the subscribed industrial housing scheme of the Central Government.

Industrial Relations.- Sixty-six strikes took place in the various factories during the year under report, while 2 strikes had been continuing from the previous year. All these strikes were called off during the year under report. Of these, 52 were settled through conciliation or negotiation, two were referred to the Labour Appellate Tribunal, and only in four cases were the workers either discharged or replaced. A total of 5,913 workers took part in these strikes resulting in a loss of 68,888 man days.

Health and Welfare.- The general health of factory workers continued to be satisfactory. No serious epidemic or occupational disease was reported. Free medical dispensaries were functioning in almost all the big hills and with the introduction of the Employees' State Insurance Scheme, the position improved still further. Sanitary arrangements provided by a majority of factories were satisfactory. However, much remains to be done in this direction by a large number of the smaller concerns located mostly in rented or evacuee buildings.

Arrangements for the supply of drinking water continued to be satisfactory and there was also noticeable improvement in the provision of washing facilities for workers. Additional vents, ventilators, sky-lights and windows were provided in many factories. As a measure of labour welfare, many factories employed labour welfare officers. Seven labour centres started by Government in the various industrial towns continued to serve the industrial workers and showed encouraging results.

The safety provisions of the Act were generally well-observed. The factories which were found to be delinquent in this respect were made to comply with them through prosecutions, where necessary.

(Supplement II, Punjab Government Gazette,
26 April 1957, pp. 65-66).

Chapter 6. General Rights of Workers.

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

India - May 1957.

Payment of Wages (Madras Amendment) Bill, 1957.

The Government of Madras published on 10 April 1957 the text of a Bill further to amend the Payment of Wages Act, 1936, in its application to the State of Madras.

The Statement of Objects and Reasons to the Bill declares that under section 7(2)(d) of the Payment of Wages Act, 1936 (Central Act IV of 1936), deductions for house-accommodation can be made only when the accommodation is supplied by the employer. One of the resolutions adopted at the Conference of the Housing Ministers held at Simla in June 1955 was that the Payment of Wages Act should be suitably amended to enable the State Governments to recover the rent directly from the wages of the workers concerned when they provide housing accommodation for the workers. Under the Subsidized Industrial Housing Scheme, the Government of Madras are building colonies at Sembium and Erukanchery for the industrial workers, and the houses will be ready shortly for allotment to industrial workers. It has therefore become urgently necessary to amend section 7(2) of the Payment of Wages Act, with a view to authorise the employer to make deductions from the wages of workers on behalf of the State Government, or a Statutory Housing Board or such other agency, as the State Government may notify, for house-accommodation provided by such authorities.

Consequent on the above proposal, it is also proposed to introduce a new provision in the Payment of Wages Act (section 11-A) to empower the State Government to direct the employer, by general or special order, to make deductions from the wages of employees and to remit the amounts deducted in such manner as may be specified in the order.

(Fort St. George Gazette, Part IVA,
10 April 1957, pp. 1-2).

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Payment of Wages (West Bengal Amendment) Bill, 1957.

The Government of West Bengal published on 18 May 1957 a Bill to amend the Payment of Wages Act, 1936, in its application to West Bdnjal.

The Statement of Objects and Reasons of the Bill declares that the Payment of Wages Act, 1936 provides for deduction from wages for house accommodation if such accommodation is supplied by the employer. Under the Industrial Housing Scheme, tenements are being built at Government cost and these tenements will be let out to industrial workers. It is accordingly necessary to amend the Payment of Wages Act, 1936 so as to permit Government or any agency specified by Government to make deductions for house accommodation supplied under the scheme. The Bill has been framed with this object in view.

(The Calcutta Gazette, Extraordinary,
18 May 1957, pp. 1997-1998).

65. Collective Agreements.

India - May 1957.

Higher Pay Scales for Insurance Employees:
Finance Minister announces Agreement with
Staff.

Shri P.T. Krishnamachari, Union Finance Minister, announced at Bombay on 9 May 1957, a general upward revision in the pay-scales and dearness allowance of 21,000 clerical and lower grade employees of the Life Insurance Corporation of India.

For details, please see pp. 42-43 of this report.

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66. Strike and Lockout Rights.

India - May 1957.

Industrial Disputes Act, 1947: Certain Services
in States declared to be Public Utility Services.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the following categories of services were declared to be public utility services for the purposes of the said Act by the State Governments concerned for the periods noted against them.

<u>State.</u>	<u>Categories of Service.</u>	<u>Period.</u>	<u>Notification number and Gazette reference.</u>
Assam.	Reice Mills and Oil Mills.	Six months from 16 June 1957.	No.G.L.R.213/55 dated 6 April 1957; Assam Gazette, Part II-A, 17 April 1957, page 1054.
Assam.	All Ghat Establishments engaged in transhipment, storage, loading and unloading and shifting of goods ancillary to the inland steam vassal service.	Six months from 16 May 1957.	No.GLR 213/55/31 dated 6 April 1957; Assam Gazette, Part IIA, 17 April 1957, page 1054.
Andhra.	Service in hospitals and dispensaries in the State.	Six months from 2 May 1957.	E.O.Ms.No.418 Social Welfare and Labour, dated 23 April, 1957; Andhra Pradesh Gazette, Part I, 2 May 1957, page 773.
Madras.	Cement industry.	Six months from 1 May 1957.	G.O.Ms.No.1458 Industries, Labour and Co-operation, dated 22 April 1957; Fort St.George Gazette, Part I, 1 May 1957, page 763.
Kerala.	Air Transport Service operating in the State.	Six months from 22 April 1957.	L 1-2256/57/L and LAF Hatedy 16 April 1957; Kerala Gazette, Part I, 23 April 1957, page 942.

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67. Conciliation and Arbitration.

India - May 1957.

Industrial Disputes (Amendment) Ordinance, 1957:
Provisions relating to Retrenchment Compensation
Amended.

An Ordinance providing that retrenchment Compensation will be payable in 'bona fide' closure or transfer of an undertaking has been promulgated by the Government of India on 27 April 1957. For details please see pages 92-93 of this report.

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Uttar Pradesh: U.P. Industrial Disputes
(Amendment and Miscellaneous Provisions)
Bill, 1957.

The Government of Uttar Pradesh published on 27 April 1957 the text of a Bill further to amend the U.P. Industrial Disputes Act, 1947, for certain purposes and to provide for certain other matters. According to the Statement of Objects and Reasons, it has been found necessary to make certain changes in the U.P. Industrial Disputes Act, 1947. These relate to the addition of a member of the State Public Service Commission to the Committee to be set up under section 4-E for preparing a list of persons to be appointed as Presiding Officers of Labour Courts and Industrial Tribunals, a provision on the lines of the Central Industrial Disputes Act, for declaring an award to be un-enforceable on public grounds affecting National or State economy and regulation of strikes and lock-outs in industrial establishments. It is proposed to introduce these and some other verbal and consequential changes through an Amendment Act.

The Bill lays down that there should be no strike during the pendency of any conciliation proceedings or between the commencement and the conclusion of proceedings before a labour court or a tribunal or at any period during which a settlement or award is in operation.

Similar conditions apply to lock-outs by millowners. They too must give 30 days' notice before locking out. Other conditions sought to be imposed on them are the same.

The Bill also lays down that no person will aid, instigate or incite others to take part in or otherwise act in furtherance of any strike or lockout which is in contravention of its provisions. It, however, provides that a strike declared in consequence of an illegal lockout, or a lockout declared in consequence of an illegal strike in an industrial establishment, will not be deemed to be illegal.

(Government Gazette of the Uttar Pradesh,
Extraordinary, 27 April 1957, pp. 4-7)

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CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES
OF WORKERS.

INDIA - MAY 1957.

71. Employees and Salaried Intellectual Workers.

Fixation of Pay Scales for Journalists: Wage Board
announces decisions.

The Wage Board for Working Journalists appointed by the Government of India under the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955, for fixing rates of wages for working journalists, announced its decisions here on 11 May 1957.

The Board has classified newspaper establishments into five categories according to their revenue: Class A with gross revenue of over 2.5 million rupees; Class B with gross revenue of over 1.25 million rupees to 2.5 million rupees; Class C with gross revenue of over 0.5 million rupees to 1.25 million rupees; Class D with gross revenue of 0.25 million rupees to 0.5 million rupees; and Class E with gross revenue of 0.25 million rupees and below.

Minimum basic wages for working journalists range between 90 rupees for a working journalist in a Class E newspaper establishment to 1,000 rupees for an editor in a Class A newspaper establishment. Dearness allowance prescribed ranges between 30 rupees and 200 rupees and is linked to the all-India cost of living index.

Every working journalist working in areas with a population of more than 100,000 will also get in addition a "location allowance" ranging from 7 rupees 8 annas to 50 rupees.

The board has left conveyance, travelling, entertainment, overseas and other allowances for collective bargaining between working journalists and newspaper establishments in view of "paucity of evidence on the subject".

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Part-time correspondents who are working journalists will get retainer ranging from 15 rupees to 100 rupees, depending upon the paper which is retaining their services and the area in which they are functioning. In addition they will be entitled to payment according to the volume of news actually published.

For purpose of payment of allowances to working journalists, the Board has classified cities and towns according to population.

No Scales in Periodicals.— The Board has not fixed salary scales and grades of working journalists in fortnightlies and monthlies but the wages to be paid to them shall not be less than those in weeklies of their class.

Working journalists will be fitted into their respective scales on the basis of a slab system with an increment for every three years of service subject to a maximum of five increments.

Newspaper establishments have to file their returns - giving details of gross revenue and the class in which they fall - before the labour commissioners of the appropriate State Governments within a period of one month from today.

The exact functions of the various categories of working journalists have been given by the board in a schedule.

The Board has recommended to the Government of India the compilation of a middle class cost of living index based upon "a scientific study" of family budgets.

The Board has divided the working journalists into full time employees and part-time employees and for the purpose of starting pay scales of working journalists of different groups employed in different classes of newspaper establishments. A four-fold classification of groups as given by the Board is:

(A) Full-time employees: Group I Editor, Group II assistant editor, leader writer, news editor, commercial editor, sports editor, film or art editor, feature editor, literary editor, special correspondent, chief reporter and chief sub-editor.

Group III: Sub-editors and reporters of all kinds and full-time correspondents not included in category II; news photographers and other journalists not covered in the groups.

Group IV: Proof readers.

(B) Part-time employees: Correspondents who are part-time employees of a newspaper establishments and whose principal avocation is that of journalism.

The following schedule shows the basic wages and scale of pay of various groups of employees in dailies and weeklies:-

Dailies:

Class of newspapers.	Group of employees.	Starting pay.	Scale
E.	IV	90	No Scale.
	III	90	No scale.
	II	150	No scale.
	I	150	No scale.
D.	IV 100	100-5-165 (13 years)	EB-7-200(5 years).
	III 115	115-7-1/2-205 (12 years)	EB-15-295(6 years).
	II and I 200	200-20-400(10 years).	
C.	IV 100	100-5-165 (13 years)	EB-7-200(5 years).
	III 125	125-10-245 (12 years)	EB-12-1/2-320(6 years).
	II 225	225-20-385 (8 years)	EB-30-445(2 years).
	I 350	350-25-550(8 years)	EB-40-330 (2 years).

Class of newspaper.	Group of employees.	Starting pay.	Scale
B.	IV	100	100-5-165(13 years)EB-7-200(5 years).
	III	150	150-12-1/2-300(12 years)EB-20-420(6 years).
	II	350	350-20-510(8 years)-80-570 (2 years).
	I	500	500-30-740(8 years)-40-820(2 years).
A.	IV	125	125-7-1/2-215(12 years)EB-10-270(6 years).
	III	175	175-20-415(12 years)EB-25-515(4 years).
	II		42-1/2-500 (2 years).
	II	500	500-40-820(8 years)EB-50-920(2 years).
	I	1000	1000-50-1300(6 years)-75-1600(4 years).

Weeklies

E.	IV and III	90	No scale.
	II and I	150	No scale.
D.	IV	90	No scale.
	III	115	No scale.
C.	II and I	150	No scale.
	IV	100	100-5-165(13 years)EB-7-200(5 years).
	III	125	125-5-185(12 years)EB-7-1/2-230(6 years).
	II	150	150-15-270(8 years)EB-15-300(2 years).
	I	250	250-20-450 (10 years).

Class of newspaper.	Group of employees.	Starting pay.	Scale
B	IV	100	100-5-165 (13 years) EB-7-200 (5 years).
	III	150	150-7-1/2-240 (12 years) EB-10-300 (6 years).
	II	250	250-20-410 (8 years) EB-20-450 (2 years).
	I	400	400-30-700 (10 years).
A	IV	100	100-5-165 (13 years) EB-7-200 (5 years).
	III	175	175-15-355 (12 years) EB-20-475 (6 years).
	II	350	350-25-550 (8 years) EB-35-620 (2 years).
	I	500	500-50-1000 (10 years).

Dearness Allowance.- The Wage Board has awarded the following rates of dearness allowance, on the basis of the All-India Cost of Living Index published by the Labour Bureau on base 1944 = 100:-

Salary Group.	Rate of Dearness allowance for every rise or fall of 10 points in the all-India cost of living index-base 1944 is equal to 100.
Up to 200 rupees.	7-1/2 per cent. Subject to a minimum of 30
201 rupees to 500 501 rupees.	6-1/4 per cent. rupees per month and a maximum of 200 rupees per month.
501 rupees and above	5 per cent.

Dearness allowance is to be calculated at the above rates, provided that an employee in any salary group will get dearness allowance according to the rate applicable to that group or the maximum amount payable to an employee in the next lower group whichever is higher.

Location Allowances.- A location allowance is to be paid to working journalists according to the following rates:-

	Location Allowance for Salary up to:	
	Rs.150.	Rs.150 and above.
I	Rs. 30	Rs.50
II	Rs.22/8	Rs.30
III	Rs.15	Rs.20
IV	Rs.7/8	Rs.10
V	Nil	Nil

Part-time correspondents will be paid the following retainer and remuneration per mensem:-

Class of Paper.	Area				
	I	II	III	IV	V
A	100	75	50	30	25
B	75	50	30	20	15
C	50	30	20	15	15
D	25	15	15	15	15
E	25	15	15	15	15

Such correspondents will be entitled to get, in addition to the above retainers payments of their news items actually published on a column basis as may be agreed upon between the employees and employers, but not any dearness allowance or location allowance.

The Board's decisions have been given retrospective effect from the date of the constitution of the Board (that is 2 May 1956) in respect of newspaper establishments in classes 'A', 'B', and 'C' and from 1 November 1956 in the case of newspaper establishments in classes 'D' and 'E'.

The Board has recommended that the Government of India should constitute a wage board under the Act to review the effect of the decisions of the Board on the newspaper establishments and the working journalists after the expiry of three years but not later than 5 years from the date of publication of the decisions of the Board.

(Notification No.S.R.O.1514 dated 10 May 1957;
The Gazette of India, Extraordinary,
Part II-Section 3, 11 May 1957, pp.1579-1584).

Higher Pay Scales for Insurance Employees:
Finance Minister announces Agreement with
Staff.

Shri T.T. Krishnamachari, Union Finance Minister, announced at Bombay on 9 May 1957, a general upward revision in the pay-scales and dearness allowance of 21,000 clerical and lower grade employees of the Life Insurance Corporation of India.

For details, please see pp. 42-43 of this report.



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73. Officials and Public Employees of National, Regional and Local Administrations, of Nationalised Undertakings or Undertakings Managed with the Participation of the Public Authorities.

India - May 1957.

Life Insurance Corporation (Amendment) Bill, 1957: Power to alter Terms of Service of Employees of Insurers to be vested in Central Government.

Shri T.T. Krishnamachari, the Union Finance Minister, introduced in the Lok Sabha on 20 May 1957 a Bill to amend the Life Insurance Corporation Act, 1956. According to the Statement of Objects and Reasons, after the passing of the Life Insurance Corporation Act, 1956, it became necessary for the Corporation to examine the widely varying terms and conditions of service of employees whose services had been statutorily transferred to it with a view to ensuring uniformity in the pay scales and other terms and conditions of service applicable to them. An order altering the terms and conditions of service in this behalf was passed by the Corporation under section 11(1) which was later approved by the Central Government and issued in the form of an order under section 11(2). In a recent decision, the Bombay High Court held that the power given to the Central Government under section 11(2) was confined to altering the remuneration only and the order which dealt not only with the remuneration but also with other terms and conditions of service was, therefore, bad in law. To prevent confusion in the working of the Corporation an Ordinance had to be promulgated immediately on 20 April 1957 amending section 11(2) and validating the order made by Government. The present Bill seeks to replace the Ordinance.

High Court's judgment.— It may be recalled that the Joint Secretary to the Government of India, on 21 February 1957, addressed a letter to the Managing Director of the Corporation stating that the Central Government, by virtue of the powers conferred by Section 11(2), had altered the terms and conditions of service of the employees of the Corporation in terms of the new pay scales and service conditions as prepared by the Corporation. The action of the Central Government was challenged by certain employees who were formerly employed as clerks in the Bombay Life Assurance Co.Ltd., Oriental Government Security Life Assurance Co.Ltd., and other life insurance companies.

The Bombay High Court in its judgment said that the Corporation could only alter the remuneration and the terms and conditions ~~and the~~ of service in the same manner in which and subject to the same conditions under which the previous companies whose life insurance business was taken over by the Corporation could alter them. No overriding powers had been conferred on the Corporation under Section 11(1) of the Act.

The facts of the case were that by an ordinance issued on ~~25~~ 19 January 1956, by the President of India, the management of the insurance business vested in the Central Government. The ordinance was replaced by the Life Insurance (Emergency Provisions) Act, 1956, and on 18 June last the Life Insurance Corporation Act, 1956, was enacted. By Section 7 of the latter Act on and from 1 September 1956, all the assets and liabilities appertaining to the controlled business of all the insurers were transferred to and vested in the Corporation, and by Section 11 of the Act the petitioner employees became the employees of the Corporation.

Prior to 1 September 1956, the scales of pay and other terms and conditions of service of the employees of life insurance companies were fixed either by awards or settlements arrived at between the parties. On 10 September 1956, the Corporation issued a "summary of pay scales and other conditions of service applicable to supervisory, clerical and subordinate staff", which was made applicable to the employees of the Corporation with effect from 1 September 1956 (vide pp.58-59 of the report of this Office for September 1956). The terms and conditions mentioned therein were different from the terms and conditions of service which were applicable to the petitioners and other employees prior thereto.

On 15 October the petitioners filed a petition praying for writs and directions against the Corporation directing it to cancel or withdraw or not to implement and give effect to the "summary". They also prayed for the continuance of the awards, settlements and agreements previously entered into between the employees and their former employers.

The petitioners stated that under Section 18(C) of the Industrial Disputes Act and Section 11(1) of the Life Insurance Corporation Act, 1956, the terms and conditions as arrived at before 1 September 1956, by awards, settlements and agreements were binding on the company.

It was contended on behalf of the Corporation that it had a right in law, with the consent of the Central Government, to alter and to reduce the remuneration and the terms and conditions of service.

The High Court declared that it could not be disputed that the Corporation was the successor of the former life insurance companies. The Corporation was bound by the awards and settlements arrived at before it took over the establishments. The result of Section 11 was, that the awards and settlements which governed the rights and obligations before 19 January 1956, were binding on the employees concerned and the Corporation on and after 19 January 1956. Therefore the Corporation had no power to alter the terms and conditions of service by the summary of 10 September.

As regards the approval of the Central Government, there was no provision for such approval and the same was obtained under some misapprehension. The Central Government had no power to alter the terms and conditions of service. It further held that the action purported to have been taken by the Central Government was bad in law and was liable to be set aside.

An Ordinance amending section 11(2) of the Act and validating the order made by Government was promulgated on 20 April 1957, and the present Bill seeks to replace the Ordinance. Opportunity has been taken to make certain other amendments to the Act.

(Gazette of India, Extraordinary, Part II, Section 2,
20 May 1957, pp. 171-174)
The Statesman, 17 April 1957)

74. Indigenuous Labour.

India - May 1957.

Pilot Scheme for the economic settlement of Tribals:
All-India Conference's suggestion.

The fourth all-India Tribal Welfare Conference was held at Koraput in Orissa from 29 April to 1 May 1957. Shri Haro Krushna Mahatab, Chief Minister of Orissa inaugurated the meeting.

Addressing the Conference, Shri Mahatab stated that to think of a different pattern of society for tribal people was not only harmful for the unification of India but was looked upon with distrust by the tribal people even though they might not be able to express it.

Decisions.- In view of the constitutional provision under Article 339 for the appointment of a commission to report on the administration of scheduled areas and welfare of Scheduled Tribes in the States, the Conference requested the Government of India to finalise the criteria for definition of Scheduled Tribes from a scientific point of view and to make it easier for a revision of lists of Scheduled Tribes and evaluate the welfare schemes that had been undertaken since the commencement of the Constitution. The resolution suggested a "random sample survey" in various States.

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The Bharatiya Adimjati Sangh, under whose auspices the Conference was held, offered its wholehearted co-operation in carrying out such services and gathering preliminary data that might be useful for that commission.

The scheme of life-members of the Bharatiya Adimjati Sangh, founded on the principle of dedication and the service of tribals on the basis of self-sacrifice, and submitted to the Conference might be examined by a committee.

Pilot Scheme.- With a view to rendering immediate help to tribal people in those parts of the country where semi-starvation is noticed as a normal feature because of paucity of employment and economic backwardness, the Conference requested the Bharatiya Adimjati Seva Sangh, Delhi, to start a pilot scheme for economic betterment of the tribal people in each area as early as possible. The resolution further requested that the Government of India might be approached for necessary funds for the purpose.

In view of the discussion at the Conference here on the subject of social education among the tribal people, it was resolved that suggestions be invited from anthropologists, educationists and social workers interested or with experience in tribal education. They were also requested to send their suggestions in the form of memoranda.

(The Hindustan Times, 30 April 1957,
and 3 May 1957)

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - MAY 1957.

81. Employment Situation.

Employment Exchanges: Working during
March 1957.

General employment situation.- According to the review of work done by the Directorate General of Resettlement and Employment during the month of March 1957, the employment situation regained normalcy during March 1957 after a slight deterioration which had been reported during the previous month. Registrations declined, but vacancies notified to exchanges and placements secured increased. The number of unemployed applicants borne on the live register declined considerably from 774,811 at the end of February to 747,341 at the end of March. This drop is, however, a seasonal feature. There was no marked change in the employment situation as a whole.

Shortages in respect of stenographers, fast typists, overseers, draughtsmen and trained teachers continued to persist throughout the country. Shortage of compounders midwives and nurses was equally widespread. A number of exchanges also reported a shortage of qualified doctors, experienced engineers, boilermen, electricians, surveyors, tracers, turners, welders, road roller drivers and accountants.

Clerks, untrained teachers, freshers from schools and colleges, unskilled office workers, carpenters, motor drivers and unskilled labourers continued to form the bulk of surplus categories at the employment exchanges throughout the country. Employment prospects of motor mechanics, chowkidars, semi-skilled fitters and attenders were not reported to be bright by a number of exchanges.

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Registration and placings.- The following table shows registration for employment and placings during February and March 1957:-

	<u>March 1957.</u>	<u>February 1957.</u>
Registrations	111,216	111,499
Placings	13,071	12,827

The registrations recorded a fall of only 283. A notable decrease in registrations was observed in the States of West Bengal (3,321) and Uttar Pradesh (2,285). There was, however, a noticeable increase in the State of Punjab (3,117).

A total of 78,302 applicants were submitted to employers for selection as against 81,011 during February 1957. A comparatively large increase in placements was recorded in the States of Uttar Pradesh (452) and Punjab (324). A notable decrease was, however, observed in the States of West Bengal (595) and Kerala (199). Of the total number of placements effected as many as 4,586 were effected under the central government, 5,027 under the state governments, 1,240 under quasi-government establishments and local bodies and the remaining 2,218 with other employers.

Vacancies notified.- During the year month under report, 5,126 employers utilised the services of the employment exchanges as against 4,854 during the previous month. A total of 22,646 vacancies were notified by these employers as compared to 20,157 during February 1957. The increase in the number of vacancies notified was particularly marked in the States of Madhya Pradesh (769), Punjab (668), Uttar Pradesh (597) and Rajasthan (339). A notable decrease was observed in the States of West Bengal (593) and Kerala (317). Of the total vacancies notified, 8,319 were made available by the Central Government, 8,774 by State Governments, 1,832 by quasi-government establishments and local bodies and the remaining 3,721 by other employers. There was thus an increase of 2,458 in the public and of 31 in the private sector.

Register of unemployed.- A total of 747,341 applicants were borne on the live register of employment exchanges as against 774,811 at end of the previous month, recording a fall of 27,470. Of those on the live register, 2,092 were employed or self employed persons, of whom 296 were women. The following table gives the composition of the live register according to occupations:-

<u>Occupations.</u>	<u>No. on Live Register as on 31 March 1957.</u>
1. Industrial Supervisory.....	4,079
2. Skilled and semi-skilled.....	58,342
3. Clerical.....	209,043
4. Educational.....	28,321
5. Domestic Service.....	28,107
6. Unskilled.....	388,594
7. Others.....	36,855
Total.....	<u>747,341</u>

Employment position of special categories of persons:-
 The employment position of special categories of persons is shown in the table below:-

	<u>Registrations.</u>	<u>Placements.</u>	<u>No. on Live Register.</u>
1. Displaced persons.....	3,656	583	42,256
2. Ex-servicemen.....	4,888	999	25,358
3. Scheduled Caste applicants.....	13,466	1,965	76,377
4. Scheduled Tribe applicants.....	2,662	475	14,982
5. Women.....	7,474	863	40,749

Under a pilot scheme to set up work and orientation centres for the educated unemployed, a work and orientation centre was opened at Kalamassery in Kerala on the 18 March 1957 by the Governor of that State. The centre is intended to provide orientation for self employment to 250 educated persons, ranging from Matriculation to degree standard.

A team of officers from the Directorate General of Resettlement and Employment visited Kalamassery towards the end of March and assisted the State Government authorities in selecting the trades to be taught, in drawing up syllabi, in the vocational counselling of trainees and in other matters connected with the working of the Centre. A similar centre in Delhi State was also opened during this month.

(Review of work done by the Directorate-General of Resettlement and Employment, during the Month of March 1957; issued by the Ministry of Labour, Government of India).

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Industrial Disputes (Amendment) Ordinance, 1957
(No. 4 of 1957) : Provisions relating to
Retrenchment Compensation Amended.

An Ordinance providing that retrenchment compensation will be payable in case of bona fide closure or transfer of an undertaking was promulgated by the Government of India on 17 May 1957.

The Ordinance takes effect from 1 December 1956.

In a judgment delivered on 27 November 1956, the Supreme Court held that no retrenchment compensation was payable under Section 25(F) of the Industrial Disputes Act, 1947, to workmen whose services were terminated by an employer on a real and bona fide closure of business, or when termination occurred as a result of transfer of ownership from one employer to another.

Since then a number of undertakings, particularly in Ahmedabad, Kanpur and West Bengal, have closed down, or put up notices of closure, for one reason or another, rendering unemployed large number of workmen without any compensation.

The Ordinance provides that compensation would be payable to workmen whose services are terminated on account of the transfer or closure of undertakings. In the case of transfer of an undertaking, however, if the workman is re-employed on terms and conditions which are not less favourable to him, he will not be entitled to any compensation. In the case of closure of the ~~emple~~ business on account of circumstances beyond the control of the employer, the maximum compensation payable to workmen has been limited to his average pay for three months. If the undertaking is engaged in any construction work and it is closed down within two years on account of the completion of its work, no compensation would be payable to workmen employed therein.

A Bill* to replace the Ordinance was introduced in the Lok Sabha on 17 May 1957, by Shri Gulzarilal Nanda, Minister for Planning and Labour. Opportunity has been taken to amend the definition of 'Tribunal' as inserted by the Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956. The amendment is merely formal and clarificatory.

(Gazette of India, Extraordinary,
Part II, Section 1, 27 April 1957, pp. 161-163;
The Hindustan Times, 28 April 1957;
*Gazette of India, Extraordinary, Part II,
Section 2, 17 May 1957, pp. 167-170).

Rationalisation in Industry: Suggestions of the Indian Institute of Personnel Management.

The seventh all-India Conference of the Indian Institute of Personnel Management, held at Dalmianagar, Bihar on 30 and 31 March 1957, has suggested a series of measures to mitigate the adverse effects, if any, of rationalisation. It felt that rationalisation was a process by which productivity in industry was increased and cost of production reduced. These objects could be achieved by improved management techniques, it stated.

The Conference also discussed industrial relations in industry.

The meeting recommended that members should follow up the deliberations of the Conference, specially rationalisation and its effect on industrial relations by holding discussions in other centres and report back the results to the head office.

The Conference held two sessions. One was on rationalisation and its effects on industrial relations, and the other on industrial relations in India and abroad. The first session was held under chairmanship of Shri S.C. Joshi, Director of Personnel, TISCO, Jamshedpur.

In his address, Shri Joshi stated that rationalisation in Indian industries was one of the most important issues on which strong and conflicting views had been expressed and action taken resulting in prolonged strikes and consequent adverse effects on industrial relations.

He said that even though there was strong opposition from labour to schemes of rationalisation, such opposition did not extend to any and every scheme. It was mainly confined to schemes which would have the effect of large-scale displacement of workers without new employment opportunities being created. There should not be and, in fact, there was no opposition where rationalisation did not bring about these consequences.

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What constituted a fair workload, effective utilisation of existing machinery and equipment, better management techniques, and deterioration in industrial relations were some of the problems which had to be tackled along with rationalisation. For this purpose, a proper investigation and study of rationalisation schemes, planning and phasing of schemes, prior consultations and agreements with employees and their organisations were essential. Shri Joshi said that in respect of every item mentioned earlier, personnel officers had important liaison work to perform in order to maintain good relations.

Dr. Maitreyee Bose, President of the West Bengal branch of INTUC, stated that much depended upon a clear understanding of the real implications of the term, rationalisation. At present, the very word struck terror in the hearts of labour as it meant retrenchment and unemployment. If modernisation of machinery and reorganisation of industry were associated with diversification of production, finding new markets, research for betterment and development of industries, then, rationalisation might benefit workers instead of harming them.

She felt that the workload was being increased without modernisation and without sharing with workers the benefits of rationalisation. No attempt had been made to train workers. Rationalisation introduced gradually without upsetting the present system of working or the social structure in a violent manner would be welcome, she said.

The Conference considered the problem of rationalisation in all its aspects and the consensus of opinion was that rationalisation could be achieved by employers alone in the improvement of management techniques and by employers in close co-operation with employees and their organisation, and in certain cases with the assistance of the State.

The Conference felt that increased productivity in industry and decreased labour costs could be secured by improved management techniques on the part of employers, and should be fully explored.

To effect rationalisation by installation of and/or replacement of modern machinery and labour-saving devices, the Conference was of the opinion that the following points were of great practical importance: that planning schemes of rationalisation in advance after a thorough study and investigation was essential; that it was desirable to have proper phasing of schemes to reduce adverse effects of rationalisation to minimise opposition of employees and their organisations and to secure their co-operation and assistance for the successful implementation of the scheme; that prior consultation with employees and their organisations would be useful; that it would be advantageous if an agreement on details of schemes were arrived at with employees and their organisation; that it would be desirable to have in the terms of such an agreement a clause providing for voluntary arbitration to remove doubts and to interpret the agreement if and when necessary; that full and wide publicity of such agreement amongst employees would help in the smooth implementation of schemes; and that wherever necessary, suitable arrangements should be made for training workers to fit them into changes inherent in rationalisation. The Conference felt that due consideration should be given to sharing of gains of rationalisation amongst capital, labour and consumers.

As far as practicable, the Conference was of the opinion that rationalisation should be planned in such a way as to eliminate retrenchment.

Wherever retrenchment was inevitable, efforts should be made to secure alternative employment for such persons in active co-operation with other employers and the State. The Conference felt that labour welfare officers had an important role to play in studying and planning schemes of rationalisation, in discussing them with their employees to remove misunderstandings, in securing their agreement and finally, in fair implementation of the scheme.

(The Times of India, 3 April 1957).

83. Vocational Training.

India - May 1957.

Training in America for India's Steel Engineers:
1.5 Million Dollar Grant by Ford
Foundation.

An announcement on 21 April 1957 by the Ford Foundation stated that the Foundation had made a grant of 1.5 million U.S. dollars to the Government of India for the training of 200 engineers in production and management methods of the U.S. steel industries industry.

The first batch of 115 engineers will begin a one-year course of training from 1 September 1957. Another 85 will begin their training on 1 December. The training will be conducted by the eight largest steel companies in the U.S.A. Related instruction will be provided by co-operating technological institutes in the vicinity of the plants to which the trainees will be assigned.

The Carnegie Institute of Technology will serve as an administrator of the programme in the USA and as liaison between the educational institutions and the steel companies. Besides the Carnegie Institute other co-operating educational institutions are the Case Institute of Technology, Lehigh University, the Illinois Institute of Technology and the University of Cincinnati.

The steel companies participating in the training programme are the U.S. Steel Corporation, the Bethlehem Steel Company, the Republic Steel Corporation, the Jones and Laughlin Steel Corporation, the Youngstown Sheet and Tube Company, the National Steel Corporation and the Inland Steel Corporation.

The Ford Foundation grant will help to meet the trainees' living expenses in the USA and their academic fees connected with institute studies. The co-operating steel companies will bear the cost of instruction and training in their plants. The Government of India will pay the trainees' international travel expenses and the cost of preliminary training in India.

Orientation Courses.- Before their arrival in the USA, the trainees will receive a six-week orientation course at the Tata Iron and Steel Works at Jamshedpur. In the USA they will receive an additional two-week orientation course at the Carnegie Institute before being assigned to the steel plants for specialized training.

The orientation course at the Institute will cover basic steel making operations, facilities and processes and study visits. The specialized training, which will be designed to prepare each trainee for the work he is eventually expected to do, will be given through individual or small group instruction, personal contacts, assignments and understudy of American specialists.

In addition to production and manufacturing procedures, trainees will be instructed in such management techniques as accounting, quality control, safety and job analysis.

Study at nearby technological institutes will complement this training. It will include the technical courses related to steel production, economics of the steel industry, industrial management and human relations.

The institutions will seek to integrate students into the cultural and intellectual life of their campuses. The United Steel Workers of America will co-operate in some aspects of this programme.

Ministry's Scheme.- This training programme for Indian engineers is part of the technical training scheme prepared by the former Ministry of Iron and Steel to train engineers required to take charge of higher directional functions in the three steel plants, in the public sector, at Rourkela, Durgapur and Bhilai. A number of Indian engineers are already being trained in West Germany and the Soviet Union and other engineers will be trained in Australia, Canada and Britain.

The programme will be carefully evaluated in spring next year to consider whether it should be modified or extended. The Government of India has expressed the hope that experience with the initial group of trainees will be so successful that the American steel industry will extend the programme and train another 700 to 800 engineers.

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Labour Ministry's Training Schemes: Progress during
March 1957.

According to the review of work done by the Directorate General of Resettlement and Employment during the month of March 1957, sanction was issued, for the introduction of 640 additional seats for craftsmen training. With this sanction the additional seats so far provided under the programme for the expansion of craftsmen training facilities amounted to 4,796.

New Training Centres.- A new training centre for craftsmen was opened, at Yamunanagar in the Punjab, raising to three the number of new centres opened during the year 1956-57 with the aid of the Central Government. Proposals for opening new Training Centres or for increasing the capacity of existing Training Centres received from the Governments of Madras, Assam, Himachal Pradesh and Orissa were under consideration with the Directorate General of Resettlement and Employment at the end of the month. Similar proposals received from the Governments of West Bengal, Manipur and Tripura were pending with the Ministry of Finance for their concurrence.

Up to the end of March 1957, 2,996 additional seats had been sanctioned against a target of 4,810 fixed for the year 1956-57. A target of 10,810 additional seats has been fixed under the Craftsmen Training Scheme for the year 1957-58. Against this target proposals from the State Governments are being awaited for 5,714 additional seats.

Central Training Institute, Koni.- In connection with the reorganisation of the Central Training Institute, Koni, some of the proposals received from the I.L.O. experts advising the Government of India on this subject were examined and action for implementation was taken. At the end of the month there were 158 persons on the rolls of the Central Training Institute receiving instruction in the 18th regular session for Supervisors/Instructors.

Mr. W.A.B. Stansall, an I.L.O. expert, entered on his duties at the Institute on the 27 March as Adviser to the Government of India on the re-organisation of the Institute. He took the place of Mr. George Fraser who had terminated his contract.

Necessary arrangements for setting up a second institute for the Training of Craft Instructors at Aund were also taken in hand by the Government. This is however being done as a temporary measure till a site for the permanent location of the Institute at Bombay is obtained.

Equipment and Stores.- Under the Indo-U.S. Operational Agreement No.35, equipment worth approximately \$ 3,241 was reported to have been received during the month at the training centres, bringing the total value of the equipment received up to the end of the month to approximately 1.575 million rupees.

Work of the preparation of syllabus for armature winders under the course for craft instructors was undertaken during the month. In addition, work was continued on the preparation of the manuals for the trades of Linemen and wiremen and turners under the craftsmen training scheme.

The following table gives the number of training institutes, seats sanctioned and the number of persons under-going training:-

Number of Training Institutes/Centres.....	492
Total number of seats sanctioned.....	15,861
Number of persons undergoing training.....	14,095

(Review of Work done by the Directorate General of Resettlement and Employment, during the month of March 1957; issued by the Ministry of Labour, Government of India).

Craft Training for Educated Unemployed:
Work-cum-Orientation Centre opened at
Delhi.

Shri Gulzarilal Nanda, Union Minister for Labour and Planning, inaugurated on 21 April 1957 at Delhi a work-cum-orientation centre for the educated unemployed youngmen.

The Minister stated that the object of setting up the centre was to make up the deficiencies from which youngmen suffered on account of their lack of familiarity with manual work, lack of vocational guidance and absence of technical knowledge.

Similar centres would^{be} set up in Lucknow, Calcutta and Kalamassery in Kerala to start an experiment, which, in his opinion, was going to open up vast potentialities and possibilities.

The centre has been set up under the Regional Directorate of Resettlement and Employment, Delhi, which also controls a number of training centres where long-term technical and vocational training is provided. The responsibility for the conduct of the centre has been entrusted to the Bharat Sevak Samaj.

The youngmen, Shri Nanda said, would be given elementary^a knowledge of occupations^{for} which they had been selected along with necessary guidance regarding setting up of their business. In addition to theoretical and practical training which was not designed to be exhaustive but merely introductory to the trade, the youngmen would be made to learn, on a compulsory basis, elementary crafts like carpentry and smithy in order to accustom their hands and fingers to productive work, and what was more important, to inculcate among them a spirit of self-help. In selecting these trades, the organisers of the centre had kept in mind the skills which were at present in short supply in the locality. The trainees would be required to live and eat together for six months.

The objects of this pilot-scheme (vide pp.93-94 of the report of this Office for March 1957) are:

- (i) to help the educated unemployed to enter into avenues of employment other than white collar jobs,
- (ii) to arouse in them greater appreciation for the dignity of labour and self-help, and,
- (iii) to arouse in them a willingness to take up occupations in which there is a shortage of personnel.

In the Delhi Centre, theoretical and practical instructions will be provided to 50 trainees in each of the following trades:-

- (i) Light Mechanics (repairs to cyclos, sewing machines, pipe fitting, etc.);
- (ii) Wood work (painting and polishing);
- (iii) House wiring;
- (iv) Maintenance and servicing of household electric appliances, battery charging, etc.;
- (v) Building construction, including blue print reading, estimating and tracing.

Compulsory instructions will also be given in subjects like Book-keeping, Storekeeping, Business management, advertisement and salesmanship, principles of economics, Five Year Plan and Co-operation.

A sum of 40 rupees per month to be given as stipend in the shape of meals, pocket money and the balance in the shape of tools or equipment or capital for small business. Persons between the ages of 17 and 25 and who are matriculates or above upto graduates will be selected on the basis of financial position, academic and technical background.

The trainees will be required to live in camp having a joint mess and their daily programme will cover group and individual activities from 5 a.m. to 10 p.m. Each trainee will have to do manual work involving earth digging, road and building construction, elementary wood work and blacksmithy etc., in addition to the theoretical and practical training in connection with the occupation for which he has been selected.

(The Hindustan Times, 22 April 1957).

85. Migration and Colonisation.

India - May 1957.

Migration to Canada: New Agreement concluded.

A new agreement between India and Canada on the immigration of Indian citizens to Canada was signed at New Delhi on 3 May 1957.

Under the new agreement, which modifies the agreement of 1951, the number of Indian quota immigrants admissible to Canada every year has been doubled.

The agreement of 1951 provided for the admission to Canada of 150 Indian citizens a year in addition to the close relatives of Canadian citizens of Indian origin. Other relatives have been admissible as preference quota immigrants. Under the new agreement the Canadian Government intends to admit 150 such preference quota immigrants in addition to an equal number of other quota immigrants.

The Canadian High Commissioner in India, Mr. Escott Reid, in a letter addressed to the Prime Minister of India, said that one result of the 1951 agreement had been that the number of persons in Canada of Indian origin was gradually becoming more representative of the whole of India with its rich variety of language, race and region, while, at the same time, the well-established Sikh community had added to its numbers.

(The Hindustan Times, 4 May 1957).

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - MAY 1957.

111. General.

Burra Dhemo Colliery Disaster: Inquiry Committee's Report.

The Committee appointed by the Government of India to inquire into the Burra Dhemo Colliery disaster in which 28 miners lost their lives (vide pages 83-85 of the report of this Office for October 1956), has held the colliery manager responsible for the loss of life.

Thirty-nine miners were trapped underground when surface water flooded the mines near Asansol on 26 September last year. Eleven workers who escaped being drowned were rescued after 19 days.

The three-man committee of which Shri B.B. Sarkar, Commissioner of Burdwan, is chairman, ordered that the entire cost of the inquiry should be paid by the owners of the colliery.

The committee held that the main cause of the accident was the presence of a huge quantity of water on surface and subsidence causing sudden flooding of the mines. The subsidence, the committee's report said, was due mainly to three causes: (a) existence of a great bulk of water on surface for a considerable time; (b) weakness of the strata in the outcrop regions of the mine where the cover was thin; and (c) presence of a geological disturbance in the form of a squeeze in the strata.

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The report submitted by the committee after discussing these points and other relevant factors found that there was "considerable delay in setting up big electric pumps for dewatering the mine". This was most unfortunate. If the pumping operations had started earlier the 11 survivors, who were trapped inside the mine under the most dreary circumstances, could have been brought out earlier.

The reasons for the delay, the report said, were: (a) failure of the management to procure electric pumps from other organisations; (b) existence of strike in a large number of mines in Raniganj coalfield; and (c) unwillingness of many of the mines to spare any pump as their pumps were heavily engaged in dewatering their own mines where seepage of water had increased on account of heavy rainfall.

"In spite of all these", the report said, "the long delay made by the management in procuring pumps from their Jharia organisation or other coalfields cannot be justified. The only redeeming feature of the case is that there is no evidence to show that any other survivor could have been recovered if the pumping operations had started earlier".

The report said the responsibility of the manager arose from the following among other factors:

(1) That he failed to obtain any record of the previous history of the mine, which had changed hands several times, either from the previous owners or from the Department of Mines;

(2) That the manager, as a prudent man, should have withdrawn his men from the mine in anticipation of danger when a vast quantity of water had collected on the ground above the mine.

(The Statesman, 21 April 1957).

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - MAY 1957.

112. Legislation, Regulations, Official Safety and Health Codes.

Draft Kerala Boiler Rules, 1957.

The Government of Kerala published on 14 May 1957 the draft of the Kerala Boiler Rules, 1957, proposed to be made in exercise of the powers conferred under the Indian Boilers Act, 1923. The draft rules prescribe inter alia the duties of Chief Inspector and Inspectors, administrative instructions for registration and inspection of boilers, and investigation of accidents to boilers. The draft rules will be taken into consideration by the Government after 14 August 1957.

(Kerala Gazette, No.20, dated 14 May 1957, Part I, pp. 1-16)•

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Draft Kerala Economiser Rules, 1957.

The Government of Kerala published on 14 May 1957 the draft of the Kerala Economiser Rules, 1957, proposed to be made in exercise of the powers conferred under the Indian Boilers Act 1923. The rules prescribe inter alia the procedure for registration of economisers, investigation of accidents to economisers and procedure for appeals. The draft rules will be taken into consideration by the Government after 14 August 1957.

(Kerala Gazette, No.20, dated
14 May 1957, Part I, pp.1-8).

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PERIOD COVERED BY THE REPORT FOR MAY 1957.

INDIA - MAY 1957.

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

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27 April 1957, pp. 1-8).

CHAPTER 8. MANPOWER PROBLEMS.

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