

NATIONAL COMMISSION ON LABOUR

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AN INDUSTRY-WISE REVIEW
1947 - 1968

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P R E F A C E

By one of its terms of reference, the National Commission on Labour is required "to review the changes in conditions of labour since Independence and to report on existing conditions of labour". To do justice to this task, a description of changes that have taken place in the conditions of labour in the last twenty years in different States/Industries seems to be called for. At the same time to include such analysis in the main report of the Commission would have made it too bulky. The Commission, therefore, decided that portions relating to States and Industries should be treated as 'Companion Volumes' to the report. This volume contains an industry-wise appraisal of changes in the conditions of labour, and generally in employer and employee relationship. It is not the intention to load the account with statistical and other but such information as is relevant has been appended to the description for each industry.

In preparing this volume the Secretariat has sifted a considerable amount of information including the reports of Study Groups set up by the Commission for different industries. The sources of information relied upon for each industry have been listed. The types of reference material used in this compilation apart from the Study Group reports are:

- (i) The bench-mark data and information for understanding the conditions in different industries prior to Independence as available in the reports of the Labour Investigation Committee (1944-46);
- (ii) The published and unpublished reports on Survey of Labour Conditions conducted by the Labour Bureau since 1958-59 and the results of the first wage census (1958);

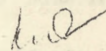
(ii)

- (iii) Information available from the reports sent to the Commission by State Governments;
- (iv) The notes on visits undertaken by the Members and officers of the Commission for spot checks to secure first-hand knowledge;
- (v) Replies to the Questionnaire issued by the Commission, sent by industry associations and industry unions/federations;
- (vi) Evidence recorded by the Commission; and
- (vii) The Statistics published by the Labour Bureau.

In preparing this industry-wise account, Secretariat has considerably benefited by the advice of the industry associations/trade unions, some of which were good enough to comment on the draft prepared by the Secretariat.

New Delhi

Dated: 15.8.1969.


(B.N. Datar)

Member Secretary

National Commission on Labour

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1. FORESTRY

1

Just over one fifth of the total area of the country is covered by forests. Their contribution to the national product is a variety of vegetation, depending on climate, soil and other local factors. The present land utilisation in India is as in the table below:

Table 1.1

<u>Category</u>	<u>Area</u> (million hectares)	<u>Percentage</u>
(1)	(2)	(3)
(a) Agriculture	154	47.2
(b) Forests	73	22.3
(c) Potentially productive barren land	56	17.2
(d) Not available for agriculture or forestry	44	13.3
Total	327	100.00

The National Forest Policy stipulates that the country should aim at maintaining one-third of its land under forests. The total area under forest is thus inadequate; it is also unevenly distributed. Land and forest areas in each of the States and Union Territories are given in Annexure ^{its} 1. The 1961 Census showed about 4 lakhs of workers engaged in 'forest and logging'.

Role of Forests in the National Economy

1.1 Forests are suppliers of raw materials for various industries. The forest produce is divided under two heads: (i) major which includes timber and fire-wood and (ii) minor comprising products such as lac, tanning materials, oils, turpentine and resin, catechew and tundu leaves. Paper industry is dependent

on bamboos which are beaten into paper pulp. Match industry also depends on the forest produce. Among the modern industries, the raw materials and other chemical fibres for rayon are heavily forest oriented. Apportioning an adequate land area to be permanently maintained as forest estate is unavoidable for sustaining a balanced economy. Forest vegetation unlike agricultural crops takes ^{from} a decade to a century, depending on the use it is put. Planned development has always been the basis of scientific management of forests. A national body called the Central Board of Forestry was set up in 1950 to take such overall view. Its first task was to revise the National Forest Policy as laid down in 1894, so that the vital national needs could be spelt out in clear and categorical terms. It was a coincidence that the setting up of the Central Board of Forestry preceded the launching of the Five Year Plans.

Planned Development

1.2 First Plan (1951-56): During the First Plan, few selected schemes for forest development were taken up with the resources then available. The schemes were mainly for consolidation, conservation, protection and rehabilitation of the poorer among the forests. Match wood and other plantations of valuable species were to be raised in an area of 50,000 hectares.

1.3 Second Plan (1956-61): The tempo of development activities increased in the Second Plan. New schemes which were initiated during the period were inter alia (i) plantations of economically important species, (ii) conservation of wild life, and (iii) preparation of working plans.

1.4 Third Plan (1961-66): Special emphasis was laid on measures to meet the long term requirements of the country and to ensure more economic and efficient utilisation of the valuable forest

products. The immediate objective was to increase the output from the existing forests through better techniques of timber extraction, improvement of communication and popularising the use of Secondary Timbers after proper treatment. In order to encourage the State Governments to undertake plantation of quick growing species a new scheme with 100% assistance was introduced and pre-investment survey of the forests completed with the collaboration of Food and Agriculture Organisation. The purpose of this project was to investigate the surplus forest resources in certain parts of the country. Five centres were set up to train forest officers and staff of the various lessees and forest contractors in logging during the Third Plan.

1.5 The Third Plan proposed to organise forest labour into forest labour cooperative societies to safeguard workers' interests and prevent their exploitation by contractors. These societies were to be given suitable concessions in the matter of working of coupes and exploitation of other produce. State plans included schemes for housing, medical aid, water supply and primary education for forest labour.

1.6 Fourth Plan (1969-74): While the area under forest continues to be comparatively low, the demand for various forest products both for industrial use and for fuel purposes has been rapidly increasing. As against the current (1968-69) consumption estimated at 11 million cubic metres of industrial wood, the demand has been estimated to be 16 to 17 million cubic metres by 1973-74. According to the Fourth Five Year Plan Draft it should be possible to increase the supply to about 13.5 million cubic metres by 1973-74. In spite of improved logging techniques, the gap

between demand and supply is not expected to be covered. To meet this deficiency, three schemes : (i) plantation of quick growing species; (ii) plantation of economic species (teak, sissoo, semal etc.); and (iii) plantations to be raised under the scheme of rehabilitation of degraded forests, are expected to be taken up in the Fourth Plan in addition to schemes for afforestation and soil conservation.

1.7 Forests are at present inadequately served with communications; the out-turn is reduced and the cost of exploitation becomes expensive. A phased programme spread over 10 years for construction of new roads is, therefore, proposed. The scheme would have considerable developmental potential, ^{as} a means of improving the economics of forests and for integrating the tribal communities with the rest of the population.

Employment and Recruitment

1.8 The forest operations have their own peculiarity; the works are in out of the way places and spread out in vast areas. The conditions of recruitment, nature of work, safety and health and remuneration for work are different from those in other industries, since most of the workers are drawn out of their agricultural occupations for short duration. On the whole, there are few complaints of mal-treatment in case of forestry workers ^{which} appear on the surface. The reasons are: (i) illiteracy among workers, (ii) lack of inspectorate, and perhaps (iii) piece-jobs in logging operations. Workers may be earning better wages than in other industries and plantations. The living conditions cannot be compared because of a different way of life and the scattered nature of forest works. Workers are generally drawn from villages around the areas of operation,, they come from their homes in the morning and go back in the evening.

1.9

Forest-based industries are mostly installed away

from the forest area and the principle of supply and demand plays its part in fixing the wages for labour engaged therein.

Situated near cities where living conditions are different and cost of living is higher, the industries have to stand in competition with other employers. The industries come under the Factories Act ^{and} are governed by rules regarding the amenities to be provided to labour.

1.10

Prior to Independence the conditions of the forest

labour were far from satisfactory. Some improvement not only in the working conditions but also in living conditions is now in evidence.

Education has played an important part in this change. We can now find a few educated 'Adivasis' who are now holding responsible positions in the administration of the Forest Labourers'

Cooperative Societies where they have been set up. In several areas in Gujarat, Madhya Pradesh and indeed in every State in varying proportions the rights and privileges of 'Adivasis' are enjoyed by them. This does not mean that there are no problems.

The conditions of work in forests are not yet such that the worker has adequate incentive to produce more.

1.11

Forest work cannot keep labour ^{busy} on a continuous basis

because of climatic conditions. Work is difficult in plain forests in the rainy season and in the hilly forests in winter.

Workers come for the forest operations after completing the sowing operations and again go back for harvesting operations. And yet intermittent employment is availed of by a large number of workers such as wood-cutters, sowers, carters, carriers, and craftsmen. Labour working in the forest comprises skilled and

unskilled workers wholly or partially engaged in works and operations connected with protection, exploitation and development of forests including collection, conversion, processing, transport and marketing of forest produce, construction of forest roads and buildings and all other activities necessary for management of forests including protection of wild life.

1.12 Forest labour can be divided into three categories: (i) local, (ii) imported, and (iii) from forest villages or settlements.

(i) Local labour is recruited now and then by the forest subordinates from the surrounding villages. It is often employed regularly every year in making forest roads, clearing firelines and for departmental burning.

(ii) Imported labour is brought into the forest for work lasting for a season or more. For example, in U.P., the sawyers come from Delhi, Rohtak, Himachal Pradesh and other places. Labour so imported is somewhat more expensive than that imported from the nearby district, because the former demands higher wages and fare from their home to the place of work. It has to be engaged because local supply both in skill and numbers is inadequate.

(iii) Labour in the forest villages or settlements ('Taungya' labour) is more or less permanent. This type of labour is usually located at selected centres in or near the forests and is under an obligation to work in the forest when required to do so. It has to look after the newly planted forests. It gets a plot of land to cultivate free or on rent but sowing seeds of the forest species along with what they require for immediate use is compulsory.

Labour is provided free timber and thatching material for making huts. Arrangements for drinking water and schools for education of their children also exist. The families of the 'taungya' labour depend solely on the land offered to them for free cultivation along with the forest crops. In the absence of such labour, the Forest Department would have to appoint many guards and other workers only to look after the newly-planted trees. It would mean a heavy expenditure. This is the reason why such labour is provided (i) enough culturable land to support the worker and his family for nominal rent, (ii) free grazing facilities for cattle, (iii) free use of forest produce, (iv) taccavi advances on easy terms either in cash or as seed and for purchase of bullocks or carts.

1.13 Systems of employment : Labour is engaged in one of the following ways : (i) daily labour, (ii) piece work, (iii) contract.

(i) Daily labour is engaged for ordinary forest work, such as weeding, planting and road construction, clearing firelines and departmental burning. This type of labour is locally recruited by forest officials. Wage rates fluctuate according to the market.

(ii) Piece-work is often used in departmental timber operations for the extraction of timber for local use, and occasionally for road work. Usually a standard specification is fixed for the conversion of timber which must be observed before the piece-work can be passed for payment. Felling is usually paid for on a scale based on diameter or girth. Seed collecting is also paid for per unit of seeds collected.

(iii) Usually labour under the contract system is male and migratory in nature. It travels to distant places for seasonal work with the contractor. During employment with the contractors, improvised sheds of leaves and grass is its shelter. Conditions of work and living are most trying and perhaps there is some compensation in terms of what they earn. A prudent contractor may provide a transistor at each centre and this serves as a link between these temporary colonies and the outside world. It provides the diversion which workers may need.

Forest Labour Cooperative Societies

1.14 These societies were established mainly with a view to ameliorate the conditions of forest labour and to associate it with the conservation and exploitation of forest and to protect labour from exploitation by unscrupulous contractors or other agencies. With their establishment, the conditions of forest labour in general have improved. Once labour comes to know that it is getting better deal with the cooperative societies, it could ask for similar conditions from contractors as well. Also the contractor gets to know that he is not the only agency to be entrusted with work. The operation of such factors has led to the current wage rates being nearly thrice those paid prior to Independence. The then Government of Bombay had organised forest cooperative societies for 'Adivasis' and other forest labour with the help of social workers. Forest coupes are allotted to them on reasonable terms. They are also given logging contracts. The objective of this policy was that the 'Adivasis' should not only get fair wages but also some profits out of the contract. Currently the Gujarat Government is encouraging cooperatives. The Maharashtra Government is thinking of starting small-scale forest-based industries in the vicinity of the forest areas in order to provide employment

to forest workers specially the Adivasis to supplement their meagre earnings. Besides, the Government has appointed a team of officers to recommend to the Government the district-wise potentialities for starting forest-based industries.

1.15 The Tribal Cooperative Development Corporation of Madhya Pradesh set up more recently has had similar objectives: to improve the lot of tribal population. During the fifties, several multi-purpose and forest societies were set up to help tribal population. But soon they were captured by middlemen mostly non-tribals with the result that the 'Adivasis' for whose benefit these societies were established became the victims of another type of exploitation. In 1963, the Government of Madhya Pradesh set up the Corporation to safeguard the interests of the tribal people. The corporation has taken on the work of collection of forest produce but not the operation of logging or other major work in forests. But within its limited sphere, it has established its utility. Collection of 'tendu' leaves has been nationalised by the State; the scheme has proved so beneficial to tribal labour that it is demanding nationalisation of other forest produce as well. During the last two years the Corporation has been looking after distribution of foodgrains among tribals to alleviate the hardships caused by the draught and famine. Tribal cooperatives have become an important agency for food distribution in the Adivasi areas. With all its shortcomings, the Corporation has initiated a process which will have a significant impact on the life of tribals in the State. It has already succeeded to some extent in loosening the strangle-hold of contractors and middlemen.

Wages

1.16 Wages paid to forest labour depend upon various factors. It is futile to discover a pattern even in the wage of unskilled workers. Even so, some figures may be quoted by way of illustration. In the U.P., an adult male worker on an average gets Rs.2/- per day and a woman Rs.1/- to Rs.1.50. A child on an average gets Rs.1/-. The corresponding wage rates fixed by Gujarat State Government are Rs.2/-, Rs.1.75 and Rs.1.50 per day respectively. The wage rates paid are generally higher during harvesting and sowing periods. Where wages are fixed on piece-work the rates fixed do not yield a much higher wage though disparity in earnings may be more. Contract labour is paid on piece-basis. At the end of the working season of six months a worker can return home with a saving of about Rs.200/- after meeting expenditure on ration and other items of necessity. In the case of skilled work the margin may improve to about Rs.300/-.

1.17 In the departmental working of coupes, the piece work rates for each operation in exploitation of forest area have been fixed. The rates obviously differ from State to State. An idea about differential can be had from the following table:

Table 1.2

<u>Daily wages earned in 1965-66 for</u>				
<u>Felling</u>	<u>Conversion</u>	<u>Dragging</u>	<u>Transport</u>	<u>Charcoal manufacturing</u>
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
Rs.2.77	Rs.2.82	Rs.6.06	Rs.6.62	Rs.3.00

Problems of Implementation

1.18 Forest work is scattered over extensive areas and implementation of any legislation to protect labour is a complicated problem especially when workers are not articulate. Living conditions

are different as mentioned earlier. While working in the forests, a worker is exposed to several hazards. He may be crushed by a tree, he and his colleagues fell. He may be attacked by a wild beast. Besides the forest is damp and malarious and can hide other ailments. It has, therefore, been suggested that workers should be provided with some kind of insurance against risks, as is being done in factories. Due to unorganised nature of forest labour and seasonal nature of employment, the provision of amenities depends on the fancy of the employer who provides facilities according to the proficiency of the labour and profitability of his undertaking. Illiteracy, backwardness, poverty and sometimes absence of alternate employment lead to exploitation. Recent awakening in labour has introduced a tendency to demand better facilities and higher wages. Its impact, however, is slow and selective in terms of its beneficiaries.

1.19 Forest operations in the present stage of forestry and under existing practices and system of forest management are generally labour-intensive and would probably continue to be so for few more years. Nevertheless, the need for providing reasonable conveniences to forest workers with a view to improving their productivity, living standard and working efficiency cannot be disputed. As in the case of all other unorganised and unprotected labour the problem will be one of implementation. But this by itself does not obviate the need for legislation which introduces (a) the fear in the employer that he will be hauled up, (b) a hope in the worker that he will benefit if adequate machinery is created, and (c) a 'norm' on the basis of which union organisers can operate.

1.20 Another aspect of forest work which was brought to our notice was the difficulty in establishing a claim for workmen's compensation. The workers who get injured or are otherwise disabled are normally turned out of the job without any compensation. At times the workers meet with fatal accidents but their families do not get any compensation as it is not possible for them to pursue compensation cases at the place of the accident. It is too expensive for them to initiate proceedings from the place where they stay. There may be worker's normal place of residence as the difficulties in naming the place of initiating action in case of death of forest labour, but a way has to be found out. Possibilities should be explored to make it obligatory on the part of the contractor to take out an insurance policy on the life of the worker.

Amenities to staff and labour

1.21 One per cent of the wages paid by the Forest Labour Cooperative Societies is granted by the Department to the societies for the welfare activities of forest labour, viz. providing drinking water, medicines, education. The funds provided appear to be only nominal. One would expect that they would bear some relationship with the moneys actually spent by workers at that level of income on items for which this meagre percentage of wage is set aside.

Trade Union Organisations

1.22 As in agriculture, the work in the forest industry is also of a casual nature and the workers are widely scattered. There are no unions or employers' organisations in the industry. This is a task which may require some attention. And the better way of attending to it will be to enthuse members of the tribal communities to take interest and assume leadership in the organisation whether it is unions or cooperatives. Such leadership is likely to have better acceptance from the rank and file than an urbanised leadership coming from other industries.

LAND AND FOREST AREA

State/Union Territory	Land Area 000 Hec- tares.	Forest Area	% of Forest Area to Land Area.	Per capita forest area.
1	2	3	4	5
<u>State</u>				
Andhra Pradesh	27524	6450	23.4	0.16
Assam	12197	2467	20.2	0.18
Bihar	17401	3143	18.1	0.06
Gujarat	18709	1866	10.0	0.08
Jammu & Kashmir	22287	2108	9.5	0.56
Kerala	3887	1053	27.1	0.06
Madhya Pradesh	44346	17111	38.6	0.47
Madras	12997	2222	17.1	0.06
Maharashtra	30727	6322	20.6	0.14
Mysore	19176	3522	18.4	0.14
Naga Land	1649	263	15.9	0.66
Orissa	15586	6816	43.7	0.35
Punjab	12201	1785	14.6	0.08
Rajasthan	34227	3848	11.2	0.17
Uttar Pradesh	29436	4664	15.8	0.06
West Bengal	8767	1181	13.5	0.03
Total States	311117	64821	20.8	0.14
<u>Union Territory</u>				
Andaman & Nico- bar Islands	829	666	73.1	7.97
Delhi	148	5	3.4	Neg.
Goa Daman & Diu	373	105	28.1	0.16
Himachal Pradesh	2820	1245	44.1	0.83
Manipur	2235	599	26.8	0.65
N.E.F.A.	8143	4862	59.7	13.43
Tripura	1045	635	60.8	0.49
All India	326809	72878	22.3	0.15

Development of fisheries as an industry is in its very early stages in the country. Mechanisation of fishing boats, the first step in the process, is being popularised. With mechanisation of the boats one should expect bigger landings and an ancillary development will be to arrange for sale of the fish or for its preservation. While the former will need an organisation the latter would mean cold storage industry as also ancillaries to fishing viz. manufacture of fish products. According to the Draft Fourth Five-Year-Plan Report, the main task in the Fourth Plan would be to increase fish production to meet protein requirements and further develop the export potential. It is proposed to increase the marine production by about 0.44 million tonnes, and inland fish production by about 33 thousand tonnes. Towards the end of 1967, the Agricultural Refinance Corporation included fisheries in the scope of its activities. In the Fourth Plan, schemes will be drawn up for making use of institutional finance in addition to outlays provided in the plan itself.

2.1 The labour in the fishing industry in India has not yet been surveyed in an organised manner by any agency. Fishermen can get employment either on fishing boats or on fish curing and processing work or on making and mending of nets or on building of boats. Labour employed on boat building is well organised and is covered under the relevant regulations of the Factories Act. Workers engaged for fishing and fish curing are not organised. Fishermen getting employment on non-mechanised fishing vessels are either on regular wage basis or on the share of the catch basis. If the employment is by the owner of the boat who himself is a fisherman, the difficulty is not about wages. If the owner of the boat is middleman or a fish trader, all the disadvantages of dealing with a middleman come up. If the wages are paid on the basis of the share of the catch, the cost of fish towards share is reckoned at a price which as compared to the price prevailing in whole-sale fish trade is to the disadvantage of the worker. The commodity being ^{perishable the} fisherman cannot wait

for long to dispose of the product. Such cold storage facilities as exist in smaller places are cornered by middlemen. Amenities extended to fishermen who move from one fishing area to another fishing area are limited depending on the nature of the new fishing area. In such areas they are completely at the mercy of the fish traders.

2.2 Some fishermen operate both mechanised and non-mechanised boats. They move with the fish to about 50 to 60 miles in States like Kerala and Maharashtra and even to about 200 miles in Gujarat. But these are essentially large-scale migrations; they call for organisation and provision of facilities for camping and advances. It is here the fish traders and others exploit workers by linking facilities and advance payments with the production.

2.3 Fishermen face a similar situation in inland fisheries. They are moved from one area to another by the contractors. Such movement is quite common from reservoir to reservoir in the State of Madhya Pradesh, Rajasthan, Uttar Pradesh and Bihar. During these migrations some fishermen are not provided with shelter and other facilities expected from the employer. In fact their conditions are worse than those of construction labour.

2.4 Generally workers engaged in mechanised fishing are organised but even in their case organisation has not fetched them advantages which workers in other urban employments have obtained. One should expect the same difference between organised and unorganised fishermen as is seen between workers of organised and unorganised factory industries. There is, however, a limit below which unorganised labour will ^{not} offer itself for work. On this basis the differentials for the same work in fishing according to scale of operations should be lower.

Recruitment.

2.5 The labour required for mechanised fishing is recruited generally through employment exchanges and in some cases through advertisement. There is shortage of adequately trained personnel like skipper, master fishermen, dock hands, engineers, radio operators and electricians. The Government of India and the State Governments have a programme to train people in the various fields. Ministry of Food and Agriculture is taking steps to establish training centres.

2.6 Casual labour is employed in organised fishing only in the case of work of casual nature. The nature of work is very hard requiring physical strength. The worker has to be fit to stand the strain. There is no discrimination in the matter of recruitment and "on the job" training is available; the experience gained in the actual operation is in itself a qualification. The promotion quota is fixed for all the categories and is based on seniority and qualifications.

Working Conditions.

2.7 The fishing boats in India are too small and the improvement in the working conditions can only be expected when larger vessels are introduced. It is difficult to observe all the festivals and national holidays in this trade as the duration of operation in the case of large vessels is fairly long and active participation of all the fishermen on board is necessary. Wherever possible the working days are adjusted. This happens more particularly in the case of small vessels. Children are not ^{employed} in

fishing. There is no contract labour. Trade unions are in existence in certain areas and where they do exist the genuine grievances of the fishermen are sympathetically considered and steps taken to redress them.

Safety and Health.

2.8 Safety training forms a part of training of dock hands and skippers in the training centres. Safety standards are prescribed under Indian Merchant Shipping Act, 1923. The safety equipment is expensive and the main difficulty ^{is} non-availability of equipment in the country and the lack of foreign exchange. The supply of safety equipment to workers for their personal use is inadequate and the general deficiency in the field is keenly felt.

Fisheries Co-operatives

2.9 The number of fisheries co-operatives stood at 2912 in 1963-64 with a membership of about 3 lakhs. The value of sales made by these societies during 1963-64 was Rs.2.44 crores. The Study Group on Fisheries Co-operatives has recommended that at least 50% of the production should be forth-coming from the co-operative sector in the Fourth Plan. The conference of Directors of Fisheries held in June, 1965 recognising the important role of cooperatives in mechanised fishing recommended that in future mechanised boats should be issued only through co-operatives. This and the following other guidelines were commended to the State Governments by the Department of Co-operation in October, 1965.

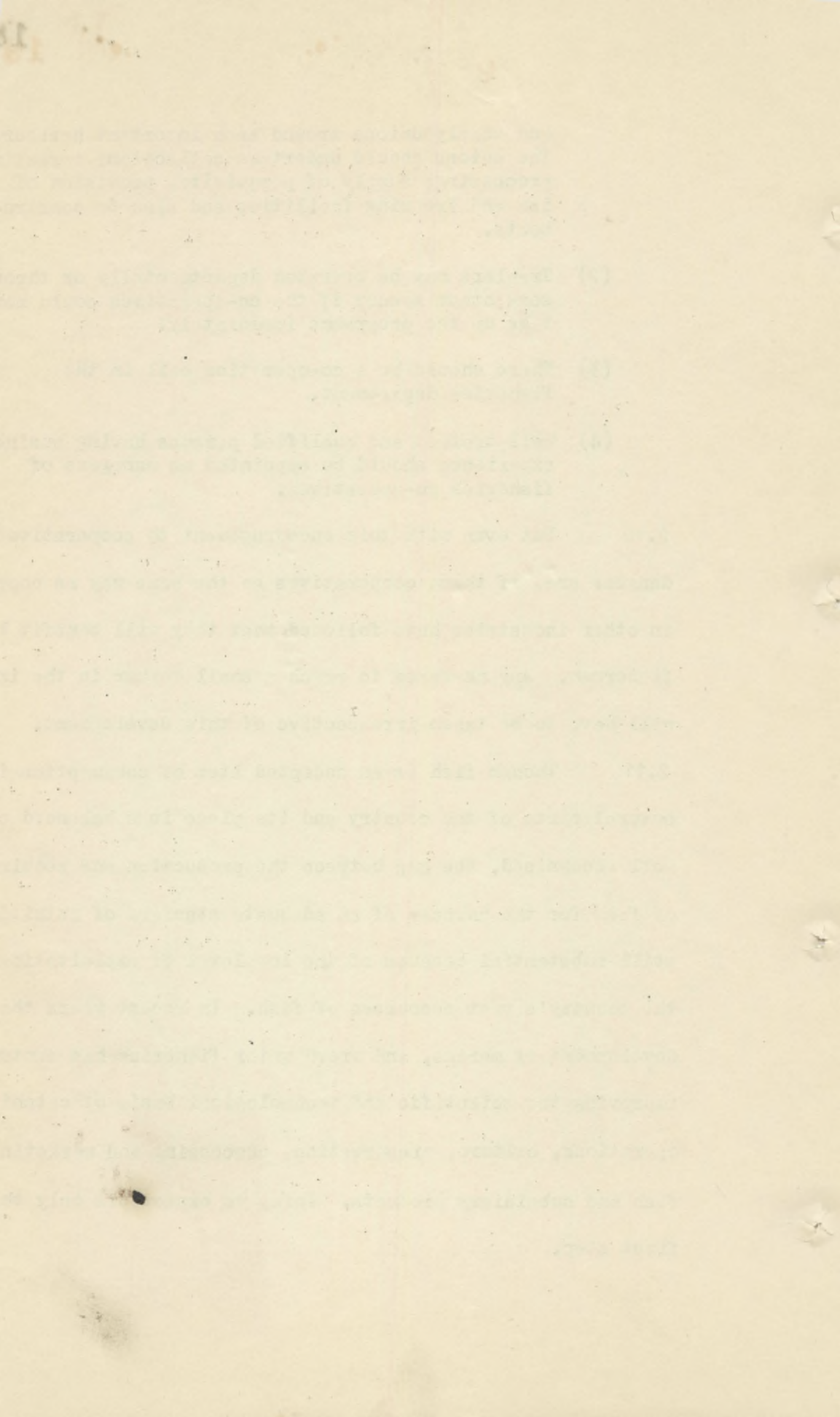
- (1) Primary fisheries co-operative societies should be organised and affiliated to the marketing

and supply unions around each important harbour. The unions should undertake collection; marketing; processing; supply of perquisite; provision of ice and freezing facilities and also to construct boats.

- (2) Trawlers may be operated departmentally or through some other agency if the co-operatives could not take up the programme immediately.
- (3) There should be a co-operation cell in the fisheries department.
- (4) Well trained and qualified persons having business experience should be appointed as managers of fisheries co-operatives.

2.10 But even with this encouragement to cooperatives the dangers are, if these cooperatives go the same way as cooperatives in other industries have followed, that they will benefit bigger fishermen. Any measures to reach a small worker in the industry will have to be taken irrespective of this development.

2.11 Though fish is an accepted item of consumption in several parts of the country and its place in a balanced diet is well recognised, the gap between the production and requirements of fish for the purpose of an adequate standard of nutrition is still substantial because of the low level of exploitation of the country's vast resources of fish. In recent years the development of marine, and fresh water fisheries has centred on improving the scientific and technological basis of catching operations, culture, preservation, processing and marketing of fish and subsidiary products. This, we expect, is only the first step.



the year 1966 was made up and total export of tea from India during the fiscal year 1966-67 stood at 190.4 m.kg. valued at Rs.102.3 crores (in pre-devaluation terms) compared to 197.4 m.kg. valued at Rs.114.8 crores in 1965-66.

3.1 Internal consumption (Production minus export) of tea in India has been steadily increasing. It increased from 82.7 m.kg. in 1953-54 to 139.6 m.kg. in 1961-62. The estimated internal consumption of tea in 1966-67 is 185.4 m.kg.

3.2 The industry is also a very important source of revenue to Government. The revenue earned through export and excise duties in 1967-68 was Rs.32.81 crores and Rs.24.90 crores respectively (Revised Budget Estimates). Besides, there are direct taxes such as income-tax and super tax and the State levy of agricultural income tax. With the ancillaries developed for the industry tea has, therefore, played a vital role in opening up vast areas of hitherto little economic significance and pushing development to what used to be remote and inaccessible forests.

3.3 An important feature of tea plantation industry since Independence in regard to labour matters has been the successful working of its Industrial Committee. Tripartite in character, it has met several times and evolved a number of working arrangements which have been respected by the industry. Several benefits have reached workers through the periodic meetings of the Committee and agreements reached therein.

3. TEA PLANTATIONS

Tea plantations occupy a significant position in the national economy. Tea is the second largest export industry in terms of the foreign exchange it earns. The industry provides employment to more than 8.2 lakh persons. Its contribution to the Central and State exchequers from taxes and levies paid to local Governments, is substantial. Besides, a large number of ancillary industries depend upon the tea industry. With a production of 382.5 million kg. in 1967 and about 56% of the tea produced being exported, India continues to be the largest producer of tea in the world but since 1965, it has lost to Ceylon its position as the largest exporter of tea. The industry increased its production steadily, but in recent years expanding production in other Asian and African countries has resulted in Indian tea, particularly, medium teas, grown in plains meeting with increasing competition in world markets. World exports of tea have been rising at around 1.7 % per annum over the last 17 years, but Indian exports of tea have not maintained their due share of the total. In 1950, India supplied 45.96% of the world export trade but by 1966 her share had fallen to 32.1%. Tea exports from India fell from 199.4 m.kg.. valued at Rs.115.0 crores in 1965 to 179.2 m.kg. valued at Rs.137.5 crores (Rs.98.8 crores in pre-devaluation terms) in 1966. The devaluation of the Indian Rupee and its aftermath affected particularly shipment of tea and it was not until the middle of December 1966 that there was noticeable improvement in the pace of shipments. As a result much of the shortfall in exports during

Employment

3.4 The tea plantations industry provides average daily employment to about 8.2 lakh persons of whom slightly less than 50% are women. The average daily employment is shown in the table/margin.

Table 3.1Average daily employment
(in lakhs)

1951	10.18
1955	9.90
1956	10.05
1960	8.45
1961	8.23
1962	8.16
1963	8.47
1964	8.19 (P)

(Source: Tea Statistics 1966-67 and Indian Labour Statistics, 1968).
(P) Provisional.

The area under tea plantations in 1951 was 3,16,870 hectares which rose to 3,37,874 hectares in 1964. Though there may be some doubts about the completeness of returns, it is an undeniable fact that the size of the labour force has declined over the years. The reasons for this decline are broadly given as follows:

- (i) Agricultural practices have changed in the last decade. The system of weeding, shade regulation, transportation of leaf, withering methods, pruning cycles, forking, plucking, etc. have changed; some operations have been eliminated.
- (ii) The modernisation of factories and increasing mechanisation and introduction of semi-automatic processes have resulted in saving in labour.
- (iii) The employment strength carried on the rolls of the estates prior to the enforcement of the Minimum Wages Act did not correctly reflect the effective employment throughout the year. The situation has completely changed with the application of lay-off and retrenchment provisions of the Industrial Disputes Act to plantations.

3.5 The one-man Fact Finding Committee (the Chatterjee Committee) appointed by the Government of India in 1962 observed that in a number of gardens not all the vacancies which arose since 1959 have been filled. Taking advantage of the natural wastage, whatever the reasons, to reduce the labour force appears to be a wide-spread practice.

However, despite the fall in employment, the industry continues to be one of the largest employers of labour.

3.6 There is no standardised classification of workers engaged in tea plantations. They are broadly grouped as (i) labour, (ii) staff and (iii) artisans. Labour includes all manual workers employed in various processes of the field and factory and includes peons, chowkidars, sardars, malis, orderlies and so on; while 'artisans' include all those who are engaged as skilled and semi-skilled workers like drivers, fitters, carpenters, electricians and so on. "Staff" and "artisans" are ordinarily monthly rated: and according to convention, those among the labour group like sardars, chowkidars and malis who are monthly rated are sometimes described as 'sub-staff'. Numerically "labour" predominates over the rest, constituting about 96% of the total and all general enquiries so far conducted have been exclusively devoted to them.

3.7 The following table gives the average daily number of labour employed in field and factory in 1964.

Table 3.2
Average daily labour employed in field and
factory in 1964.

	<u>Field</u>	<u>Factory</u>	<u>Total</u>
North India	574,178	75,856	650,034
South India	156,814	11,935	168,749
Total All-India	<u>730,992</u>	<u>87,791</u>	<u>818,783</u>

(Source: Tea Statistics 1966-67)

3.8 Labour Turn-over: Labour turnover used to be a problem in tea plantations necessitating permanent arrangements for fresh recruitment either locally or from outside. The pressure of unemployment and the natural growth of the resident labour force have both operated to reduce turnover. The need for fresh recruitment arising from natural wastage through death and superannuation/old age can be met without difficulty. As no previous training or experience is needed, employers can meet the normal requirements locally.

3.9 Absenteeism: No reliable and up-to-date statistics on absenteeism are available. The causes tending to absenteeism no longer operate with the same force. The normal absenteeism due to sickness, maternity, festival and annual leave, tends to be higher due to the nature of work and because of family being the unit of employment.

3.10 Recruitment: Since plantations developed in a big way in remote and hilly areas, the adequate labour-supply was a problem in early years. Employers had to depend entirely on imported labour, often from distant places outside the State, and had to use special agencies for this purpose e.g. Sardars in areas other than Assam in North-East India, and 'Kanganis' in South India. The malpractices associated with the system were the subject of investigation and the more pernicious among them have been abolished. The Industrial Committee came to a conclusion in 1960 that no fresh recruitment should be made from outside Assam where the problem of surplus labour was acute except with the permission of Government and that movement of labour from surplus to deficit areas within Assam

should be encouraged with the help of Special Employment Exchanges. Since 1961, the Employers' Association maintained a list of estates which had surplus labour and other estates needing workers are advised to absorb the surplus labour from those estates to the extent of their requirement. In other cases, estates recruited relatives of their workers or engaged 'basti' labour from adjoining 'bastis' to cope up with the rush of work. While the arrangements from the employers' side were thus streamlined; resistance to mobility on the side of workers still continues to be a factor to be reckoned.

3.11 In Tamil Nadu after the abolition of the Kanganis system, the 'Kanganis' were either absorbed as 'Maistries', labour supervisors, or were allowed to retire after receiving compensation as per the terms of the agreement between the parties. In Kerala, an agreement was reached between the parties in 1962 through the agency of the Plantations Labour Committee and the Kanganis system no longer exists. Direct recruitment by the managements is the universal practice in all the centres. The significant proportion of workers recruited through intermediaries (like 'Kanganis' in Southern India) only indicates that the workers who were brought by these intermediaries were still in service, although as already stated earlier, the practice of direct recruitment by the managements had virtually replaced all other methods involving intermediaries.

3.12 Contract and casual labour: It is a constant complaint of the workers that one reason why permanent employment in the tea estates has been reduced is the tendency of the estates to employ temporary or contract labour. The workers themselves do not

deny that tea industry being seasonal there is a need for increased number of workers in some parts of the year and some casual labour is necessary at those times. The workers allege that the tendency to employ casual and contract labour is growing because employers save on fringe benefits. The best course seems to be that stricter vigilance should be exercised on employment of casual labour. Contract labour should be engaged only on such works which are of the most irregular nature.

3.13 Training and Apprenticeship: No skill^{is} required for any operation excepting plucking and pruning where a little care on the part of the workers is needed. The work, therefore, involves no special training or apprenticeship. The job is understood by associating with workers who are already on the job. Training in the lower rungs of the operations does not pose any problem either if the managerial and supervisory staff possess the required experience. Apprentices are entertained in certain jobs, but generally the system of recruitment to the lowest grade and filling up higher grades through promotion imparts a degree of training to the superior cadres.

3.14 Rationalisation: A process of rationalisation is being introduced to curtail expenditure on labour. Workers are not opposed to technical changes for bringing about greater output. They do not allow machines to displace them. To them, the problem is, one of survival. The use of labour saving devices whether by introducing more sophisticated system of accounting and manufacture or by adoption of mechanisation including improved cultural practices has to follow careful assessment of their impact on the present and future employment.

Wages and Earnings:

3.15 Till the time of the enquiry by the Labour Investigation Committee and a few years thereafter, wage rates of workers employed in tea plantations were governed by mutual agreements between association of employers and unions of workers. As a result, time-rates of wages were generally uniform in various plantation districts in the different States.

3.16 In Assam, on works other than plucking of leaf, the common system of piece-work is what is known as the 'hazira' and 'ticca'. Usually each worker is assigned a task which he has to complete to earn his 'hazira'. The task varied from unit to unit but it generally involved about 5 hours of work. After finishing the 'hazira', the worker was free to go or take up some more work. The earnings accruing from the additional task were called 'ticca'. Even though it was not incumbent on the part of management having 'hazira' system to offer opportunity for earning 'ticca', in practice, the worker got opportunities to claim the 'ticca' earnings.

3.17 In West Bengal, the wage system was the same as in Assam except that 'ticca' was called 'doubli' in the Dooars area. The 'hazira' and 'doubli' system was also prevalent in Tripura. This system has now been abolished by the Wage Board's award.

3.18 Both time and piece rates prevail in South India. A fixed task is set for the day and the worker is expected to complete it. Incentive is offered in the shape of additional work which may be allotted after completion of the task and for which extra remuneration is paid. Time rates are usually fixed for 8 hours.

3.19 The Minimum Wages Act: Soon after the passing of the Minimum Wages Act, the different State Governments proceeded to fix minimum wages under the Act. The minimum wages notification published in 1952 for the first time introduced uniformity in the wage structure on a State-wise basis. But the wage rates of ordinary labour as originally fixed were substantially modified during the decade that followed and are summarised in ~~Appendix I~~. Annexure I

3.20 Wage Boards: The Wage Board appointed in 1960 submitted its report in April, 1966. The position in respect of wages after the Government's decision accepting the Wage Board's recommendations was announced in July 1966 is summarised in ~~Appendix I~~. Annexure II Factory workers are to receive the existing wage differentials over field workers in North-East India, whereas in South India men, women and adolescents working in factories are to receive a differential of 20, 15 and 15 paise respectively over the new daily rates for field workers. Corresponding wage increases are also recommended for supervisors/maistries in South India.

3.21 Dearness Allowance: From 1st April, 1967, is to be paid a variable dearness allowance calculated at the rate of 0.4 paise per day per point of increase over 170 of the index in the case of North-East India. The dearness allowance is to vary every year according to the rise in the cost of living over the average of the preceding year, subject to a maximum increase of 16 points or 6 paise in any one calendar year, any increase over that being carried over to the following year upto the level of 200 points in the average all-India index number. In the case of North India and South India, the allowance is to be calculated at the rate of 0.75 paise per

point increase upto a maximum of 12 points per annum in North India and 16 points in the case of South India.

3.22 The Wage Board has brought about an upward revision of the wage and salary structure and has also effected a standardisation of staff pay scales in the North and North-East India. Difficulties in relating wage rates to performance could not be overcome and in consequence the normal load of work to which the wage rates relate still remains vague. By recommending a variable dearness allowance, based on increase in the cost of living, the principle of compensation has been conceded within limits. In recommending different wage rates according to the size and location of the plantations, the Board has taken note of the paying capacity of the industry.

3.23 Payment of Bonus: Even after the enactment of the Payment of Bonus Act, 1965 the tea industry in South India has maintained its past practice of industry-wise settlements in each State. Agreements are entered into under section 34 of the Payment of Bonus Act. The rates of bonus paid thereunder have varied from 4% to 13% of the total earnings and are given below:

TABLE 3.3

	<u>Madras</u>	<u>Kerala</u>	<u>Mysore</u>
1964	9½%	9%	6½%
1965	10%	9%	6½%
1966	9½%	9%	6½%
1967	8½%	Not yet settled.	

In the North-East Indian Plantations there was no system of payment of bonus to labour. In certain regions, such as, Cachar, there was originally a custom of paying a fixed sum as bonus on the occasion of the Durga Puja Festival. Profit Bonus on individual

garden/company basis was paid to salaried staff. However, an agreement on industry-wise bonus payment in respect of North-East Indian Tea Plantations was reached through the intervention of the Central Government in 1955 covering the years 1953 and 1954 which were high profit years for the industry. Subsequent national agreements provided for bonus payment for later years. The last such agreement reached on 30.11.1965 provides for bonus for the years 1962 and 1963. Bonus payments for subsequent years are to be made in terms of the Payment of Bonus Act, 1965. The requirement to pay a minimum bonus irrespective of profit and loss as laid down in the Act has evoked strong protest from the industry and representations have been made to the State Governments concerned to exempt the tea industry from this liability.

3.24 Supply of foodgrains: Employers in Assam and Bengal have contended that the supply of foodgrains at concessional prices to workers has placed an ever-increasing burden on them. The inability of State Governments to supply rice at controlled prices, has made it obligatory on them to purchase it at exorbitant rates. When unable to procure rice, they had to offer its cash equivalent which in many cases workers have refused. The present system of supply has failed to give satisfaction to either side; the Wage Board's suggestion that Government should take over the responsibility of feeding labour, has to be examined. There is a suggestion that ration shops should be set up by the State Governments throughout the tea districts. The only other alternative is to encourage the formation of cooperatives.

3.25 In the South, the Government of Tamil Nadu issued directions to open fair price shops in plantations employing 250 or more workers. Fair Price Shops were opened in most plantations and continued upto September, 1964, when the Government ordered all estates which had such shops to take out retailers' licences and to issue rice and wheat at the controlled prices fixed by the District Collectors. This system still continues. In Mysore also most estates have taken out dealers' licences for the procurement, stocking and issue of foodgrains to their workers. In Kerala the problem is not so much that of distribution as of availability of foodgrains. The employers have opposed the obligation to open fair price shops. But there are already fair price shops and ration shops run by the State in all plantation areas.

Working Conditions

3.26 With the enforcement of the Plantations Labour Act, 1951, improvements in the living and working conditions of the labour employed in plantations have taken place. The Act applies to several tea plantations. Besides regulating hours of work, weekly holidays, annual leave with wages and employment of women and children, the Act makes it obligatory for the employers to provide welfare amenities some of which used to be provided voluntarily by the more progressive among them.

3.27 Working Hours: The weekly and daily maximum hours of work, the total spreadover and rest interval have been laid down. Most out-door operations in tea plantations are carried on by setting tasks which can be completed well within the maximum limits laid down. Over-time work is strictly limited and mostly confined to manufacturing of tea. Weekly holiday is not merely a normal practice but a statutory requirement. An anomaly has been introduced in working hours as a result of the simultaneous application of the Plantations Labour Act and the Minimum Wages Act to plantations. Under the former weekly hours of work could be 54, under the latter only 48. Some harmony is necessary in the two enactments by bringing the working hours under the former in line with the latter.

3.28 Regulation of Employment of Women and Children: Children below 12 years of age are prohibited for being employed under the Plantations Labour Act, 1951. Employment of such children came to be stopped earlier by agreement. Children and adolescents are now further required to be medically examined and declared fit for employment. Night work for women and children is also prohibited by law.

3.29 Leave and Holidays with Pay: Workers are entitled to annual leave as well as sick leave with wages under certain conditions. Sick leave for 14 days in a year and sickness allowance at two-third of the wages, subject to a minimum of Re.1/- per diem is legally permissible. Annual leave with wages is granted to all workers for a number of days calculated at the rate of one day for every 20 days of work performed, in case of adults and at the rate of one day for 15 days of work performed for young persons.

3.30 The Plantations Labour Act makes no provision for National and Festival Holidays, but all workers enjoy 6 - 7 days paid holidays in a year under Agreement. However, the National and Festival Holidays Acts in Madras, Mysore and Kerala provide for national holidays and festival holidays. There are 3 national holidays in Madras, 2 each in Kerala and Mysore and 4 festival holidays in the three States.

Welfare and Amenities

3.31 Welfare activities undertaken by the employer are generally those which the employers are under statutory obligation to provide.

3.32 Provision of Drinking Water: According to the report by the Labour Bureau (1961-62), drinking water facilities at work-sites existed in nearly 83% of the tea plantations in the country. The most common practice was to provide water in buckets or drums or in earthen pitchers. The system of supplying tea to workers was in vogue only in Assam, Tripura and West Bengal. A few estates in Assam and Tripura and West Bengal had made arrangements for the supply of cool water in earthen pitchers for the use of workers.

3.33 Housing: It has been made obligatory by the Act to provide and maintain housing accommodation for all resident workers and their families. The standard of accommodation is laid down under the State Rules on the advice of Tripartite Advisory Boards. This constitutes an improvement over the earlier arrangements when no fixed standards were laid down. Under the Rules framed by the State Governments, employers are required to construct housing accommodation of the prescribed standard for at least 8% of the resident workers every year. The standard of accommodation prescribed varies from State to State. As against this requirement of the Act which could have provided housing of approved standard within twelve years of the enforcement of the Act, a study undertaken by a committee appointed by the Government of India revealed that by 1962-63 only about half of tea plantation workers

had accommodation of approved standard. The difficulties pointed out by the Committee were not such as were not known at the time the employers had given an assurance to improve housing as per statutory requirement. In any case, the Committee has recommended a measure of liberalisation of assistance given by Government for industrial housing.

3.34 Medical Facilities: Although much has already been done for the health of workers, there is still scope for improvement in this direction in certain estates. The steps taken by the organised sector of the industry to fight malaria, cholera, dysentery, etc. have proved successful. Such efforts need to be augmented in view of the reported increase in incidence of diseases in certain areas.

3.35 Recreational Facilities: Provision of recreation centres has been made obligatory under the Plantations Labour Act. Some estates in Assam have facilities for indoor games; radio sets are also available. These are used only by staff members and less frequently by labour. Periodic exhibition of cinema shows, games and puja performances which are customary in most tea plantations are the diversions which labour now looks forward to.

3.36 Protection from rain and cold: The rules framed by State Governments are not uniform. Some items laid down are 'ghapis' or umbrellas, jerseys or blankets and aprons. While these have not satisfied labour, employers as a class have opposed the inclusion of other items on the ground that their misuse cannot be controlled. The progress of implementation in the case of approved items has not been unsatisfactory.

3.17

3.37 Creches: The rules in respect of providing creches have been brought into force in most States. But inconvenient location, lack of suitable feeding arrangements and trained and experienced creche attendants have proved to be the obstacles in the way of implementation. The present arrangements have not proved attractive to labour; the best solution would appear to be mobile creches.

3.38 Canteen: The rules require every plantation wherein 150 or more workers are ordinarily employed to provide and maintain a canteen with facilities for sale of tea, coffee (in Southern India) and snacks to workers on a 'no profit no loss' basis. The provision has not been enforced so far in every State. Experimental canteens have been started in the majority of cases with the aid of contractors and the extension of this arrangement is under consideration.

3.39 Educational Facilities: The employers took upon themselves the provision of elementary schools for the benefit of the children resident on the estate. Such schools are found in several estates. Apart from primary schools meant for children, educational facilities provide for night classes for adults. The statutory regulation, however, has failed in improving the quality of education or the standard of teaching. The employers maintain that provision of education is a State responsibility. Several garden schools are handed over to Education Boards or the Government. The employers' liability is discharged by making over the land and buildings and guaranteeing the emoluments of teachers who used to be their employees. A well thought out and integrated education programme

suited to the needs of the tea garden labour is yet to be evolved. Though the educational background of tea garden workers is rarely of the required standard, by suitable adjustment of the curriculum and training methods, it has been possible to extend the benefits of the Workers' Education Scheme run by the Central Board of Workers' Education to plantation labour.

3.40 In addition to these statutory responsibilities there are other welfare activities which are carried on through State Governments, non-official organisations and to a very limited extent by trade unions.

Social Security

3.41 Except in Assam, workers employed in the tea plantations enjoyed virtually no other social security at the time of the enquiry conducted by the Labour Investigation Committee in 1944-45. Since then, either as a result of statutory measures or as a consequence of collective agreements the scope of social security enjoyed by workers in the plantations has widened. The workers employed in the field and in the factory are covered by the Workmen's Compensation Act, 1923, and are to that extent protected against the hazards of work.

3.42 Provident Fund: Some estates had their own provident fund schemes for clerical and other graded staff even before the introduction of the statutory scheme. But ordinary labour was not covered. The Assam Tea Plantations Provident Fund Scheme Act, 1955 for the first time made provisions for compulsory provident fund for labour. The scheme has been extended to all employees. The rate of contribution which was $6\frac{1}{4}\%$ to start with has been raised to 8% since the beginning of the year 1966. The number of members stood at 4,70,519 on 31.3.1967. The success of the scheme encouraged the Board of

Trustees to introduce a Life Insurance Scheme as well on a voluntary basis. This has proved very attractive. A Pension Scheme is also going to be operated out of undisbursed accumulations in the Fund. In Madras State, a Workmen's Provident Fund Scheme was introduced in terms of a settlement reached in 1957. The rate of contribution is $8\frac{1}{3}\%$ in respect of workmen employed in large tea estates and $6\frac{1}{4}\%$ for others. All the plantation workers except those in Assam who are covered by a separate scheme, have been brought within the scope of the Employees' Provident Fund Act, 1952, with effect from 30.4.1957. The rate of contribution which used to be $6\frac{1}{4}\%$ has been raised to 8% w.e.f. 1.2.1965 in respect of tea plantations in which 50 or more persons are employed. The higher rate of $8\frac{1}{3}\%$ in the Madras State has remained unaltered. The total number of subscribers to Employees' Provident Fund (except in the State of Assam) stood at 3,47,368 as on 30.9.1964.

3.43 Pension/Gratuity: Payment of gratuity is now a regular feature in the South. The gratuity provisions were revised in terms of a settlement in Madras reached on 20.2.1966. Gratuity schemes are also in operation in Kerala and Mysore. There is no such scheme in operation in other parts of the country. Most companies, however, have their own gratuity or pension schemes for staff members though the conditions governing the payment of gratuity/pension vary from company to company. In some gardens, there is a system of awarding pensions to a certain number of workers of lower grades on compassionate grounds.

3.44 The hazard of unemployment through lay-off or retrenchment is sought to be covered by the provisions of the Industrial Disputes Act, 1947. These provisions are equally applicable to tea plantations workers.

3.45 Maternity Benefits: Maternity benefit was formerly governed by the different State laws in force. The rates of benefit were related to the minimum rates of wages and were not standardised. With the passing of the Maternity Benefit Act, 1961, maternity benefit has to be paid at a uniform rate of average daily wage for twelve weeks. The Act also makes it obligatory to provide necessary pre-natal and post-natal medical care, failing which the employer concerned is made liable for the payment of a medical bonus of Rs.25/-.

Labour Legislation

3.46 Legal protection granted to plantation workers covers terms and conditions of work, regulation and payment of wages, investigation and settlement of disputes, provision of welfare activities and social security measures. Any further widening of the scope of legal protection seems unnecessary. Better implementation is what is called for. The number of 'forms' and 'registers' required to be maintained under each Act is such that the additional work involved is considered by many to be out of all proportion to the benefits which accrue to labour. Procedural difficulties could be avoided by entrusting the responsibility to administer a number of Acts to the same officer. The employers are in favour of a comprehensive code if it is an attempt to codify all the enactments applicable to plantations or if this is not feasible at least a consolidation of the returns required to be submitted under the various Acts is desirable.

3.47 The administrative arrangements made in the different States vary. Separate plantation inspectors are maintained in the larger tea districts. In some cases, functional separation operates but ordinarily the field staff have to combine a number of functions for various reasons. Administrative efficiency has suffered in consequence of the delay involved in the disposal of cases instituted under the several Acts. Complaints have been voiced against such delays by all sections of workers. The employers are opposed to the suggestion to set up separate courts to deal with complaints arising from non-implementation of statutory provisions.

3.48 A situation peculiar to plantations was brought to our notice. At times some surprise checks are necessary for the inspectorate to be effective. Lack of transport facilities makes such checks difficult. Where there are complaints which do not require surprise checks, the inspectorate has to depend upon transport provided by the employer. In the circumstances, surprise checks are hard to come by. Finances of State Governments are always strained to provide the necessary transport but a solution requires to be evolved to this problem.

Organisation of Employers and Workers:

3.49 For historical reasons, tea planters found it necessary to combine and form organisations and the two important organisations viz., the Indian Tea Association, and the United Planters' Association of Southern India with their regional/district associations still remain the more dominant ones, though a number of other associations play a vital role in deciding issues affecting labour and in the formulation of labour policies.

3.50 In sharp contrast, workers for a long time used to be 'unorganised', illiterate and helpless'. It was difficult for social workers to reach the residential part of the estates. Sign boards 'trespassers will be prosecuted' were a real deterrent. But the climate changed after Independence. Social workers, trade union organisers and political leaders entered the plantations and started organisational activities among workers. The machinery for tripartite consultation at the Central and State levels which required the participation of both workers and employers representatives and the conciliation machinery for investigation and settlement of industrial disputes underlined the importance of an organised approach to problems through unions. In the absence of an opportunity to voice their grievances, labour sometimes resort to illegal and violent methods leading to breach of peace but such instances are on the wane. Several unions have helped to channel such protests along more peaceful lines.

3.51 Bulk of tea plantation workers came to be unionised in the fifties. There are separate unions of staff members and of ordinary workers. At present, 13 unions are operating in the tea plantations in Assam and a similar number in West Bengal. In South India, 30 unions are functioning in the State of Madras, 6 in Mysore and 26 in Kerala. Most of the trade unions are affiliated to one or other of the central trade union organisations but by far the most representative is the INTUC. The Indian National Plantation Workers' Union with its headquarters in Assam weilds considerable influence in the formulation of labour policies. for the industry.

Industrial Relations

3.52 The attitude of labour towards the management has been influenced by union activities. Labour is now openly making demands

and ventilate grievances instead of suffering in silence. The statistics regarding industrial disputes during the period from 1959 to 1966 are given in the table at ~~Appendix 'C'~~ ^{Annexure-III}. Though some employers report a militant unruly attitude on the part of labour, managements by and large have found it to their advantage to deal with organised leadership. Majority of the disputes are settled through discussions and negotiations between the parties. Bilateral agreements are also arrived at in many cases. Not infrequently, the mediation of the Government Conciliation Officers is found to be of value. Major issues like wage rate and salary scales, bonus and rationalisation have led to area or industry-wide strikes but these occur less frequently in tea plantations than elsewhere.

3.53 Attempts to form Works Committees under the Industrial Disputes Act have not met with uniform success in all areas. In the South, Works Committees consisting of representatives of both employers and workers have contributed to the elimination of causes of disputes at the unit level; but in the North and North-East, trade unions have opposed their formation on the ground that the labour representatives are ill-equipped to sit with management for joint discussion in the absence of their leaders. In this situation even minor issues are usually discussed with the garden committees of recognised unions.

3.54 Conciliation and Adjudication : Conciliation machinery has played a vital role in maintaining industrial harmony in tea plantations. Wherever any dispute fails to be resolved through discussions or strikes/lockouts occur or are apprehended, formal conciliation proceedings are initiated.

A substantial proportion of industrial disputes is settled through conciliation. The Plantation Inquiry Commission underlined the importance of the role played by the Conciliation Officers and laid emphasis on the proper recruitment and training of such officers.

3.55 A fair proportion of industrial disputes is also referred to Labour Courts and Tribunals for adjudication. Settlement of disputes through adjudication has, however, proved to be a costly and time consuming process causing great inconvenience to the parties concerned. Moreover, delay takes place when the High Courts and Supreme Court are invoked by the parties. The Study Group on Tea Plantations, therefore, considers that collective bargaining should be the normal method for settlement of all disputes. In case of failure to reach a settlement through this method, voluntary arbitration should be resorted to. But the employers as a class have not accepted voluntary arbitration for various reasons. Unions have shown a preference for voluntary arbitration in most cases in the interest of speedy disposal of disputes.

3.56 Code of Discipline: In the tea industry, the major elements in the terms and conditions of service are governed either by agreements or by statute. The cause of industrial peace is being served better by strict enforcement of the agreements and the various provisions of the statutes.

3.57 Standing Orders: All tea plantations (excluding small holdings) are covered by certified standing orders under the Industrial Employment (Standing Orders) Act, 1946 which define broadly the conditions of service applicable to the different categories of workers and lay down the rules for disciplinary action. Standing orders have been certified on an Association basis in each State.

Statement showing Modified Wage Rates of Ordinary Labour.

Area	Category	Basic wage Rs.	Dearness Allowance Rs.	Foodgrain concessions
<u>Assam Valley</u> (different rates fixed for different zones)	Men	1.45 & 1.52	0.31 & 0.37	Rs.20/- and Rs.17/50 per md. of cereals according to zones.
	Women	1.39 & 1.45	0.31	
	Children	0.72 & 0.75	0.16	
<u>Assam Valley</u> (Cachar)	Men	1.22	0.31	Rs. 20/- per md. of cereals.
	Women	1.16	0.31	
	Children	0.68	0.15	
<u>Assam Valley</u> (Dooars & Terai Different rates for gardens above and below 100 acres)	Men	1.24 & 1.25	0.60 & 0.56	Rs.15/- per md. of cereals
	Women & Adolescents	1.12 & 1.13	0.31	
	Children	0.69	0.56 & 0.40	
<u>Assam Valley</u> (Karjeeing)	Men	1.05	0.40	Rs.17.50 per md. of cereals
	Women & Adolescents	1.00	0.40	
	Children	0.50	0.30	
<u>Assam Valley</u> (Dipura)	Male) Adult &	0.88	0.37	Rice at Rs.20/- per md.
	Female) Adolescents	0.75	0.37	
	Children	0.50	0.12	
<u>Assam Valley</u> (Dhar Dhanchi)	All workers (all inclusive)	1.37	-	
	Adults over 19 years of age	1.44 (all inclusive in Dehra Dun)	-	
<u>Assam Valley</u> (P.)		1.00 & 0.66 (all inclusive in Almora)		
<u>Assam Valley</u> (Dhanjab)	Men	1.00	-	
	Women	0.69	-	
	Children	0.50	-	

		<u>200 acres and less</u>	<u>Above 200 acres</u>		
<u>Madras</u>	Grade I	1.56	1.72) All	
	Grade II	1.16	1.31) inclusive	
	Adolescents	0.94	1.00		
	Children	0.72	0.72		
		<u>Above 100 acres</u>	<u>Others</u>		
<u>Kerala</u>	Men	1.72	1.65) All	
	Women	1.34	1.27) inclusive	
	Adolescents	1.06	1.04		
	Children	0.85	0.83		
<u>Mysore</u>	<u>Kadamane & Goomenkhan Estates</u>		<u>Above 600 acres</u>	<u>Others Between 500 & 600 acres</u>	<u>Below 50 acres</u>
	Men	1.75	1.67	1.62	1.51
	Women	1.35	1.28	1.23	1.11
	Adolescents	1.15	1.05	1.00	0.9
	Children	0.95	0.80	0.80	0.8

Source:- Report of the Study Group on Plantations (Te October, 1968, National Commission on Labour

Statement showing final recommendations of the Wage Board
in respect of wages:

Wage Rates : Basic rates from 1.4.66 (in Rs. & P.)

<u>NORTH-EAST INDIA</u>	<u>Men</u>	<u>Women</u>	<u>Children</u>	<u>Adolescents</u>
<u>1. Assam</u>				
Dibrugarh Sub-Division and Sibsagar District - Plantations of 150 acres and above	2.25	2.07	1.09	
Other Plantations	2.22	2.04	1.08	
North Lakhimpur & Tezpur Sub-Division - Plantations of 150 acres and above	2.18	2.01	1.06	
Other Plantations	2.15	1.98	1.05	
Jangaldai Sub-Division	2.15	1.98	1.05	
United North Cachar & Mikkir Hills, Jowong, Kamrup & Goalpara Districts	2.08	1.97	1.05	
Cachar and Tea Plantations within 10 miles of Dimapur	1.72	1.62	0.92	
<u>West Bengal</u>				
Cooch Behar : Plantations of 500 acres and above	2.13	1.96	1.15	
Plantations below 500 acres	2.10	1.93	1.15	
Terai & Cooch Behar	2.07	1.90	1.13	
Darjeeling	1.75	1.64	0.95	
Tripura	1.53	1.34	0.75	
<u>INDIA</u>				
		From 1.6.1966		
<u>Punjab & Himachal Pradesh</u> (Kangra & Mandi)	1.20	0.94	0.55	
<u>Uttar Pradesh</u>				
Dehra Dun	1.60	1.60		
Berainag & Chokorie areas of Almora Dist.	1.20	1.20		
Other areas of Almora Dist. and Garhwal Dist.	0.86	0.86		
<u>Bihar - Ranchi</u>	1.55	1.55		
<u>INDIA</u>				
<u>Madras</u>				
100 acres and above	2.25	1.80	1.13	1.35
Less than 100 acres	2.11	1.66	1.13	1.29
<u>Kerala</u>				
100 acres and above	2.25	1.80	1.13	1.35
Less than 100 acres	2.18	1.76	1.11	1.33
<u>Mysore</u>				
100 acres and above	2.25	1.80	1.13	1.35
Less than 100 acres	2.11	1.64	1.13	1.25

Source:-Report of the Study Group on Plantations (Tea)
October, 1968, National Commission on Labour.

Annexure-III
 Part para 5.5.2
 Appendix 10

Statistics of Industrial Disputes in
 Tea Plantations (1959-1966).

<u>Year</u>	<u>No. of work stoppages</u>	<u>No. of workers involved</u>	<u>No. of mandays lost.</u>
1959	93	49,429	108,404
1960	87	37,883	138,000
1961	73	34,114	124,000
1962	70	37,806	126,000
1963	49	21,613	97,000
1964	78	31,861	178,000
1965	89	69,674	296,000
1966	118	85,586	757,000

Source:- Indian Labour Statistics,
 Labour Bureau.

Source:- Report of the Study Group on Plantations (Tea)
 October, 1968, National Commission on Labour.

B I B L I O G R A P H Y

1. Report of the Committee of Enquiry into Emigration into Assam and Cachar (1861).
2. Report of Committee appointed to enquire into the causes of Mortality amongst Labourers proceeding to the tea districts (the Cookerell Committee, 1867).
3. Report by the Government of Bengal to the Government of India regarding the Tea Industry, 1873. (This is contained in a book published by the Bengal Secretariat Press in 1873 entitled Papers Regarding the Tea Industry in Bengal - J.W.Edgar).
4. Report of a Commission appointed by the Govt. of India under the Chairmanship of Mr. (later Sir Alexander) Mackenzie to consider the working of Act VII of 1873 and Emigration to Assam (1881).
5. Report of the Commission appointed by the Government of Bengal to enquire into the supply of Labour, primarily for the Coal mines of Bengal and Secondly for the tea industry (1895).
6. Report of the Assam Labour Enquiry Committee (1906).
7. Report of the Dooars Enquiry Committee (1911).
8. Report of the Assam Labour Enquiry Committee (1921-22).
9. Report of the Royal Commission on Labour in India (1931).
10. Reports of the Controller of Immigrant Labour.
11. Report on an Enquiry into conditions of Labour in plantations in India - D.V. Rege. I.C.S. (1946).
12. Report on an enquiry into the Cost and Standard of Living of Plantation workers in Assam and Bengal - S.R.Deshpande (1947).
13. Report of the Official Team on the Tea Industry (1952).
14. Report of the Plantation Inquiry Commission (1954-56).
15. Plantation Labour in India, New Delhi - 1960 (International Labour Organisation).
16. Report on Work on Plantations, Geneva, 1961 (I.L.O. in 3 parts).

17. Report on an enquiry into the living conditions of Plantation workers in (1) Jalpaiguri Dt. West Bengal, (2) Darjeeling Dt. in West Bengal, (3) Darjeeling - Terai Dt. West Bengal by S.K. Halder, I.C.S. 1948.
18. An enquiry into the Pattern of living of Tea Plantation Labour, by Tea Board, 1959.
19. Survey of living conditions of Tea Plantation Labour in Tripura, by Tea Board, 1962.
20. Report of the One-Man Committee on Tea Garden Labour by Shri N.N.Chatterjee, I.C.S.
21. Survey of living conditions of Tea Plantation Labour in Darjeeling by Tea Board, 1963.
22. Report on Survey of Labour Conditions in Tea Plantations and Tea Factories in India (1961-62), Labour Bureau, Simla
23. Report of the Study Group on Tea Plantations, 1968.

The coffee plantations are concentrated in South India. Mysore accounts for about 55 per cent of the total planted area, followed by Tamil Nadu, 24 per cent, and Kerala, 21 per cent. Almost the entire area, under coffee in Mysore State is located in the three districts of Chickmagalur, Coorg and Hassan. Andhra Pradesh, West Bengal, Orissa, Assam, Madhya Pradesh and the Union Territory of Andamans have small areas under coffee. Nearly 97% of the plantations do not exceed 25 acres and thus fall outside the scope of the Plantations Labour Act. The number of estates has increased from 25,900 in 1948 to 47,400 in 1961. During the same period, the plantation area has also increased from 89,450 hectares to 1,20,320 hectares. India's share in world production of coffee is about 2% and in export 1%. India's coffee is noted for its quality aroma and suitability for blending with other coffee seeds.

begin to yield

4.1 Production: Coffee plants / berries from the fourth year, though they attain full maturity only in the seventh year. There is one crop in the year. At that time almost all the workers employed on the estate are engaged on picking berries. Where water facilities are available, the coffee is usually processed for the plantation grade. There are no factories attached to the coffee estates for coffee curing is carried out separately.

4.2 The production of coffee has been showing a steady increase since 1954 in respect of the two commercially cultivated species namely Arabica and Robusta. It will be seen from the table below that the total production increased from 25,427 tonnes in 1954-55 to 70,000 tonnes in 1963-64. The estimated production for 1968-69 is 76,500 tonnes. The target envisaged for production of Coffee in 1973-74 is 1,00,000. tonnes.

Table 4.1

*Production of Coffee in India

S.No.	Season	Estimated production of coffee		
		Arabica Tonnes.	Robusta Tonnes	Total Tonnes
1.	1954-55	16,425	9,002	25,427
2.	1955-56	22,968	12,060	35,028
3.	1959-60	32,290	17,450	49,740
4.	1960-61	39,445	28,575	60,020
5.	1963-64	40,000	30,000	70,000
6.	1964-65	42,290	18,725	61,015
7.	1965-66	38,500	23,000	61,500
8.	1968-69	49,500	27,000	76,500 (Estimated)

* Source: Coffee Board Twenty-sixth Annual Report 1965-66. (p.49-
Planters Journal & Agriculturist, April 1968. (page 141
-do- Dec., 1968. (page 655)
-do- Nov., 1968 (page 587)

4.3 The Coffee Board runs research stations and undertakes extension work to supply approved coffee seeds and technical guidance in planting. The Coffee Board is concerned with problems of production marketing, sales and distribution. The Board has recently set up a market research division to carry out market studies inside and outside the country and to identifying and if investigation the areas where there is a potential for increasing consumption.

Employment and related matters

4.4 In the early stages the method of recruitment was through 'Kanganies', ^{it was} on family basis. The system was abolished and now recruitment is made by the plantations directly. Preference is given to the dependants of the existing workers and recruitment does not pose any special problem.

4.5 The Labour Investigation Committee which conducted a detailed investigation into the plantation industries estimated the employment in coffee plantation industry at about 1,10,760 in 1944.

There has been a considerable increase in employment since then.

Table 4.2

<u>Year</u>	<u>Average daily employment.</u>
1951	1,75,111
1955	2,02,859
1959	2,60,654
1961	2,85,444
1963	2,26,048*
1965	2,36,295*

Source: Indian Labour Statistics.

* Excluding Andhra Pradesh.

There has been fluctuation in employment over the years but the fact remains that the number has increased by 50% from 1951 to 1961 in a period of ten years. It is estimated that about 5 lakhs ^{**} persons were directly dependent on coffee industry during 1966-67. There does not appear to

be adequate measure of rationalisation in coffee estates.

4.6 The Labour Investigation Committee estimated that in 1944-46 women constituted about 40% of the working force. According to Survey of Labour Conditions (1961-62) 44% of coffee workers are still women. A woman worker gets employed along with other members of the families. There is no hard and fast division of work amongst male and female workers. Most of the operations in a coffee plantation are of light manual nature and women can easily perform them.

** Source: Planters Journal & Agriculturist, April, 1968.(page 141)

4.7 Employment of adolescents also is very common in the coffee plantations. They are mostly engaged on such jobs as picking, weeding and manuring. The percentage of child workers (including adolescents) has come down from 11 in 1944 to 6 in 1961. Children below the age of 12 are not to be employed under the law but in actual practice employment of children does prevail.

4.8 Contract Labour: While the Plantations Labour Act will apply to contract labour employed on a plantation, it excludes from its purview such labour as is temporarily employed on any work relating to construction, development or maintenance of buildings, roads, bridges, drains or canals. In some estates regular works like digging, manuring, weeding and picking are given on a contract basis. At least in 1/5 of coffee estates the system of employing labour through contractors is prevalent. This practice is resorted to as contract labour needs no supervision of the management. Our study group for plantations (coffee/rubber) is of the view that work of normal and regular nature relating to cultivation and production should not be given to contractors.

4.9 Casual Labour: The Survey of Labour Conditions (1961-62) revealed that casual labour employed in coffee plantations was about 15%. Casual labour is more in small plantations than in bigger ones. Employment of casual labour has also been mentioned by Chatterjee Committee which reported in 1964. The employers do not keep record of the labour employed on casual or contract basis and as such no information about their working conditions could be had. The Wage Board for coffee has recommended decasualisation of this type of employment.

Wages.

4.10 Prior to introduction of the Minimum Wages Act, 1948, the wage rates in coffee plantations were very low. In 1943-44 the rates were 6 annas per day for adult male, 5 annas for adult female and $2\frac{1}{2}$ annas to 4 annas per day for children. The rate for male adult worker in coffee plantation was at some places a bit less than that in tea plantation; for female workers the wage rates were more or less the same in coffee and tea plantations. In addition to the basic wages, there was a provision of dearness allowance and supply of food-grains at concessional rates.

4.11 Before the reorganisation of States, the State Governments fixed minimum wages under the statute. Minimum rates of wages under the Minimum Wages Act, 1948 were fixed in the States of Madras, Coorg and Mysore, but not in the old Travancore-Cochin State, where the coffee area was negligible. The minimum wages fixed in Coorg were Rs.1.17 for men, Re.0.88 ^{for} /women, Re. 0.72 ^{for} /adolescents and Re. 0.58 for children. In Mysore, Re.1/- for men, 0.81 for women, and Re. 0.62 for adolescents / Re.0.56 for children. In Madras (which then included the Malabar District of the present Kerala State) the minimum rates were: Rs.1.31 for men, Re.1/- for women and Re. 0.66 for children.

4.12 After States' Reorganisation, revision of wages in the reorganised Mysore State was effected through collective bargaining and settlements were entered into under the Industrial Disputes Act in 1957 and in 1960. Through the first settlement a system of differential wages which

was linked with the planted areas was introduced for the first time in coffee growing areas in Mysore State. After the second settlement which came into effect from 1.8.1960 the total daily wage of a male worker in plantations above 50 acres came to Rs.1.62 and in plantations below 50 acres the rate was Rs.1.58. Subsequent revision was effected by the Central Wage Board for the Coffee Plantation Industry appointed in 1961.

4.13 After the initial fixation of minimum wage in 1952, the wages were fixed through various agencies in Tamil Nadu. The rate of wages which came into force from 24.10.1956 through the settlement of 15th April, 1957 made exhaustive provisions for payment of wage to workers in mixed product estates. These rates which were effected through settlement were subsequently notified by the Government. There was no further revision till the interim increase ^{was} allowed by the Central Wage Board on 10.8.1962. These rates continued till the final recommendation of the Wage Board upto the end of June 1964. The wage rates before the final recommendation were Rs.1.66 for males, Rs.1.24 for female and Rs.0.77 for children.

4.14 In Kerala, there was no minimum wage in coffee plantation. In the erstwhile Travancore Cochin State rates of wages fixed by the Government on the advice of the committee for Tea and Rubber Plantations were considered to be minimum wages prevalent in coffee plantations prior to the interim wage increase recommended by the Wage Board. The Wage Board recommended, as in other States, an interim increase after which and before the final recommendation, the minimum wages in coffee plantations in the State varied

4.7

for
between Rs. 1.65 to Rs. 1.54 / males, from Rs. 1.23 to Rs. 1.14 for females
and Rs. 0.76 for children.

4.15 The Coffee Wage Board fixed an escalatory wage structure with consolidated wages to compensate for the possible rise in the cost of living. The Wage Board's final recommendation about wages of field workers in coffee plantation which were to come into force from 1.7.1964 and 1.1.1965, have been notified by Government through their resolution dated 14.1.1965.

4.16 To encourage the workers to increase their productivity the system of payment of incentive wages is also prevalent in coffee plantations. It has, however, been observed that the incentive schemes differ from region to region and estate to estate. Annual bonus to employees is paid generally at uniform rates under industry-wide settlements reached between the Employers' Association and the trade unions. This practice was broken for the first time in Mysore State in respect of bonus for the year 1967-68 for which individual plantations paid bonus under the Payment of Bonus Act, 1965.

Working Conditions and Welfare.

4.17 Before Independence, there was no law regulating conditions of work in plantations. The Labour Investigation Committee reported in 1944-45 that the conditions varied widely from place to place. While some estates provided piped water, others depended on wells and streams for water supply. These sources were not always situated near the worker's quarters. Bore hole or trenches type latrines were provided only in a few estates. The medical aid provided to the labour was also insufficient. Canteens, creches and recreation

grounds were provided in few estates. There were some primary schools with thin attendance. Blankets were provided on payment but the cost realised was refunded on the basis of attendance during a particular season. Hours of work were not regulated. Generally, labour had to work 8 to 9 hours a day with one hour's rest. Cash payments towards sickness benefits were rare.

4.18 The Plantations Labour Act, 1951, made a provision for safe drinking water and other amenities in the coffee estates. The law binds employers to maintain essential services properly. The employers are required to maintain group hospitals, garden hospitals and dispensaries according to the strength of workers in plantations. There is also the provision of a canteen if the total number of workers in the plantations exceeds 150. In some coffee estates, coffee is served once a day. This is an encouraging step and should be followed by other estates also. When the total women workers employed in the estate are more than 50, a creche has to be provided, but implementation of this requirement is poor.

4.19 Some plantations have recreation centres, but they have to be developed and the facilities have to be provided in other estates also. The Act lays down that if the number of children between the age group of 6 to 12 is more than 25 a primary school should be provided by the plantations. Implementation of this provision is reported to be unsatisfactory. The Coffee Board sanctions educational stipends to the children of the workers.

4.20 The Plantations Labour Act, 1951, provides that the employer shall provide and maintain free for every worker and his family necessary housing accommodation according to standards and specifications prescri

by the State Governments. The Rules provide that housing of approved standards shall be provided on a phased programme at the rate of 8% of the resident workers per annum. Considerable headway has been made in this regard and to speed up the housing programme, there is a Plantation Housing Loan Scheme for granting loans to the owners of plantations for building workers' quarters.

4.21 Section 19 of the Plantations Labour Act prescribes 54 hours for adults and 40 hours for adolescents and children per week.

However, the rules framed under Section 13 and 14 of the Minimum Wages Act provide for 9 hours a day or 48 hours a week and for the payment of overtime work. The Study Group for Plantations (coffee/rubber) suggested that these provisions of the Minimum Wages Act should be incorporated in the Plantations Labour Act also, in substitution of Section 19 of the Plantations Labour Act.

4.22 Section 32 of the Plantations Labour Act provides for payment of sickness benefit at the rate of $2/3$ of the wages for a maximum period of 14 days in a year. However, the sub-committee of Industrial Committee on Plantations at its 11th Session made certain recommendations regarding accumulation of sick-leave to cover prolonged or chronic illness and this has been accepted by the 12th Session of the Industrial Committee on Plantations. The Study Group suggested that necessary rules be framed as early as possible to implement the recommendations of the Industrial Committee.

4.23 The Act also provides for annual leave with wages. The Maternity Benefit Act, 1961, has been extended to Madras

and Mysore and the benefits of 12 weeks maternity leave with full benefit are available to the workers. In Kerala, however, maternity benefit is governed by the Kerala Maternity Benefit Act. The workers also are entitled to national and festival holidays under the respective State enactments.

4.24 Apart from the above, plantation workers are entitled to a number of other benefits, statutory and non-statutory. The Employees' Provident Funds Act applies to coffee plantation workers. They are entitled to a retirement gratuity under agreement. It was first introduced in 1957 in Madras followed by Kerala in 1962 and Mysore in 1964. This benefit is paid at the rate of 15 days wages for each year of service. All plantation workers now receive protective clothing and blankets, free of cost.

Trade Unions and Industrial Relations.

4.25 Trade unions entered the field only after Independence. The report of the Survey of Labour Conditions conducted by Labour Bureau (1961-62) indicates that there were about 18.5% of the workers in the coffee estates in 1961-62 who were the members of some trade union. Since then the membership has increased. Outside leadership and multiplicity of the unions have, however, restricted their capacity for collective bargaining. The Industrial Committee on Plantations at Central level and Plantation Labour Committees at the State level (like the Plantations Labour Committee in Kerala) have played important role in resolving industry-wide issues.

5. RUBBER PLANTATIONS

Rubber plantations like coffee ^{estates} are located in the South, and as all other plantations in the South, rubber estates are mixed with tea and coffee estates. Rubber trees are located mostly in Kerala (93%) followed by Tamil Nadu (5%) and Mysore (2%). World War II created a significant demand for rubber. India and Ceylon were the only sources of natural rubber for the Allied nations. All restrictions on new planting and replanting were, therefore, removed in 1942 and rubber growers in India were encouraged to maximise production by intensive tapping. No firm data are available about rubber production prior to Independence. With the initial encouragement during war years, rubber production went up from 16,000 tonnes in 1949 to 23,700 tonnes in 1955. During the same period area under rubber plantations rose from 67,900 hectares to 83,900 hectares. The area in 1968 was 181,592 hectares. Production of natural rubber in India has markedly increased in recent years though there have been some fluctuations from year to year as indicated in the table (margin).

<u>Year</u>	<u>Production (Tonnes)</u>	
1956-57	24,060	' It is expected that the
1960-61	25,697	' production of natural rubber
1961-62	27,446	' will reach 81,000 metric
1965-66	50,530	' tonnes by the end of
1966-67	54,818	' 1970-71 and one lakh metric
1967-68	64,468	' tonnes by 1975.

Source: Indian Rubber Statistics
Vol. 11

5.1 India has a well developed and growing rubber manufacturing industry whose demand exceeds the supply of natural rubber from the country's production. In 1963, a factory

producing synthetic rubber was started in Bareilly in U.P. with a production capacity of 30,000 tonnes per annum. During the year 1966-67, the factory produced 22,350 metric tonnes. Today the proportion of natural and synthetic rubber consumption in India is in the ratio 3 : 1. There is an increasing trend in the use of synthetic rubber by the bigger manufacturers. The future of the natural rubber industry is stable because the internal consumption of both natural and synthetic rubber is increasing at a fast rate; all natural rubber produced in the country can be consumed by the industry. With the rising tempo of industrialisation, more and more natural rubber will be used in the future. Our per capita consumption of natural rubber is only 0.2 kgs., whereas the figures for developed countries like USA, UK and West Germany are 11, 7 and 6 kgs. respectively.

5.2 Increase in area: A rubber tree takes 6 to 7 years to become tappable and 12 to 15 years to become fully productive; the increase in total area cannot be co-related with the increase in production for a short period. Only rubber yielding trees can have a direct bearing on production. Till 1960-61 there was no appreciable increase in area to be tapped. A steady increase is noticed since then. In 1960-61, the total area was 70,300 hectares of which about 45% was under small holdings. By 1967-68 the area increased to 1,17,700 hectares. Out of total increase of 47,000 hectares nearly 86% was contributed by small holdings and 14% by estates. Consequently, the share of small holdings in 1967-68 increased to 62% as compared to 45% in 1960-61.

5.3 Operations in Plantations: The most important item of work in the industry is tapping of rubber trees in which the bulk of labour force is employed. It is daily and regular process for gathering milk of the rubber tree known as latex. The rubber tree is the source of wealth in a plantation and to keep it in a healthy state, many operations such as manuring, weeding, trenching, hoeing and forking are necessary at regular intervals. Workers other than tappers are, therefore, required on rubber plantations.

Recruitment

5.4 As in other plantations, difficulties in securing labour on account of isolated location were experienced by rubber estates as well. The problems of recruitment are the same as those mentioned for tea and coffee plantations in the South. Incidence of casual and contract labour was more on small size units; the large plantations could spread out the work more or less evenly throughout the year among the permanent labour force.

5.5 Except tapping no other work requires any special training in rubber estates. New recruits generally study the work by observing the operations carried on by elders. However, tapping requires systematic training. The Rubber Board has started a Tappers' Training School.

5.6 Employment: The average daily employment has increased three-fold during the 17 year period 1951-1967 as can be seen from the statistics of average daily employment

in rubber plantations for the years 1951 to 1967 given in the table (margin)

Year	Daily employment (average)	In the 17 years 1944-1961
1951	43184	female labour increased
1955	57813	from 24% to 30% and
1961	101776	employment of children
1962	106363	declined from 4%
1965 (P)	122481	to 1%.
1966 (P)	126958	
1967 (F)	135104	

P = Provisional

Source : Indian Labour Statistics.

Wages

5.7 Wages in rubber plantations were very low. According to Labour Investigation Committee the wage rates were annas six for male workers, annas five for female workers and annas four for children. There was, however, a provision of dearness allowance and concessional supply of foodgrains at that time. Piece rates for tapping ranged between seven pies and fifteen pies per pound of dry rubber. A tapping task of 250 to 300 trees was fixed for the worker. Workers also had some perquisites besides their daily wages. The enactment of the Minimum Wages Act, 1948 and the various wage settlements through collective bargaining resulted in the raising of wages. The wage level further improved by agreements.

5.8 The minimum rates fixed were in Madras Rs.1.31 for men and Rs.1.12 for women and in Travancore-Cochin Rs.1.59 for men and Rs.1.21 for women. Minimum piece rates were also fixed for tappers in Travancore-Cochin. After the States' reorganisation, Kanyakumari district of Travancore-Cochin State went over to Madras State and the Malabar district of Madras to the new Kerala State, these areas carrying with them the wage rates and systems in their respective parent States. Subsequent revision of wages was made

by agreement in Madras in April, 1967 and in Kerala in January, 1968. The wage structure under these settlements was almost identical. The revised wages were Rs.1.72 for men and Rs.1.31 for women.

5.9 According to the Occupational Wage Survey (1958-59) the average wage rates and daily earnings in the Rubber plantations are comparable to those in tea plantations. The average minimum and maximum wage rates of a mazdoor in the rubber and Rs.1.62 plantations were Rs.1.53/as compared to Rs.1.37 and Rs.1.45 respectively for the entire plantation industry. On an average a mazdoor in the rubber plantations earns Rs.1.54 per day as compared to Rs.1.43 for the entire plantations industry in the South.

5.10 The Rubber Wage Board has recommended payment of separate D.A. linked to cost of living index. The Board fixed the wages payable during 1966 on the basis of the 1965 index for Mundakayam (It was 135 in 1965 as compared to 100 in 1960 - the base period). It suggested, that these wages should be revised on 1st April, 1967 and on 1st April, 1968 by adding dearness allowance at the rate of 1.1 paise per day per point for the rise in the average consumer price index number for Mundakayam for the calendar year 1966 and 1967 respectively over 135 the level for 1965. In recommending payment of dearness allowance, the Board stated that no dearness allowance should be paid in respect of any rise in the average index number over the level of 160 (1960 = 100)

5.11 **64** We do not refer to changes in working conditions since they are the same as referred to under Coffee plantations and Tea plantations in the South. The Labour Bureau survey of rubber plantations in 1961-62 revealed that about 2/3 of the rubber workers were organised.

Industrial Relations

5.12 The Industrial Committee on Plantations at the Central Level and State Level Committees like the Plantation Labour Committee in Kerala have played a very important role in laying down the general labour policy and resolving industry-wide issues.

Social Security

5.13 Before Independence, the only social security enjoyed by the workers in plantations was the compensation in the case of accidents payable under the Workmen's Compensation Act. Subsequently, Employees' Provident Fund Act, 1952 and the Maternity Benefit Act were enacted by the various State Governments.

5.14 A scheme for the payment of gratuity to the workers in rubber plantations was first introduced in 1956. This was followed by an agreement by the United Planters' Association of Southern India and the Estate State Union of Southern India in 1957 by which gratuity was payable to the members of staff employed in plantations. Subsequently, a regular gratuity scheme for workers was introduced in all the three States of Madras, Mysore and Kerala as a result of industry-wide settlements between the employers and the workers in the respective States. The qualifying period of service for eligibility varies from 5 years in Mysore to 7 years in Madras and 10 years in Kerala. The amount of gratuity payable is half a month's salary or 15 days' wages for each completed year of service subject to a maximum of 15 months' salary for staff and 15 months' wages for workers in Mysore and Madras. In the case of workers in Kerala, the maximum limit is 12 months' wages.

6. SUGAR

The sugar industry occupies an important place in the economy of the country. It provides employment to over two lakh persons in the industrial sector though^{for} a large portion of it on a seasonal basis. The cost of cane forms about two-third of the total manufacturing cost (excluding taxes) and^{the proportion has} remained constant through decades. Sugarcane production is an important source of livelihood for a very large number of cultivators scattered in different parts of the country. Sugarcane production is susceptible^{cyclical} to variations according to the vagaries of climate. The sugar industry is affected both by shortages and surpluses of sugarcane supply.

6.1 Sugarcane growing areas in the country may be broadly divided into two belts: the sub-tropical and the tropical. The sub-tropical belt^{is} north of the Vindhyas and the tropical belt south of the Vindhyas. The two belts are characterised by marked differences in climatic and agricultural conditions. Apart from factors like irrigation and fertilizers used, climatic and soil differences between the two belts have their effect on the average outturn of cane per acre and the sugar content in a tonne of cane. The sub-tropical belt yields about half the cane per acre as compared to the production in the tropical belt. Sucrose content of the former is also lower. More than three-fourth of the area under sugarcane in the country has been in the sub-tropical belt.

6.2 Since 1950 the area under sugarcane in the country has registered a substantial increase. This has been due to various factors, such as, increased facilities for irrigation, greater

availability of fertilizers and improved seeds, substantial increase in the demand for sugar and gur and attractive prices of sugarcane. Though the trend in acreage and production of sugarcane has been upward, there have been individual years in which they have suffered a sharp decline.

6.3 The growth of the organised sugar industry in India is relatively recent. Rapid progress took place after the grant of tariff protection in 1932. The number of sugar factories increased from 31 prior to protection in 1931-32 to 56 in 1932-33, 111 in 1933-34, 128 in 1934-35 and 137 in 1936-37. (These figures refer to undivided India). In 1949 the Tariff Board examined the continuance of protection beyond March 31, 1950 and recommended that protection should cease after a period.

6.4 In 1950-51 prior to the initiation of the First Plan, there were 139 sugar factories working in the country with a sugar production of 11.16 lakh tonnes against the licensed capacity of 16.68 lakh tonnes. Plan achievements and targets of capacity and production of sugar thereafter are as shown below:

Table 6.1

(In million tonnes)

<u>1960-61</u> Production	<u>1965-66</u> Production	<u>1968-69 (Est.)</u> Capacity	<u>1968-69 (Est.)</u> Production	<u>1973-74 (Target)</u> Production
3.03	3.5	3.58	2.9	4.7

While in the earlier years the development of sugar industry took place in the sub-tropical belt, a large proportion of the capacity licensed after 1952 went to the tropical belt. Due to deliberate policy of the Government of encouraging cooperatives there has been significant development of the cooperative sector in the sugar industry. The number of sugar factories increased to 194 in 1963-64 with an installed capacity of 28.74 lakh tonnes and the cooperatives factories numbered 48 representing about 22% of the total installed capacity. Since then the cooperatives have further improved their position. In all 76 cooperatives with a capacity of 15.76 lakh tonnes have been licensed so far if we take

into account advance licences issued against the Fourth Plan target of 45 lakh tonnes. Of these, 58 cooperatives have been installed with a capacity of 9.45 lakh tonnes and the others are in various stages of progress. 6 are expected to go into operation in 1968-69. The cooperative sugar factories employ about 30,000 regular workers during the crushing season. The casual workers employed by them during the season approximate to about 5 lakhs. While the grower-members put in their best to improve the standard of sugar-cane cultivation, increase average yield per acre and the sucrose content, the workers keep the plant and machinery running efficiently for better extraction, reduced losses and higher sugar recovery percentage. The workers are paid according to the recommendations of the Wage Board. The cooperative sugar factories have become focal points for development of agro-industrial complexes in the rural areas. The Sugar Enquiry Commission has observed: "In Maharashtra, the setting up of a cooperative sugar factory has acted as a nucleus for social and economic development of the area around it and has helped to develop a new class of rural entrepreneurs." Perhaps one of the most significant, though intangible, benefits of cooperative sugar mills has been the spirit of self-reliance which has been generated among small growers.* While these are some of the achievements of cooperative sugar units, the discontent among workers engaged in them is equally strong. In their enthusiasm to give their members (growers of cane) a better deal, the factory workers are reported to have suffered. Union organisers in the sugar industry have gone on record to say that they got a better deal from the joint

* Commerce - Annual Number 1968.

stock companies than from cooperatives. To the voice of unions is added the very influential view expressed by Acharya Vinoba Bhave according to whom some sections of the cooperative movement act as 'decentralised exploiters'.

6.5 A very disconcerting feature of the industry in the north of Vindhyas has been that their production, even in relation to the licensed capacity, has been diminishing. Our Study Group for Sugar Industry observed that "While there may be, as there indeed are, differences in the actual assessment of rehabilitation and modernisation requirements of the sugar industry, investigation in the matter highlights the great urgency of the rehabilitation and modernisation as such. Unless finance from external sources is forthcoming, it will not be possible to undertake this task."

6.6 Though export of Indian sugar was initiated in 1957 India entered into the world market only in 1962 after promulgation of the Sugar Export Promotion Ordinance. In 1961-62, 3.3 lakh tonnes of sugar was exported. Exports increased to 4.33 lakh tonnes in 1965-66 and it is expected that by the end of Fourth Five Year Plan India will be in a position to export around five lakh tonnes. The export is subsidised on account of disparity in the internal cost of production and the world free market price. India has also made good progress in the field of sugar machinery manufacture and within a period of 10 years about 90% of the machinery requirements are being met within the country.

Employment, Recruitment and Training.

6.7 Employment: In 1966 there were 212 sugar mills in the country employing about 2.15 lakh persons. The problems connected with the recruitment, promotion and induction of labour in the sugar

industry are primarily conditioned by the seasonal character of the industry and its location in rural areas. About 65% of the employees are seasonal, 29% are permanent and the rest are temporary. Further 82% of the employees belong to manual category and the remaining 18% belong to clerical, supervisory, administrative, executive and other categories. 62% of the employees belonging to manual category are unskilled, 15% semi-skilled and 20% skilled and about 3% highly skilled. The skilled and highly skilled persons are mechanics, fitters, welders, turners. In the clerical category, majority of the employees are under-graduates while in the supervisory and administrative categories most of the employees possess graduate and post-graduate degrees, both in arts and science.

6.8 Recruitment: The recruitment of the technical and supervisory staff is generally done through Employment Exchanges as well as by advertisement. The method of recruitment appears to be satisfactory, recruitment of unskilled labour presents no problem as the industry is situated in rural areas and the requirements are met by employing local people from the surrounding areas.

6.9 Training: Because of the location of the industry in rural areas there are no facilities for training. Although polytechnics are gradually appearing, it is felt that it will take time to provide training facilities to the unskilled workers in the industry. It would be desirable to provide refresher courses for skilled and supervisory personnel in view of the rapid advances in science and technology. Promotion is based on both seniority and merit. Generally the promotion by seniority is followed in almost all the factories because of the fear of agitation, with the result that new trained personnel cannot be easily absorbed in the sugar industry.

Wages

6.10 While the sugar industry got an impetus with the protection given to it in the early thirties, the wage rates in the industry for a long time continued to be no better than those for agricultural labour. By 1946-47, however, the unskilled workers in the sugar industry were being paid at the rate of Rs.36/- per month. A further increase of Rs.9/- followed in the agreements immediately after Independence. ^{When} the new Factories Act came into force in 1948, the workers used to get Rs.55/- based on 26 working days in a month. This position continued till the appointment of the First Wage Board in 1958.

6.11 The Wage Board besides recommending the increase in wages also recommended the standardisation of the nomenclature of all but few jobs and specified the duties and minimum qualifications for eligibility. The Board also recommended that suitable schemes should be evolved for payment of gratuity to all workers employed in the Sugar Industry. It divided the sugar producing units into four regions and recommended a minimum wage of Rs.40/- per month in all the regions. Dearness allowance in Maharashtra, South, North and Central regions was fixed at Rs.27/-, Rs.21/-, Rs.16/- and Rs.6/- respectively. Due to the continuous rise in prices the wages have been revised from time to time and at present unskilled labour is getting somewhere between Rs.125/- to Rs.150/- in all regions. Besides the cash payments there are certain fringe benefits provided to the workers in the industry. On the recommendation of the First Central Sugar Wage Board all the mills in India have started paying retaining allowance to the employees whose employment and the nature of job are seasonal. It has been fixed at 25% of the total wages of th

semi-skilled workers and 50% of the total wages of skilled and clerical staff. The Second Wage Board appointed in 1966 recommended on an interim basis the payment of increment in the case of regular workers, the payment of dearness allowance on the basis of consumer price index numbers and extended the retirement age to 60.

Working Conditions

6.12 While the Factories Act, 1948 is applicable to sugar factories, the conditions under which the workers have to produce sugar are far from satisfactory especially in the older units. The more recent units do provide satisfactory working conditions. It would, therefore, be necessary that in the process of rehabilitation or modernisation of the existing units, the requirements of proper and safe working conditions are attended to. At the same time, the enforcement of the existing statutory provisions needs to be geared up.

6.13 Housing: Most of the sugar factories are located in the rural areas. The factories have made provision for housing the essential workers but the houses provided are much less than the numbers required. In the older units housing facilities are inadequate both in regard to quantity and quality. In Maharashtra, about 19% of the total workers employed in the industry were housed in the tenements constructed by the sugar factories. The percentage of workers housed to the total workers was 26.41% in the private sector and 10.23% in the cooperative sector. The unskilled seasonal workers in the cooperative sector in Maharashtra and the South are generally not provided with living accommodation. Housing is more congested in the cooperative sector as compared to

6.8

the joint stock sector. The subsidised industrial housing scheme had little response from the sugar factory managements. The meagre response to this facility is because the cost estimates under the scheme fall substantially short of the actual expenditure.

Facilities.

6.14 Medical Sugar industry is not covered under the Employees' State Insurance Scheme. The factories have their own arrangements to provide medical facilities to its workers. There are qualified doctors attached to the factories and in many cases there are hospitals also to attend to the sick workers. The standard of medical facilities provided by the sugar factories are generally above the statutory requirements of the Factories Act. But rural location often far removed from one another, seasonal employment on a large scale and other impediments have come in the way of extension of E.S.I. Scheme to sugar industry.

6.15 As an instance of what a good union can do may be cited the hospital which has been built up by a union in Maharashtra in Ahmednagar district. Major contribution to the funds out of which the hospital was built came from workers. Sugar factories in the vicinity have also contributed. There are, in addition, in that area company hospitals but a hospital which workers can call their own is a distinct gain which the sugar workers' union in the area can show to their colleagues elsewhere.

6.16 Holidays: Besides the three national holidays observed all over the country, the workers in many cases are at liberty to choose the holidays within the number prescribed under the Act. In the event of any holiday falling during the

crushing season the workers are entitled for one day's additional salary if they are required to work on the closed day. Workers are entitled to avail 6 days of casual leave and ten days of sick leave during a year. Almost in every sugar factory where facility for leave over and above those provided under the Factories Act exists, the quantum of leave available to the seasonal employees is less than admissible to the permanent employees. But in the sugar factories in Maharashtra often there are variations in the leave quantum of different categories of workers. As in Maharashtra, no standard pattern of leave and holiday facilities exists in the South Indian Sugar factories; the matter has been largely determined at the unit level by collective bargaining between the employers and the workmen and by industrial awards.

6.17 Other ^{Facilities} There are no facilities extended to the sugar industry workers for the supply of cereals at subsidized fair prices although the tripartite conference favoured providing of such facilities. Under the directions of the Government of Tamil Nadu the factories are required to help in the formation of Cooperative Consumers Societies and to extend assistance to them. This experiment has helped to relieve the difficulties of sugar workers in that State. Our Study Group for the Sugar Industry recommended that similar action should be initiated in other States.

Social Security

6.18 Apart from the Employees' Provident Funds Act which was made applicable to the sugar industry in 1956 and the Workmen's Compensation Act and the Maternity Benefit Act which

have a longer history, ^agratuity scheme has been introduced on the recommendation of the First Wage Board. A worker, on death while in employment irrespective of the length of service or on attainment of the age of superannuation (58 years) or on retirement or resignation due to continued ill-health, is entitled under this scheme to a half month's pay if he is a permanent worker or to a fourth of a month's pay if he is a seasonal worker for every continuous year or season of service, subject to a maximum of 15 months' pay.

- (i) A worker, on resignation or on termination of employment for any reason other than serious misconduct, on completion of 10 years' or seasons' but less than 20 years' or seasons' service, is entitled to a fourth of the monthly pay if he is a permanent worker and to an eighth if he is a seasonal worker for every completed year or season of service.
- (ii) A worker on completing 20 years' or seasons' but less than 30 years' or seasons' service is entitled to a third of the monthly pay if he is a permanent worker or to a sixth if he is a seasonal worker for every completed year or season of service.
- (iii) On completion of 30 years' or seasons' continuous service, a worker is entitled to a half of month's pay if he is a permanent worker and to a fourth of month's pay if he is a seasonal worker for every continuous year or season of service subject to a maximum of 15 months' pay.

Industrial Relations and Employers'
and Employees' Organisations

6.19 Employers' Organisations: In the sugar industry there are two central organisations of employers, namely, The Indian Sugar Mills Association, Calcutta, and the National Federation of Cooperative Sugar Factories, New Delhi. Besides, there are organisations at the State level which are affiliated to one or the other of the above central organisations. The expenses for running

these organisations are met out of the subscription received from members which is on the basis of production in their respective units.

6.20 The object of these organisations is to protect and promote the interests of their members and also provide facilities to its members to represent before the Conciliation Boards, Labour Courts and Industrial Tribunals etc. But the main role of these organisations in the field of industrial relations consists in tackling comprehensive issues affecting the industry as a whole.

6.21 The Indian Sugar Mills Association has been publishing a monthly journal "Indian Sugar" and an annual number "Indian Sugar Year Book". The National Federation of Cooperative Sugar Factories has a technical cell headed by an eminent sugar engineer who renders technical assistance to member units on reference. The Federation also arranges to circulate among its members latest information and statistics about the sugar industry. Recently the Indian Sugar Mills Association and the National Federation of Cooperative Sugar Factories have, by joint efforts brought into being a Corporation (not yet registered) for export promotion.

6.22 Employees Organisations: The Indian National Sugar Mills Workers' Federation is one of the industry unions affiliated to the INTUC. According to the available figures, the membership of sugar workers' unions affiliated to each of the four central organisations of workers is as under:

Indian National Trade Union Congress	51,969
Hind Mazdoor Sabha	28,570
All-India Trade Union Congress	7,303
United Trade Union Congress	897

6.23 Allowing for the membership of the unions affiliated to other apex organisations and those not affiliated to any apex organisation, it would be safe to infer that about 40 per cent of the sugar factory workers are unionised.

6.24 In Uttar Pradesh and Bihar the existence of comparatively strong organisation of workers has been conducive to effective collective bargaining at the industry level in regard to matters affecting workers generally - In Maharashtra strong unions of the factory level have achieved significant results. Although the collective bargaining was limited to individual units, in practice a good deal of coordination was secured by reference to the agreements made in the neighbouring sugar factories. This became possible because often the unions were affiliated to the same organisation and even when a union was affiliated to a different organisation, it found itself on more solid grounds to demand or, agree to something which had been already established by the collective bargaining process in other units.

6.25 Collective Bargaining: It has already been mentioned that in the sugar industry the tradition of collective bargaining has been fairly strong particularly in U.P. and Bihar where the Standing Orders in force were largely evolved by agreements between the parties. The bonus issues in U.P. have been settled year after year mostly by agreements between the representatives of the parties appointed in a Committee with the Labour Commissioner as the Convener. Similarly, the fitting of employees in the grades devised by the First Wage Board was largely effected by agreements. However, at the plant level the collective bargaining has not been strong. In several areas of Maharashtra, workers have achieved

significant gains through their organisations. The unions have, however, not achieved the same success in organising workers of cooperative sugar factories.

6.26 Plant Level Consultation: The institution of plant level consultation has not made any significant progress in the sugar industry. The Works Committees and consultative grievance machinery at the plant level have either not been brought into being or are defunct.

6.27 Conciliation Board: The Conciliation Boards have been successful in promoting settlements in fairly good number of cases. Of late the figures of agreements before the Conciliation Boards show a decline. Our Study Group for Sugar Industry has recommended that there should be Indian Labour Administrative Service and also that senior posts of the Labour Departments should be filled in by personnel belonging to this service. Such a service does not seem to be feasible.

6.28 Tripartite Committee: In the context of the working of industrial relations in the sugar industry, particularly in U.P. and Bihar, special mention requires to be made of the tripartite committees. As the sugar industry is becoming increasingly more diversified and the affairs of this industry are subject to considerable measure of Central control, our study group considers it desirable that a tripartite organisation in respect of this industry should be set up at the national level.

6.29 Work-Stoppages: It will be evident from the data on industrial disputes in the industry during the period 1958-66 given in the ~~Appendix~~ ^{Annexure} that the number of work-stoppages fluctuated between 17 in 1959 and 4 in 1963 while the number of mandays lost due to work-stoppages varied between 100, 932 and 4,000 respectively.

Annexure
APPENDIX (Ref Parca 6.29)

STATISTICS OF INDUSTRIAL DISPUTES IN SUGAR MILLS DURING
 THE PERIOD 1958-1966

YEAR	No. of work stoppages	No. of workers involved	No. of mandays lost
1	2	3	4
1958	11	4958	25,103
1959	17	8094	100,932
1960	7	3654	42,000
1961	11	7454	35,000
1962	8	1935	17,000
1963	4	836	4,000
1964	4	2262	17,000
1965	11	7719	82,000
1966	14	5655	37,000

Source:-Indian Labour Statistics,
 Labour Bureau.

7. COAL MINING

Coal mining industry provides employment to over 4 lakh workers. Nearly 61 per cent of the persons employed in the mining industries of India are employed in coal mines. Coal is a major source of energy in the country today. Indirect employment dependent on coal is, therefore, considerable. 770 coal mines produce over 70 million tonnes of coal of different grades. The aggregate value of coal produced in the country is estimated at about Rs.250 crores. Such basic industries as iron and steel, and cement and essential services like railways and power generation are its principal consumers. Plan achievements and targets of capacity and production of coal (excluding lignite) are as shown below:

Table 7.1

(In million tonnes)					
1960-61 Production	1965-66 Production	1968-69 (Est.) Capacity	(Est.) Production	1973-74(target) Capacity	Production
55.67	67.73	90	69.5	..	93.5

7.1 There has been a set-back in the demand for coal. Against a target of 97 million tonnes by 1965-66, as envisaged in the Third Plan, the production, which met all consumer requirements, was of the order of 68 million tonnes only. Diesellisation of railways, economy in the use of coal by various consuming sectors and the slowing down of the tempo of industrial development were the main reasons for the demand for coal not reaching the anticipated level.

7.2 Coal can with benefit replace non-commercial fuels like firewood, farm waste and cow dung which provide about 55% of the total energy requirement of the country. It has also vast scope in the industries for varied uses. It can provide raw material for a number of chemicals as it already does for quite a few.

Deposits of non-coking coal in India are estimated at 115,000 million tonnes. It is inadequacy of coking coal that may cause concern. The Energy Survey of India Committee assessed the proved coking coal reserves upto a depth of 4000 feet at 2521 million tonnes. In addition the inferred and indicated reserves were estimated at 2606 and 2910 million tonnes respectively. Almost the whole of coking coal reserves are located in Jharia coal fields. Production of coking coal in the country increased from nearly 8 million tonnes in 1952 to 17 million tonnes in 1965 and formed about 25% of the total coal production.

Structure of the Industry.

7.3 Public Sector: Public sector now accounts for about 25% of the total production of coal. It has come to occupy an important place in the industry and is expected to play ^{still} a greater role/in the future. The National Coal Development Corporation which came into being in 1956 with the take over of 11 State Collieries is now operating 52 mines and responsible for the bulk of production in the public sector. Singareni group of collieries in Andhra Pradesh and two lignite mines one each in Tamil Nadu and Rajasthan are the other units in the public sector.

7.4 Size of Mines: A peculiar feature of the industry is the large number of small mines. Over 76 per cent of the mines account for less than 25 per cent of the total production. For a variety of reasons, small mines are generally uneconomic and inefficient; they act as a drain on the industry. Compulsory amalgamation of small units has, in principle, been agreed to. Voluntary efforts in the direction of amalgamation will always be slow in bearing fruit. With price contro

on coal other than coking coal removed, the price protection believed to be available to small and inefficient collieries will disappear. This may help amalgamation of smaller mines.

7.5 Mechanisation: During the period 1951-1966 the number of coal cutting machines in use in the industry went up from 374 to 825; mechanical loaders from 7 to 21 and mechanical conveyors from 23 to 137. Quantity of coal cut by machines increased from 0.6 to 1.9 million tonnes; coal mechanically loaded from 0.016 million tonnes to 0.124 million tonnes and coal mechanically conveyed from 0.061 million tonnes to 0.708 million tonnes. This is too modest an increase considered in relation to the amount of coal extracted. According to the Energy Survey of India Committee Report "because of the low level of mechanisation, the productivity in Indian mining remains low." A significant effort is needed in this direction.

7.6 Location of the Mines: The uneven distribution of coal deposits in the country raises the important problem of its transport from the producing region to the consuming regions. In the eastern region of the country which produces the bulk of non-coking coal and the whole of coking coal, the major share of production has to be transported to other regions. This creates bottlenecks and artificial shortages of coal on one side and curtailment in production on the other. Bihar and West Bengal are the two chief coal producing States. Together they account for 86 per cent of the working mines, 76% of the persons employed therein and no less than 70 per cent of the production. Madhya Pradesh, Andhra Pradesh, Madras, Maharashtra, Orissa and Assam are the other coal producing States in order of production.

Employment and Related Matters.

7.7 Level of Employment: The data in the margin indicate the
Table 7.2

<u>Year</u>	<u>Average daily employment ('000')</u>
1951	339.2
1956	333.5
1961	398.7
1963	433.4
1965	406.7
1967	411.5

Source: i) Director General
of Mines Safety.
ii) Monthly Review,
Coal Controller.

trend in employment in the industry. Employment in the industry has registered an overall increase of 21 per cent since 1951. Considering that during the same period production of coal went up by about 104 per cent, it would appear that a fair measure of rationalisation has taken place in the industry.

7.8 Employment of Women. The proportion of women workers in the industry has over the years declined from about 25% in 1945-46 to about 7 per cent by 1966. This decline has been brought about by the prohibition for women to work underground and during the the night shift as also by special protective measures for female workers under the various labour laws and the principle of equal wage for male and female workers for work of equal value. In absolute numbers, the industry employs no fewer than 24,000 women workers. Most of them (88%) are engaged on production side mainly for loading and earth removing and above the surface.

7.9 Composition of the working force. Of 381,000 persons employed in the industry in December, 1967, 61% were employed below ground, 10% in open cast workings and the remaining 29% above ground. According to the Survey of Labour Conditions in Coal Mining Industry (1962-63) nearly 88 per cent of the persons employed were production and related workers. The

7.5

rest were, watch and ward personnel (4.9%), professional and technical personnel (3.9%), clerical and related personnel (2.9%) and administrative and executive personnel (0.3%). Miners and loaders by far constitute the most important category of workers and accounts for 37 per cent of the total employment. 58 per cent of the production workers were piece-rated and the rest time-rated. 70% of the production workers (employed direct) were permanent, 19% temporary, 6% probationers, 2% badlis, slightly less than 2% casual and the rest were apprentices.

7.10 Contract Labour: The reduction in the size of contract labour from 48% in 1946 to 3.6% in 1966 has been a major achievement.

This has been brought about as a result of a bipartite agreement between the employers and unions in 1961. The agreement provided for the abolition of contract labour in all except seven specified occupations. The Court of Enquiry constituted in 1961 to go into the question of abolition of contract labour accepted the Bipartite Agreement as the basis for its report. The Bill for the abolition and the regulation of contract labour which has already been introduced in the Parliament would, it is hoped, provide a lasting solution. According to one federation, for the last few years the contract system in coal mining industry has reappeared in various shapes such as raising- and cum-selling contracts, managing contracts.

No effort was made to abolish the contract system in the seven exempted categories as envisaged in the agreement before the Court of Enquiry in 1961. This matter has been agitated by the workers and a second Court of Enquiry consisting of Shri B.N. Banerjee, National Tribunal, Calcutta is seized of the matter and the report is awaited.

7.11 Recruitment: The chronic shortage of labour faced by the industry in its early stages, paved the way for the intermediaries like 'sardars', 'munshis', contractors, mistries who introduced labour to the coalfields. Improvement in wages, social security, living and working conditions of colliery workers over the years have resulted in the creation of a stabilised labour force in the industry and with this the old recruitment practices have also tended to disappear. According to Labour Bureau's Survey of Labour Conditions in 1962-63, only 26% of the working force had been recruited through some intermediaries. Bulk of it had been recruited direct at the mine premises and agencies like Employment Exchanges. Advertisement in newspaper had been resorted to only for supervisory and technical personnel.

7.12 The Coalfield Recruiting Organisation (C.R.O.) which came into existence in the wake of serious labour shortages during the Second World War has stayed but outlived its usefulness in recruiting Gorakhpur Labour. This system was opposed by workers' organisations on the grounds that it amounted to forced labour. It is alleged that it serves as a tool in the hands of employers to disrupt worker's unity. The Industrial Committee on Coal Mining has taken a decision to abolish the system of recruitment through C.R.O. and the Indian Labour Conference also in its 25th session in April, 1968 desired that this decision should be implemented before 31st December, 1968. The industry employed some 19,301 C.R.O. labour on 31.1.1968. The decision of the I.L.C. is yet to be effectively implemented.

7.13 Training and Apprenticeships: Both the Royal Commission on the Labour Investigation Committee Labour in 1931 and underlined the importance of training schemes for the industry. According to Survey of Labour Conditions (1962-63) about 51 per cent of the mine owners had made arrangements for training apprentices to meet their own needs of skilled personnel. Training facilities are also available in the Central/State Government training institutes and in evening classes. Two Mine Mechanisation Training Institutes are being run by the Directorate General of Employment and Training. The Mines Vocational Training Rules, 1966, the Apprentices Act, 1961, which have since been extended to mines, would, it is hoped, fill the gap in the existing training facilities.

7.14 Absenteeism: With the emergence of a stabilised labour force in the industry, absenteeism does not pose the same problem as it did in the past when because of general shortage of labour in the mining areas it was difficult to find substitutes for absentees. Even otherwise the rate of absenteeism in the industry, the arduous nature of work and trying working conditions notwithstanding does not compare unfavourably with similar rates in other major industries of the country. The absenteeism rate in the industry declined from 13.2 per cent in 1951 to 12.6 per cent in 1966.

Working Conditions.

7.15 The Report of the Labour Investigation Committee states ".... there is no gainsaying the fact that living and working conditions in coal mines are at present so unattractive that it is no wonder that the worker tries to get away from his working place as long as he can and as often as he can". The Mines Act, 1952,

and the Rules framed thereunder which incorporated provisions relating to ambulance and other medical facilities, drinking water, overtime wages and grant of leave with wages, has gone a long way in improving working conditions in the industry during the post-Independence period. The statutory provisions are further supplemented by instructions issued by the Director General of Mines Safety from time to time for compliance by employers.

7.16 The Survey of Labour Conditions (1962-63) revealed considerable improvement over the position existing in 1945-46 in the matter of hours of work, conservancy, leave and holidays, weekly off, drinking water facilities, rest shelters, first-aid and ambulance rooms. Compliance with the legal requirements in respect of bathing facilities, lockers, canteens and creches was, however, not satisfactory.

7.17 Accidents:- The following statistics reveal the trend of accidents in the industry during the recent past.

TABLE 7.3

<u>Year</u>	<u>Fatality rate per 1000 persons.</u>	<u>Serious injury rate per 1000 persons.</u>
1951	0.91	5.69
1956	0.73	8.07
1961	0.65	8.77
1966	0.51	4.71

Source: Indian Labour Statistics, Labour Bureau.

Barring a few major accidents in 1952, 1958 and 1965 which took a heavy toll of life, accidents in the industry are happily on the decline. Inter-national comparisons strictly speaking are not valid on account of many factors like variations in the

structure of the industry, nature of deposits and degree of mechanisation. Still, the rate of fatal accidents in the industry in India is by no means high, it is less than that in a number of countries including U.S.A. and Japan.

7.18 Safety Education and Propaganda: To promote safety education and propaganda in mines the National Council for Safety in Mines, a tripartite body, was set up in 1963. The Council's field activities include showing of safety films, singing of safety songs, staging mobile exhibition, and lectures on safety. Besides the Council also assists in the celebration of safety weeks and organisation of Pit Safety Committees. It arranges safety competitions and awards prizes. Safety problems are reviewed by arranging conferences representing all interests. Two such conferences have been held one in 1958 and the other in 1966. A Standing Safety Committee reviews the progress in the implementation of various recommendations of these conferences. Safety Committees required to be constituted in all mines employing 100 or more persons provide a forum for the association of workers with safety. All mines producing more than 5000 tons of coal per month are required to appoint ^a safety officer to look after the safety aspects. The Mines Vocational Training Rules, 1966 would go a long way in making the workers safety conscious.

7.19 Protective Equipment. The Coal Mines Regulations, 1967, provide for supply and maintenance of protective foot-wear, helmets and other equipments such as gloves, goggles and skin-guards. In 1945-46 even the provision of bamboo hats to the miners was an exception rather than the rule. The industry still depends upon

imports for many items of safety equipment. Recently a committee has been set up to go into the question of indigenous production of mines safety equipment. Though supply of equipment for the personal use of workers is adequate there is reportedly a common complaint about reluctance on the part of workers to use such equipment.

7.20 Rescue Stations. Nine Rescue Stations which help to carry out rescue and recovery operations in the event of explosion/fire and also provide training in rescue work have been set up under the Coal Mines Rescue Rules. Four more such stations are in the offing. According to the I.L.O. Report ^{on} Mines Safety (1961) the number of trained rescue workers ^{in India} was much less in relation to the number of persons employed in underground work.

7.21 Health and Occupational Diseases. No precise information about the extent of prevalence of pneumoconiosis, notified as an occupational disease under the Workmen's Compensation Act, is available. Although the number of cases reported officially is very small, the disease is believed to be fairly common. Workers do not report the disease to medical authorities due to the fear of losing their jobs. For the treatment of persons suffering from the disease and for conducting periodic check-up an ad hoc pneumoconiosis Medical Board was set up in 1964. Very few miners appeared before the Medical Board. Coal dust which causes both explosion and the occupational disease is the main hazard to which coal miners are exposed. There are mandatory rules for ^{the} suppression of dust in mines.

7.22 Working Hours. The weekly hours of work in mines were reduced from 54 to 48 by the Mines Act, 1952. Because of hazardous and arduous nature of work in coal mines, workers have been demanding a further reduction in the existing hours of work and introduction of a five day-week. A Committee of Experts, constituted to make a scientific investigation into the fatigue factor is also seized of the question of working hours. Though the normal daily hours of work for underground workers are 8, and all workers are required to remain underground for those hours in practice the actual hours of work are much less. Even in 1945-46 when the prescribed daily hours of work were 9, the average number of hours worked by a miner did not exceed 5. A study made by the Central Mining Research station in 1965 showed that the percentage of actual output per shift for different categories of workers ranged between 34 to 67 per cent of the possible output. Lack of coordination, waiting for the collection of material and allotment of jobs, non-availability of tubs and coal cutting machines, etc. were the factors which accounted for the time lost.

7.23 Leave and Holidays. Annual leave with wages became statutorily available to worker with the enactment of the Mines Act, 1952. Underground workers because of the strenuous nature of their jobs and the difficult working conditions are entitled to a little longer period of leave, one day for every 16 days of work, than that admissible to their counterparts on surface and other industrial workers (one day for every 20 days of work). The majority recommendation of the Wage Board for the industry for increase in the quantum of annual leave with wages for coal miners has not been

accepted by the Government. Although the Employees' State Insurance Scheme of 1948 does not cover mines, the practice of granting paid sick leave to workers has existed in most of the coal mines since long. The Arbitration Award of Shri A. Das Gupta in 1959 recommended 14 days sick leave in a year on half the normal rate of wages (basic + D.A.). The majority recommendation of Wage Board that all workmen shall be entitled to 15 days sick leave in the year on full pay or 30 days in the year on half pay has been accepted by the Government.

7.24 As a result of the award by the All India Industrial Tribunal (Colliery Disputes) in 1956 (popularly known as Majumdar Tribunal) workers in the industry are entitled to a minimum of 7 days of paid festival holidays in a year. The Wage Board's recommendations on leave without pay, quarantine leave, paid leave for T.B., cancer and injury have been accepted by the Government.

Wages, Earnings and Productivity.

7.25 Wages: The present wage structure in the coal mining industry which is the result of rationalisation over the years through successive wage awards, the latest in the series being the Wage Board award given in 1967, presents a sharp contrast to what prevailed prior to Independence. The position then was:

"So far as is known, beyond considerations of supply and demand there is no other basic principle underlying the existing wage structure in the industry. Nor does it appear that the differentials between the different occupations have been worked out on any scientific basis".

The Conciliation Board Award of 1947 which applied to collieries in West Bengal and Bihar for the first time introduced some measure of uniformity in wages and introduced the concept of minimum wage. This influenced the wage structure in the other

7.13

regions of the industry also and resulted in more of such awards. To rationalise the wage structure in the industry as a whole, an All India Industrial Tribunal (Colliery Disputes), popularly known as 'Majumdar Tribunal', was constituted in 1954. The Tribunal gave its award on 26th May, 1956 which on appeal was modified by the Labour Appellate Tribunal whose decision though given on 29th January, 1957, took retrospective effect. The net result of the Majumdar Award, as modified by the L.A.T., was that (i) the minimum wage for the lowest paid unskilled worker was fixed after taking into account the minimum monthly requirements of major items of consumption by a miner's family (ii) workers were categorised by job description and all time rated workers were placed in ten categories (iii) piece-rated workers for most of whom workloads were fixed were given the protection of a fall-back wage of 75% of the category wage, (iv) parity between the wages of male and female workers doing the same work was introduced, (v) the varying practice of issuing free and concessional supply of grain was discontinued, and (vi) variable dearness allowance linked to All-India Consumer Price Index was introduced. With all these benefits the wage bill of the industry went up by nearly 40%.

7.26 On account of certain difficulties that arose over implementation of the Majumdar Award, as modified by the L.A.T., all differences were, through an agreement, submitted for arbitration to Shri A. Des Gupte, an ex-member of the L.A.T. The arbitration award given on 30.12.1959, among other things, introduced incremental time scale for the daily rated workers.

7.27 To ensure industrial peace which was threatened due to lapse of the existing awards and also to further rationalise the wage structure, a Central Wage Board for the Coal Mining Industry

was set up in August, 1962. The Wage Board before submission of its final report in February, 1967, recommended two interim wage increases. The major recommendations made by the Wage Board and accepted by the Government with effect from 15.8.1967 in respect of wages were: (i) merging of the entire existing dearness allowance into basic wages, (ii) increase in the minimum wage, (iii) neutralisation of the future rise in the Index Number according to each point of rise, (iv) compressing of the existing 10 categories of time-rated workers into six and grouping of piece-rated workers into five categories, and (v) fixation of pay scales for clerical, technical and supervisory staff. The Board estimated that with its recommendations no workman would get less than a 10% increase over his existing emoluments.

7.28 The following table gives the size of the minimum daily wage for the lowest paid unskilled worker as it emerged from the different awards:

Table 7.4

	<u>Conciliation Board Award of 1947</u>	<u>Majumdar Award of 1956 as modi- fied by LAT.</u>	<u>Central Wage Board Award of 1967.</u>
	Rs. P	Rs. P	Rs. P
i) Basic Wage.	0.50	1.06	5.00
ii) Dearness Allowance.	0.75	1.60	-
iii) Plus average cash concession and value of free rice.	0.37	-	-
	<hr/>	<hr/>	<hr/>
Total.	1.62	2.66	5.00

7.29 Wage Differentials. The Majumdar Award, as modified by LAT, for the first time placed all time-rated workers into ten categories on the basis of degree of their skill and fixed their wages. The Das Gupta award further streamlined these

7.15

differentials by introducing incremental time scales. For bulk of the piece-rated workers work-loads were determined and wage rates standardised. Similarly clerical staff/^{was}classified into three grades; time-scales were laid down for each. The Central Wage Board compressed the existing ten categories of time-rated employees into six with the following time-scale of basic wages for the lowest and highest paid category:

<u>Categories</u>	<u>Table 7.5</u>	<u>Ten year time-scale of daily basic wage (Rs.)</u>
I Unskilled		5.00 - 0.10 - 6.00
VI Highly skilled		10.90 - 0.40 - 14.90

7.30 Piece-rated workers have been classified into five groups with basic wages on fixed work-load and fall back wages for the two extreme groups as follows:

<u>Group</u>	<u>Table 7.6</u>	<u>Fall-back Wage</u>
	<u>Basic Wage</u>	<u>Rs. per day</u>
	<u>Rs. per day</u>	
I	5.25	5.00
V	6.75	6.00

7.31 Similarly clerical, technical and supervisory staff have been categorised with specific time scale for each category.

7.32 Dearness allowance will be paid on the basis as set out below.

"For every point's rise over the index number 166, to which the wage structure is linked, the variable dearness allowance shall be 3 paise per day. The method of calculation of the index shall be on the basis of the average of six months; i.e. from January to June and July to December in each year and the adjustment will be made on 1st October and 1st April each year respectively as at present."

7.33 Payment by Results. The system of payment by results has been in vogue in the industry since its inception. The Central Wage Board for the industry placed the percentage of piece-rated workers at 55. Miners and loaders who are mainly responsible for the production of coal are the most important category of piece-rated workers and account for about 37% of the total working force. To ensure that piece-rated workers do not suffer in their earnings for reasons beyond their control fall-back wages have been provided. For about 70 per cent of the piece-rated workers the fall-back wage as recommended by the Wage Board is 100 per cent of their normal category wage.

7.34 Wages and Productivity. The following statistics provide the trends of money earnings and real earnings in coal mines.

Table 7.7

<u>Year</u>	<u>Index of money earnings.</u>	<u>Index of real earnings.</u>
1951	100.0	100.0
1956	158.7	158.7
1961	214.7	178.9
1963	240.2	188.2
1965	280.5	177.4

Source: Indian Labour Statistics, 1968.

7.35 Output per manshift has improved as shown in the margin.

Table 7.8

<u>Year</u>	<u>Output per manshift</u> <u>In metric tonnes</u>	It is difficult to assess the contribution of different factors of production to this increase. When compared to the coal mining industries in other countries it is found that output per manshift in India is much
1951	0.35	
1956	0.40	
1961	0.48	
1965	0.55	
1966	0.57	

Source: Monthly Coal Bulletin, December, 1967.

lower. In 1963, it was only 0.51 metric tonnes as against

7.17

11.2 tonnes in U.S.A., 2.16 tonnes in U.K., 1.99 tonnes in France, 2.54 tonnes in West Germany, 1.88 tonnes in Belgium and 2.24 tonnes in Netherlands. The Coal Development Council has set up an expert committee to examine all aspects relating to improvement in productivity.

7.36 Incentive Schemes: The incentive schemes in the industry by and large do not go beyond the system of piece-rate wages. Collieries in the public sector do have incentive schemes which cover operative, maintenance and supervisory personnel. Factors like the size of the mine, nature of deposits and degree of mechanisation which differ from mine to mine do not permit the introduction of any common incentive scheme for the industry as a whole. The Wage Board for the industry appreciating this difficulty suggested that such schemes at individual collieries should be worked out in consultation with the workers. Under the Payment of Bonus Act, 1965 the industry is now paying annual bonus to its workmen.

Social Security.

7.37 Provident Fund: The Coal Mines Provident Fund and Bonus Schemes Act, 1948, which first applied to mines in West Bengal and Bihar was gradually extended to other States. Every employee of a coal mine is entitled to become a member of the Fund without any wage limit, provided he has put in certain minimum attendance during a period of six months. There were 3.68 lakhs subscribers to the Fund as on March 31, 1967. Members of the Fund are compulsorily required to contribute at the rate of 8% of their total emoluments and the employers an equal amount as their matching contribution.

A Death Relief Fund has specially been set up for the purpose of ensuring a guaranteed minimum payment of Rs.500/- to the dependants of a deceased member.

7.38 Gratuity: Central Wage Board for the industry has recommended an industry-wise scheme of gratuity to be financed by the levy of cess on despatches of coal. ~~Gratuity~~ under the scheme is payable in the event of (i) death or physical/mental incapacity, (ii) superannuation at the age of 60 years, (iii) voluntary retirement or resignation, (iv) termination of service by the employer. The scheme has not yet been accepted by the Government.

7.39 Pension: Pension schemes though not common in the industry have been introduced by a few mines on their own. The benefit generally extends to selected categories of employees like professional, technical and administrative personnel.

7.40 A scheme for retirement/family pensions for the members of the Coal Mines Provident Fund which is currently under examination of the Government is expected to be introduced in the near future.

7.41 Other Social Security Benefits: Apart from workmen's compensation and maternity benefit, paid sick leave medical benefits and lay off and retrenchment compensations payable under the provisions of the Industrial Disputes Act, 1947 are other social security benefits enjoyed by workers. The last named benefit is not permissible if a mine is closed under the orders of the Inspector of Mines for reasons of safety. This legal anomaly is exploited by some employers to deny workers their dues. A way has to be found out of this difficulty. Unemployment insurance is also to be

introduced in coal mines, on a pilot basis, shortly. According to the Survey of Labour Conditions in the industry, the total cost borne by the employers on account of social security contributions/benefits during 1961-62 amounted to Re. 0.27 per manday worked and represented 5.2% of the total labour cost.

Industrial Relations.

7.42 Trade Unions: Prior to Independence unions among colliery workers were very weak. The few unions that had come up were mostly unrecognised. According to the Survey of Labour Conditions (1962-63) unions were functioning in about 55 per cent of the mines. About 52 per cent of the workers in the industry were unionised. Recognition had been accorded in a large majority of cases.

The survey revealed that two or more unions existed in 26% of mines. Activities of unions mostly confined to advancing the claims of their members; matters like recreational facilities, welfare, adult education received attention in a small number of cases. A reason could be the operation of the Coal Mines Welfare Fund Organisation which made union welfare activities or demands from unions about them redundant.

7.43 Industrial Disputes: Statistics of industrial disputes

for the coal mining industry are in the margin. Except for the Table 7.9

Year	No. of disputes resulting in work stoppages	No. of man-days lost (in lakhs)
1951	50	2.98
1956	67	11.09
1961	65	2.01
1966	82	2.74
1967	122	9.09

years 1956 and 1967, industrial relations could be deemed as peaceful. In 1956 the Majumdar Award which fell short of workers expectations labour resulted in considerable/unrest. In 1967 the abnormal situation created by

Source: Indian Labour Statistics.

a steep rise in prices, industrial recession, shortage of foodgrains due to two successive droughts, acute inter-union rivalries and lastly situation created in West Bengal coalfields accounted for the large number of man-days lost. Considerable unrest in the industry currently prevails over the non-implementation of the recommendations of the Central Wage Board which were accepted by the Government on 21.7.1967 and were to take effect from 15.8.1967. Even after a year of their acceptance and two increases allowed in the price of coal, the recommendations have been implemented fully only in 67 collieries - mostly in the public sector-employing about 27 per cent of the workers in the industry. The workers' demands for the statutory enforcement of the accepted recommendations have already set the Government thinking in terms of assumption of powers for **this manner** of enforcement.

7.44 Standing Orders: Of 769 establishments covered by the Industrial Employment (Standing Orders) Act, 1946 on 31st January, 1968 as many as 732 establishments had certified Standing Orders.

7.45 Code of Discipline: No reliable evaluation of the working of the Code of Discipline in the industry is available. The large number of breaches reported do suggest that the code has not been respected in the spirit in which it was conceived. During 1966, 609 complaints - 108 against workers/unions and 501 against employers - of alleged breaches of the Code of Discipline and the Industrial Truce Resolution were received by the Labour Ministry. The Indian National Mine Workers' Federation in its evidence before the Commission stated, however, that the working of the code of discipline in the mines has not been a bad experience.

7.21

7.46 Grievance Procedure: To promote harmonious industrial relations on a non-statutory basis the Code of Discipline provides for the establishment of a grievance procedure and a model grievance procedure has also been evolved. A Study of the extension of Establishment of Grievance Procedure in mines in the private sector in 1966-67 revealed that of 427 mines that responded, nearly 31 per cent had a regular grievance procedure conforming to the model, another 7% had made some other arrangements and the rest of the mines (62%) did not have any arrangement.

7.47 Consultative Machinery: The Industrial Committee on Coal Mining Industry, a tripartite body, is the consultative machinery for the discussion of all important issues affecting the industry as a whole. So far the Committee has held ten sessions in which matters like abolition of contract labour, supply of uniforms, housing, water supply, standing orders, and bonus were the topics of discussion.

7.48 Joint Management Councils functioning in 47 coal mines, mostly large sized, are still in their formative stage. Works Committees which under the Industrial Disputes Act, 1947, are required to be set up in all mines employing 100 or more workers provide a bipartite forum for discussion at the unit level for the preservation of amity and good relations. Where set up, their working is not reported to have given the same satisfaction.

Welfare

7.49 The minimum standard of statutory welfare facilities like maintenance of creches, provision of rest-shelters, appointment

7.22

of welfare officers, provision of pit-head baths, lockers, sanitary and latrines, first-aid boxes, ambulance rooms which the employers are required to provide have been prescribed under the Mines Act, 1952 and the rules framed thereunder. The compliance with these legal requirements is on the whole satisfactory except that there is room for improvement in respect of provision of creches and pit-head baths.

7.50 Coal Mines Welfare Fund Organisation: With the object of promoting the welfare of workers employed in the coal mining industry and their dependants the Coal Mines Labour Welfare Organisation was created as far back as 1944 and is now governed by the Coal Mines Labour Welfare Fund Act, 1947. A levy of cess on all coal and coke despatched from collieries constitutes the source of income to the Fund which presently brings in Rs.4.69 crores per annum. This income is apportioned equally between two accounts: (i) General Welfare Accounts and (ii) Housing Account. The fund is administered by a tripartite Advisory Committee. The Government has a proposal to make the organisation autonomous and to remove the day-to-day restrictive control of the Government on it. Since the activities of the organisation are discussed in detail in the Report of the Committee on Labour Welfare their summary is inappropriate at this place.

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RC/

8. MICA

India produced an estimated 17.6 thousand tons of crude mica in 1967. During 1965-66 it exported uncut and unmanufactured mica worth Rs.11.27 crores. Mica mines are mainly located in Bihar, Andhra Pradesh and Rajasthan. Of these, Bihar mines produce nearly 2/3rd of India's mica output. It accounts for more than half the number of workers employed in the industry. Bihar produces as well as processes mica for the export. The table below shows the State-wise distribution of mica mines, total employment and production therein for the year 1966. During the last fifteen years employment in the industry has declined significantly. It fell by about 40%.

Table 8.1

<u>State</u>	<u>No.of Mines</u>	<u>No.of workers</u>	<u>Production (M/Tonnes)</u>
Bihar	413	11,680	12,365
Rajasthan	114	3,934	4,800
Andhra Pradesh	73	4,064	4,239

Recruitment and Training

8.1 Recruitment: Recruitment was done through sardars who were sent out with funds to the villages in the vicinity. This practice gradually changed; in 1962-63 about 89% of the workers were recruited directly. Use of employment exchange for recruitment is not known; vacancies are not reported to employment exchanges either.

8.2 Training: No system of imparting training to workers in the industry, except for the supervisory staff, was reported to exist prior to Independence. By 1962-63 nearly 20% of the mica mines were providing training facilities to their workers on ad hoc basis. Training arrangements were selective. They catered mainly to mining assistants, shift-incharge and electricians.

8.3 Employment Pattern: Hand-drilling was the most important occupation and accounted for 44% of the total employment. In 1966 women constituted about 5.7% of the total employed as against 7.4% in 1956. Women were generally engaged in occupations like mud-removing, mica cutting or as shearers, mazdoors, water-carriers and sweepers; they were engaged only on surface or in open cast departments. The industry has a high labour turnover, mines remaining closed in rainy season. The proportion of temporary workers is high.

Working Conditions

8.4 Hours of Work: Since 1952, hours of work are regulated by the provisions of the Mines Act, 1952. In 1962-63, the hours of work per shift were 8 or even less than 8 in case of both underground and surface workers. In about 38% of the mines having surface working and 90% having underground working, there was no fixed interval for rest.

8.5 Leave and Holidays with pay: While the Mines Act, 1952 provides the minima for leave in a large number of mines, quantum of leave is governed by agreements or adjudication awards. More than half the mines granted casual leave with pay. They allowed sick-leave with pay as well. Weekly off is provided but except in the case of monthly rated staff, such weekly rest was without pay.

Wages and Earnings

8.6 The basic minimum wage of an unskilled worker prior to Independence varied from Rs.0.56 to Rs.0.75 per day for male workers and from Rs.0.37 to Rs.0.51 for women. Payment of dearness allowance was rare. Since then wage structure has been rationalised and regulated either by the Minimum Wages Act, 1948 or under tribunal

awards. The minimum rates of wages vary from State to State.

Rates have been fixed for different categories of workers. The

table given below indicates the minimum and maximum rates of

wages for daily rated and monthly rated workers. The rates of

wages have been fixed both for factory and mine workers.

Table 8.2

(Figures in Rupees)

		<u>Minimum</u>		<u>Maximum</u>	
		Mine	Factory	Mine	Factory
Bihar	(a) Daily rated	2.25	2.25	5.05	4.15
	(b) Monthly "	58.50	58.50	138.00	115.00
Rajasthan	(a) Daily "	-	-	-	-
	(b) Monthly "	60.00	60.00	125.00	100.00
Andhra Pradesh	(a) Daily "	1.75(M)	1.75	4.00	2.25
	(b) Monthly "	42.00 (F) 45.00 (M)	45.00	120.00	90.00

Source : Report on Labour Conditions in Mica Industry
by Deputy Labour Commissioner, Bihar, Patna.

The relative wage structure for different operations in the mining industry (1958-59) is given in the table below. The wages show such a wide range of disparity that a doubt is raised as to whether the skill content is the same and the occupations are really comparable as claimed. It is doubtful for instance whether the wage for an unskilled worker (mazdoor - general) could show such a variation.

Table 8.3

<u>S.No.</u>	<u>Occupation</u>	<u>Mica</u>	<u>Coal</u>	<u>Manganese</u>	<u>Iron Ore</u>
1.	Mistry	2.26	3.40	3.79	6.56
2.	Driller Machine	2.28	3.56	3.72	4.90
3.	Driller (hand)	1.59	N.A.	1.93	1.59
4.	Miner (Pick)	1.45	3.63	1.72	1.47
5.	Compressor Driver	2.34	3.75	2.70	3.76
6.	Mazdoor (General)	1.32	3.07	1.86	1.92
7.	Blaster/Shot Firer	2.47	4.09	2.33	3.20

It would be seen from the above table that except for the two

occupations 'Compressor Driver' and Blaster/Shot Firer' the

average daily earnings of all the workers in all other occupations

were the lowest in the industry.

8.7 Components of Earnings The Survey of Labour Conditions (1962-63) revealed that 'basic earnings' (basic wages and dearness allowance) constituted 94% of the total earnings of workers in the industry. Basic earnings constituted almost the whole of the earnings in Rajasthan; in Bihar, they accounted for 89% of the total earnings. In 1962-63 the system of paying a separate dearness allowance was in vogue in 51% of the units. In Bihar nearly 77% of the mines were paying a separate dearness allowance at a flat rate ranging from Rs.15 to Rs.67 to the different categories of workers. 'Other Allowances' like house-rent allowance, conveyance allowance, and foodgrain concessions / certain allowances in cash and kind, feature in the average earnings of workers. House rent allowance formed 0.4% of the total daily earnings of workers. This in effect means that no house allowance was given. Some workers for whom housing had to be provided by the employer as a matter of prudence may account for the percentage shown.

8.8 Bonus: Payment of monthly bonus (attendance bonus) to workers in mines in Bihar is regulated by an award of the Industrial Tribunal. According to the practice prevailing in 1962-63, all daily rated workers who put in a minimum attendance of 20 days during a month, were entitled to bonus at the rate of $12\frac{1}{2}\%$ of the basic wages earned during the month. The practice of paying quarterly bonus to workers was in vogue in mica mines in Bihar. The qualifying conditions, rate of payment etc. were regulated by awards of the Industrial Tribunals in 1948 and 1953. The 1962-63 survey reported that none of the mica mines had profit sharing and festival bonus scheme but the system of paying year-end bonus was found in about 19% of the mines. In Bihar mines, such payment was regular, elsewhere it was

only on an ad hoc basis. Payment was made in cash. The position has changed with the coming in of the Payment of Bonus Act, 1965. All workers are entitled to a minimum bonus of 4% of their wages under the Act.

Welfare and Amenities

Obligatory: The position as in 1962-63 was as follows:

(1) Drinking Water : Nearly 5/6 of the units surveyed had arrangements for providing water in summer months.

(2) Washing and Bathing: Hardly 1/6 of the units had arrangements worth the name.

(3) Rest Shelters: 3/5 of the units surveyed provided rest shelters. Only in about 8% of units having rest shelters the prescribed standards were respected.

(4) Creches: 17% of the units surveyed had creches. The units where they should have been provided exceeded this percentage. Facilities in a creche differed from unit to unit.

Facilities:

(5) Medical /No unit had full medical facilities. First-aid was looked after but only 15% of the boxes examined had the prescribed contents. Two mines were reported to be maintaining ambulance vans.. Neither of them employed qualified doctor. About 4% of the mines in Bihar had a contract with some dispensary or hospital for the treatment of their workers. Dispensaries and hospitals set up under the Mica Mines Labour Welfare Fund also catered to a very small fraction of workers.

Voluntary

(1) Recreation facilities: Arrangements for recreation of their employees in the form of indoor and outdoor games and cultural programmes existed in 25% of the units but they were used by the clerical and supervisory staff only.

(2) Transport facilities: Except for some units in Rajasthan, transport facilities had been provided by none.

(3) Other facilities: Grainshops were a rarity. The practice was to charge market rates. In some mines items were sold at cost price. Only one mine was running a cooperative store on a no profit no loss basis.

8.9 Housing: While provision of some housing was the rule percentage of workers who were fortunate to get company housing was about 27. 85% of houses were one-room tenements, 13% had two rooms and the rest had more than two rooms.

8.10 Mica Mines Welfare Fund: To promote the welfare of labour employed in mica industry, the Mica Mines Welfare Fund Act, 1946 was enacted. Welfare activities are financed from the fund collected by way of levy of cess on mica exported. The rate of levy has been $2\frac{1}{2}\%$ ad valorem; the maximum levy permissible is $6\frac{1}{4}\%$. The cess is collected by the Customs Department and credited to the Fund after deducting collection charges. The Fund is administered through tripartite Advisory Committees in the three regions of Bihar, Rajasthan and Andhra Pradesh.

8.11 Welfare measures financed by the Fund consist of medical, educational, and housing facilities.

8.12 Medical: The Fund runs six hospitals, four in Bihar. The total bed strength of the six hospitals together is 225 and one each in Rajasthan and Andhra Pradesh. In addition, the Fund runs, in the three States, 21 Ayurvedic Dispensaries, 12 static dispensaries, 7 mobile medical units and 18 maternity and child welfare centres. It provides financial relief to the dependants of mica miners suffering from T.B. and silicosis. Arrangements have also been made for the treatment of T.B. and leprosy patients among mica miners at the Leprosy Hospital, Tetulmari (Bihar).

8.13 Education: There are nine multipurpose institutes (with an adult education centre and women's welfare centre), 7 community centres, 9 women centres, 12 primary elementary schools, 13 feeder centres, 7 middle/high schools, 26 adult education centres,

7 boarding houses/hostels for miners' children, 4 mobile cinema units and 82 radio sets installed in mica mining areas of the three States of Bihar, Rajasthan and Andhra Pradesh. Some benefits are available to the dependents of mica miners who die or become totally incapacitated due to accidents in mica mines. They partake the form of lumpsum payment of Rs.150/-, a monthly allowance of Rs.50/- for a period of 5 years and monthly scholarship of Rs.10/- payable in respect of each school going child till he/she attains the age of 15 or is married.

8.14 Housing. construction has made little progress. The Fund has low cost housing scheme and 'build-your-own house' scheme. The pace of the former is slow; the response to the latter is poor.

8.15 One wholesale (central) consumer cooperative store with its 7 branches and 7 primary stores in Bihar, 4 primary consumer cooperative stores in Andhra Pradesh and 3 in Rajasthan are run by the Fund.

Industrial Relations

8.16 Statistics regarding number of industrial disputes, number of workers involved and the number of mandays lost in regard to the industry are available only since 1959:

Table 8.4

Industrial Disputes in Mica Mines - 1959-66

Year	No. of Industrial Disputes	No. of workers involved	No. of mandays lost
(1)	(2)	(3)	(4)
1959	13	1,377	8,702
1960	3	325	975
1961	5	352	1,033
1962	8	402	8,767
1963	7	308	1,431
1964	23	3,114	38,000
1965	12	2,064	18,000
1966	8	482	2,000

8.17 The mica industry has dual control in regard to industrial relations. The Central Government is the appropriate Government for mines and the State Government for the factory. Certain mines have factories attached to them and the two sections are complementary to each other. Duality of control presents problems in such cases. In one respect at least, coordination is achieved whereby the powers of Central Government have been delegated to the State Governments for fixation and revision of minimum rates of wages in respect of workers in the mines.

8.18 It was revealed by the 1962-63 survey that 21% of the mica units were under a legal obligation to frame standing orders. Of these, about 20% had not complied with the law. The defaulting mines were all reported to be located in Bihar.

Trade Unions

8.19 It is estimated that trade unions exist in nearly 22% of the mines and about 11% of the workers were members thereof. The position is generally unsatisfactory. This explains the general poor showing of mica workers in regard to every aspect of conditions of work. For union organisers, the mica units present the same problems as do agricultural workers. Whatever union activity is there it is centred round the bigger units in the industry.

Social Security

8.20 Provident Fund: The Employees' Provident Fund Act, 1952 was extended to mica mining industry only with effect from May, 1960. Employment limit was lowered to 20 within a year of the Act being made applicable. It is estimated that as on 30th September, 1967 coverage under the Act in the industry extended to 254 mines involving 20,300 workers of whom 14,455 were subscribing to the Fund.

8.21 Industrial Accidents: According to the Director General of Mines, Safety, Dhanbad, it is estimated that during 1966 in all 36 accidents were reported. 19 persons were killed and 21 persons were seriously injured. During the year 1966 industry had the second highest rate of fatal accidents. Whereas for all mines the rate was 0.45 per 1000 employed, the mica mining industry showed as high a rate as 0.96.

8.22 Two disturbing aspects of the implementation of legislation applicable to this industry were brought to our notice in Rajasthan. The complaint from the unions was the ineffective operation of the Payment of Wages Act. Wages remained in arrears for a period of four to six months. As stated earlier, wages in the industry are not so high that a worker can make both ends meet with such heavy arrears. The complaint was corroborated by some mine owners themselves where they pleaded their inability, the international competition of cheaper substitutes being the ostensible cause. The extent of arrears was not as high as alleged. On the basis of data supplied, on an average the arrears worked out at two months' earnings. Such an average will naturally hide cases of longer default. The representatives of mine owners fairly conceded that in some the default has been as long as four to five months. But this could be in rare cases. In a price situation as currently prevalent and in a labour shortage area, such defaults can be detrimental to the owner. But there can be some among the employers who could run such bad adventures.

8.23 The second point is the dependence on foreign markets.

If mica prices are high, it will be out of the picture altogether because substitutes will price it out. If this is the limit and that too in a labour intensive operation, how can labour improve its position ever!? This is a question which has to be tackled by all concerned about the future of the industry.

9. MANGANESE MINING

Manganese is an important raw material in the production of steel. It is also used in a wide range of chemical industries. It is an earner of foreign exchange. During 1965-66 exports of manganese ore were valued at Rs.11.04 crores. India ranks third in the world in the production of manganese ore. Starting with the discovery of manganese near Vishakhapatnam about 80 years ago, deposits were located in Bombay Presidency, Mysore and Central India. The industry made rapid strides till 1927. After a temporary setback thereafter, exports again caught up in 1934 and the industry witnessed a steady increase in production.

9.1 During the post-Independence period the emphasis was on qualitative and quantitative assessment of the reserves and scientific exploitation. The reserves were estimated to be of the order of 180 million tons (about 40% being of marketable grade). The industry has experienced a haphazard growth in terms of production. With a production of 1.4 million tonnes in 1951, it reached a peak in 2.1 million tonnes in 1953. Production touched a new low of 1.2 million tonnes in 1963 and finally stabilised at 1.5 million tonnes in 1965. The uneven growth of the industry over the years is attributable to its precarious dependence on export and low level of domestic requirements. Manganese ore exported during the period of 1951-1965 has been more than 75 per cent of its production. Any slump in the world manganese market due to either slackness in demand or emergence of new competitors affects the Indian industry adversely.

Structure of the Industry: Judged from the number of persons employed, Madhya Pradesh, Maharashtra, Orissa, Mysore and Andhra Pradesh are the principal manganese producing States. Manganese mining is labour intensive. Of the 295 manganese mines in 1966, 111 mines (37 per cent) could be deemed as mechanised inasmuch as they were using some mechanical or electrical power. Comparable figures for other mining are : coal - 88%, mica - 46%, iron ore - 38%. Most of the mines are very small and employ less than 50 persons.

Pattern of Employment

9.3 The industry has experienced wide fluctuations in its employment. The average daily employment was the highest (1,11,000) in 1953 and the lowest (37,000) in 1963. This has been due to changing situation in the manganese ore markets of the world which absorbs about three-fourths of India's production of this mineral. The industry employed about 47,000 persons in 1966.

9.4 Employment of Women: The industry has supported a high proportion of women labour. Women workers in the industry constituted about 46.2 per cent of the total employment in 1944. This percentage stood at 40.6 in 1966, and was the highest as compared to other mining industries. Nearly all women are engaged in the production processes like mining of bed-ore, dump cleaning, chily boulding (i.e. carrying out of dug-out earth in baskets on their heads), sorting, stacking, cleaning and picking, the jobs on which they are traditionally employed. The practice of working in gangs comprising usually members of the same family is another factor which has favoured the employment of women workers in larger numbers.

9.3

9.5 Contract Labour: The system of engaging contract labour has been in vogue on a wide scale in this industry. Even public sector units in this industry - / ^{parcelled} out portions of work to contractors. but for such work, labour engaged through contractor is paid directly by the management. The contract is thus for supply of labour.

9.6 Recruitment and Training: Permanent workers or persons who eventually become permanent are through intermediaries like mistries or jobbers. About 95 per cent of the labour is recruited directly at the mines where people from the neighbouring villages come in search of employment. In some units preference is generally given to those who are recommended by the recognised unions.

9.7 No scheme of apprenticeship training by the employers for meeting the industry's need of skilled personnel is in evidence. No difficulty has been experienced in getting adequate number of workers in any category of employment.

9.8 Absenteeism and labour turnover: Among the directly employed production workers about 56.0 per cent are permanent, others are temporary or casual. About 65 per cent of the workers in 1962 had less than one year's service to their credit after their being declared permanent. Absenteeism rate in the industry was 16.2 per cent. It was higher during April to July and September to November when workers returned to cultivation or for collecting bidi leaves (in some areas). Labour is far from stable. During 1961-62, the rates of accession and separation were of the order of 18.4 and 16.7 per cent respectively, when the corresponding rates in coal mines were 5.1 and 4.5 per cent respectively.

Working Conditions

9.9 Working conditions in manganese mines are regulated by the Mines Act, 1952 and the Rules framed thereunder. The Labour Bureau survey (1962-63) revealed that there has been improvement in working conditions since Independence.

9.10 Hours of Work: Hours of work do not exceed the statutory limits. About 95 per cent of the mines work 8 hours a day. In about 70% of the mines, workers other than managerial, technical, supervisory, clerical or monthly rated persons work on all the seven days in a week. Workers who forego weekly rest are perhaps piece-rated.

9.11 Creches: Creches which were almost non-existent at the time the Labour Investigation Committee reported, are now provided in a majority of mines. There is still room for improvement in observance of law.

9.12 Leave and Holidays: Annual leave with wages which was once a privilege enjoyed by few workers in the industry became statutorily available to workers under the Mines Act, 1952. Casual leave with wages, though not a legal requirement, is available to certain categories of employees, in about a fourth of the mines surveyed. Its duration ranges between 7 to 15 days in a year. The benefit of paid sick leave is also available to employees on a voluntary basis in a larger number of mines; the period of leave ranges between 7 to 15 days in a year. The system of granting national and festival holidays with pay is now an accepted practice in the industry. Such holidays do not exceed 7 days in a year.

9.13 Safety and Health: Working in manganese mines
 is not as unsafe as in other mines. During 1966, fatal and serious injury rates per 1000 persons employed were 0.15 and 1.68 respectively; in all non-coal mines the corresponding figures were 0.34 and 4.37 respectively. With the introduction of Mines Vocational Training Rules, 1966 which provide for a course of theoretical and practical training before employment, working in manganese mines would^{be} still safer. Manganese poisoning is the chief occupational hazard to which workers are generally exposed. A committee of medical officers appointed by the Government of India in 1958 made a number of recommendations such as stoppage of dry drilling, adoption of dust control methods, observance of a minimum standard of ventilation in underground mines, appointing of qualified medical officers, periodic examination of workers and making manganese poisoning a compensatable disease under the Workmen's Compensation Act. While this Act has already been amended little is known about the extent of actual implementation of the recommendations.

Wages and Earnings

9.14 Wage Revisions: So far there has been no standardisation of wages at the industry level through wage boards, adjudication or collective agreements. The existing wage structure has evolved as a result of wage revisions at the unit level from time to time. According to the Labour Bureau's survey, during the period 1956 to 1962-63, nearly 67 per cent of the manganese mines had revised the wages of their employees at least once.

9.15 Payment by Results: The system of payment by results has been in vogue in the industry on a wide scale since long. Most of the workers were piece-rated prior to Independence. The 1962-63 survey also revealed that about 54% workers were piece-rated.

9.16 Earnings: Serial data in respect of earnings of manganese workers are available only for Madhya Pradesh region. The average daily earnings of unskilled surface workers in this region had gone up from Rs.1.31 in 1951 to Rs.2.56 in 1965. The index number of money earning in respect of mines in Madhya Pradesh and Orissa, on base 1951 = 100, stood at 176.7 and 175.5 respectively in 1965. This means that the skilled workers were able to improve their position better than what the indices seem to indicate.

9.17 Wage Differentials: The daily earnings of workers were the highest in Madhya Pradesh (Rs.2.35) and the lowest in Mysore (Rs.1.77) in 1962-63. On an average, production workers in upper ranges earned Rs.2.06 per day, (male Rs.2.29, female Rs.1.80), clerical and related workers Rs.4.52 and watch and ward and other services Rs.2.15. Among production workers, who constitute about 91 per cent of the total employment in the industry, there are no marked wage differentials.

9.18 Dearness Allowance: The practice of paying dearness allowance to workers in addition to the pay is not common in this industry. Only about 32 per cent of the mines pay dearness allowance to their workers and nowhere is it linked to consumer price index number.

Social Security

9.19 Apart from the Workmen's Compensation Act and the Maternity Benefit Act, the Employees Provident Fund Act, 1952 became applicable to manganese mines with effect from 30.11.1957. As on 30.9.1966,

9.7

264 manganese mines were covered under the Act and nearly 74 per cent of their employees were subscribers to the provident fund.

The practice of paying gratuity to workers is prevalent in the industry to a very limited extent. Hardly 7 percent of the mines,

owned by large companies like Manganese Ore (India) Limited, have

such schemes. / In the units surveyed by the Labour Bureau

(1962-63), social security benefits formed only about 4% of the total labour cost.

Trade Unions and Industrial Relations

9.20 Trade Unions: Workers in manganese mines are still not organised into trade unions to the same extent as workers in other organised industries. In 1962-63, trade unions were functioning in about 13.4 per cent of the mines and 29 per cent of the workers employed in the industry were members of one or the other trade union.

9.21 Standing Orders: Framing of standing orders is obligatory for all mines which employ 100 or more workers. In the units surveyed in 1962-63, about half the mines covered had framed standing orders. This includes some smaller mines which were not required to frame standing orders.

9.22 Works Committees: The 1962-63 survey showed that about four-fifths of the mines required to set up works committees had fulfilled their obligation. Works committees, where set up, were functioning well and the decisions taken were generally implemented.

Welfare and Amenities

9.23 In 1962-63, about one-fourth of the manganese mines had provided some recreational facilities for their employees in the form of indoor/outdoor games. Only about 6 per cent of the mines had provided schools which were mostly of primary standard. Nearly four-fifths of the mines had housing facilities to some extent. The percentage of workers housed by the industry was about 36. Besides first-aid boxes maintained by all mines, medical facilities were provided by the management in about 57 per cent of the manganese mines; attached hospital/dispensary in about 16% and ad hoc arrangements with some doctor or dispensary in the remaining 41%. In pursuance of the recommendation made by a sub-committee of the Industrial Committee on Mines other than coal in 1965, a draft scheme for the constitution of a statutory Manganese Mines Welfare Fund has already been prepared by the Government and is in the process of finalisation.

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India possesses large deposits of good quality iron ore. A quarter of world's deposits are found in India. In 1964, India stood seventh in iron ore production with a production of 21.4 million tonnes. The deposits of iron ore in Singhbhum district of Bihar and Rajhara and Bailadilla mines in Madhya Pradesh and in the Hospet area of Mysore State are amongst the richest in the world. Orissa accounted for 34 per cent of the all India output of iron ore followed by Bihar: 27 per cent, Madhya Pradesh: 20 per cent and Mysore: 17 percent. Plan achievements and targets of production of iron ore are as in the following table:

Table 10.1

(In million tonnes)

1960-61	1965-66	1968-69 (Estimated)	1973-74 (Target)
11	24.46	26	53.4

The Fourth Five-Year Plan also estimated the annual demand for iron ore at 54 million tonnes - 29 million tonnes in respect of the iron and steel programmes of the country and 25 million tonnes for export. Most of the mines are small. In 1965 only 30 mines produced about 77 per cent of the total production and the remaining 271 mines accounted for the balance.

Employment.

10.1 Employment in the industry rose from 16,000 pre-Independence to 54,540 in 1956 and to 60,339 in 1966. Nearly 75% of those employed were in open cast mining, remaining in various employments connected with the operations. The average daily women employment was about 30%. Concentration of women workers to the extent of 94% was found in mines in Mysore and Orissa during the Survey of Labour Conditions conducted in 1962-63.

10.2 Contract Labour. The 1962-63 survey showed that contract labour was engaged for almost all the mining operations; its extent was nearly 56%. With the progress of mechanisation of mines

it is expected that employment of contract labour will decline.

10.3 Employment status. 61 per cent of the workers employed directly were permanent, 30 per cent temporary and 9 per cent casual. The system of employing 'badli' labour was absent. The proportion of permanent workers was the highest (93%) in Bihar and it was the lowest in Mysore where 84.5% of the workers were casual. It is in this context that the Wage Board for the industry (1967) has recommended that persons with six months' continuous service should be given facilities which are normally available to permanent workers. The break in service due to the stoppage of mining work in the rainy season or for other reasons, over which the workers have no control, should be waived and this period of absence should count in the calculation of continuous service.

10.4 Recruitment. Workers were recruited directly by the companies as well as through contractors. The Report of the Wage Board for the Industry (1967) revealed that all workers in a mine were not usually employed directly by the management. Technical personnel were employed directly and on a permanent basis. Those employed on the production side, miners and loaders in most of the mines, were employed by or through contractors.

Working Conditions

10.5 According to the 1962-63 survey daily hours of work were uniformly 8 for direct and contract labour in all the mines. The spreadover and rest intervals were generally in conformity with the provisions of Mines Act. 95% of mines worked single shift.

10.3

10.6 Leave with pay. The Wage Board for the industry (1967) reported that the earned leave was granted according to the provisions of the Mines Act, 1952 except in MISCO mines where it was one month and Kiriburu mines where it was according to the Central Government leave rules. The system of granting sick leave, (59% units) casual leave (45% of units) and national and festival holidays, with pay (in all units) was reported to be in vogue. Casual and sick leave were generally restricted to permanent workers and monthly rated staff only. In the mines belonging to MISCO and TISCO there was a system of allowing six months leave on half pay for every seven years of service.

Wages and Earnings

10.7 The 1962-63 Survey revealed that there was no standardisation of wages on an industrywise basis, nor was the industry subject to statutory wage regulations. Since 1956 wages have been revised in nearly one-third of the mines. In nearly 72% wage revision took place once; in 18 per cent twice and in the rest more frequent revisions have occurred. The 1962-63 survey estimated that the average daily earnings of a worker in the industry were Rs.2.75. The average daily earnings of production worker and the lowest paid worker were Rs.2.81 and Rs.1.59 respectively. Clerical employees earned Rs.6.19 per day while watch and ward employees received Rs.2.25 per day. Information relating to components of earnings indicated that wages i.e. basic wage, dearness allowance and consolidated wages constituted almost 89% of the total daily earnings of a worker. Items such as overtime payment, foodgrain concession and other cash allowances, rice allowance,

10.4

locality allowance, and heat allowance accounted for the rest.

The practice of paying dearness allowance as a separate component was not very much in vogue in the industry. The Wage Board after granting two interim increases in 1964 and 1966 recommended in 1967 that the mines be classified into 3 groups on the basis of minimum level of wages (total emoluments) existing as on 1.4.1966. The following minimum total emoluments of the lowest paid unskilled workers in various groups were awarded by the Wage Board with effect from 1.1.1967.

- (i) Rs. 104 per month or Rs.4 per day in mines wherein total ^{*} minimum emoluments as on 1.4.1966 were below Rs.91 per month or below Rs.3.50 per day.
- (ii) Rs. 117 per month or Rs.4.50 per day in mines where total minimum emoluments were Rs.91 per month or Rs. 3.50 to Rs.4.00 per day.
- (iii) Rs.130/- per month or Rs.5.00 per day in mines where total minimum emoluments were above Rs.104/- per month or above Rs.4/- per day.

10.8 Piece Rates: Workers were usually employed on piece rates in operations like mining and loading and transporting. The 1962-63 Survey indicated that nearly 56 per cent of the total production workers were piece rated and the rest were paid on time rates. There was no uniformity in piece rates according to the information supplied to the Wage Board. Neither the jobs nor the units of work nor the rates were standardised. No comparison of rates was therefore possible.

10.9 Attendance Bonus: The practice of paying attendance bonus as a measure for reducing absenteeism existed in about 8% of the

* Total emoluments include basic wage, dearness allowance, cash value of foodgrain concession, if any interim wage increase recommended by the Board, mining allowance, house rent allowance, if any, and fuel allowance, if paid in cash.

units in the industry at the time of 1962-63 Survey.

10.10 Bonus: In 1962-63 the practice of paying annual bonus was in vogue in 60% of the mines; another 7% paid festival bonus and profit sharing bonus was paid in 3% of the mines only. With the application of the Payment of Bonus Act, 1965 annual bonus to all workers is now ensured.

Social Security

10.11 Apart from the Workmen's Compensation Act, 1923 and the Maternity Benefit Act, the latter made applicable since November 1963, social security arrangements are the result of adjudication awards. Workers now enjoy additional items of social security in the form of provident fund and gratuity. In 1966 there were 171 mines covering 42,172 employers with 28,214 subscribers covered by the Employees' Provident Fund Scheme. The rate of contribution was 8% of the worker's pay both by employers and employees. The 1962-63 Survey showed that gratuity scheme on a regular basis existed in nearly 10% of the mines. The Wage Board Report (1967) mentioned that Hindusthan Steel Ltd. had introduced a gratuity scheme for its employees and recommended that workers in the mines of NMDC should be given the benefit of the gratuity scheme. The permanent and directly engaged employees of the MISCO mines were getting the benefit of gratuity. The TISCO, IISCO, Orissa Minerals and Bolani Ores were having gratuity schemes. The terms and conditions on which gratuity was allowed varied considerably. The rate of gratuity was usually 15 days' basic wage; mostly permanent employees with 15 years of qualifying service were eligible for gratuity.

Industrial Relations

10.12 Industrial Disputes: There were 14 disputes involving 16,286 workers and loss of 40,000 mandays during 1966 whereas in 1959 there were only 5 disputes involving 4,761 workers but with a loss of 49,979 mandays. The high figures of mandays lost during 1959 were on account of protest against the managements for non-payment of bonus at the increased rate. The labour-management relations in non-coal mines during 1968 remained disturbed as in the previous years due to a large number of strikes and frequent agitations by the workers. There were three important strikes during 1968. One was in the Barbil area over workers' demands pertaining to the implementation of the recommendations of the Wage Board and payment of profit sharing bonus. /second was by the workers of NMDC at Kiriburu over non-implementation of settlement pertaining to payment of /third revised dearness allowance, and the /agitation was over the retrenchment of workers by the contractor in Rajhara Group of Mines of Bhilai Steel Plant.

10.13 Agreements: Collective agreements were reported only in a few large mines of Orissa and Mysore during 1962-63 and covered major items like revision of wages, payment of bonus, gratuity, leave and holidays with pay.

10.14 Trade Unions: The 1962 Survey showed that workers in nearly one-fourth of the mines were unionised. Since the mines where unions operated were fairly large the number of workers unionised was 42% of workers engaged in the industry. By and large the main activity of the unions was to secure claims of workers under various labour laws. In 1966, 7 trade unions which submitted returns showed a membership of 7,000.

10.15 According to the latest information available all mines which were under a statutory obligation to frame standing orders had complied with the law. Welfare officers were appointed in nearly 78 per cent of the mines which were required to appoint such officers. Works committees were found to exist in the same proportion of units.

Welfare and Amenities.

10.16 Iron Ore Mines Labour Welfare Cess Act, 1961 was enacted for providing for levy and collection of a cess on iron ore for financing of activities to promote the welfare of labour employed in the iron ore mining industry. It came into force in 1963. It provides for the levy at a rate not exceeding 50 paise per metric tonne of iron ore produced; the present rate is 25 paise per metric tonne.

10.17 Drinking Water Facilities, Canteens: All the mines surveyed in 1962-63 had provided drinking water facilities. About 19% of the mines were under statutory obligation to provide canteens. Of these nearly three-fourths complied with the provision.

10.18 Creches: All mines employing women were under a statutory obligation to provide creche facilities, according to the 1962-63 /survey only 6% had this facility.

10.19 Medical Facilities, First Aid Boxes, Ambulance Vans: The 1962-63 survey showed that managements of nearly 20% of the mines in the country had provided hospital or dispensary facilities to their employees. Another 35% did not have their own hospital/dispensary but had contract with some local medical practitioners

or hospitals in the adjoining area for the treatment of their workers. The facilities were also available to contract labour.

10.20 Ambulance Vans . were provided by about 40% of the units which were required to do so under the law.

10.21 Grainshops: According to the Wage Report (1967) mines belonging to TISCO, IISCO, Bolani Ores, Orissa Minerals, and some other mines had a system of supplying grains at concessional rates to their employees whereas in the mines of HSL, NMDC and MISCO such facilities did not exist.

10.22 Housing: The 1962-63 survey revealed that housing facilities existed in nearly 88 per cent of the mines in the country and nearly 46% of the workers had been allotted housing accommodation free of rent. The Wage Board Report (1967) observed that most of the big units were providing accommodation fitted with electric connection and filtered water supply.

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Modern Iron and Steel Industry came into existence in India in 1912 when the Tata Iron and Steel Company Limited went into production at Jamshedpur. Its progress was gradual through the next thirty years during which period it acquired a measure of protection. During the Second World War, it reached a production of 2 million tonnes of pig iron and 1.13 million tonnes of finished steel in the three plants then operating. The level went down in post-war years because of intensive use of plant and machinery during the war and lack of adequate replacements. This downward trend was, however, arrested in 1948 and since then the production of iron and steel has been on the increase.

11.1 The First Five Year Plan recognised that the production of steel in the country has to be stepped up. A measure of financial assistance to the existing units for modernisation and raising capacity was envisaged. Simultaneously foundations were being laid for setting up units in the public sector. The Industrial Policy Resolution (1956) laid emphasis on the development of basic industries and the agency to undertake it was the public sector. Three integrated steel plants in the public sector, each with a capacity of 1 million tonnes of ingot steel a year were to be set up and the capacity of the then existing units to be increased during the Second Plan period. The Third Plan aimed at a total capacity of 10.2 million tonnes of ingot steel by 1966, to be achieved by expanding the capacity of the plants both in public and private sectors and also by adding another 1 million tonnes plant in the public sector. The progress during the Third Plan was not satisfactory. The Fourth Plan (1969-74) - draft, therefore, merely aims at completing the unfinished work of the Third Plan and a modest expansion. Plan achievements and targets of capacity and production are as in the following table.

Table 11.1

Industry	Unit	1960-61	1965-66	1968-69 (Est)		1973-74 (targets)	
		Production	Production	Capacity	Production	Capacity	Production
1. Steel mill	Ingots tonnes	3.47	6.5	9	6.5	12	10.8
2. Finished	Steel	2.39	4.5	6.9	4.6	9	8.1
3. Pig Iron	for sale	1.1	1.2	1.2	1.2	4.2	3.8
4. Alloy and Special Steel	Thou. tonnes.		40	50	43	294	270

11.2 With these developments since Independence, import of steel has progressively declined; in 1966-67 it was of the order of 0.43 million tonnes. In 1966-67 about Rs.20.1 crores worth of steel was exported; for 1968-69 an export target has been fixed at Rs.80 crores. Per capita consumption of steel has gone up from 9.2 kg. in 1956 to about 16 kg. in 1965, though it is still very much below the level in advanced countries: 298 kg. in Japan, 424 kg. in U.K., 355 kg. in the USSR and 656 kg. in the USA. Over 200,000 additional persons have found direct employment in the industry. Each worker is estimated to in the steel industry/create subsidiary employment for 8 others in other industries. The results achieved have to be viewed against the investment which have gone into the industry. The capital employed in the industry, including share capital, borrowings and reserves was estimated to be Rs.1,052 crores in 1963-64, comprising 275 crores in the private sector and 777 crores in the public sector. Some further investment have taken place since.

Employment, Recruitment and Training

11.3 Total employment in the industry including the smaller units was as follows:

Table 11.2

Year	Employment	Percentage increase over the previous year
March, 1963	188.9	-
March, 1964	200.1	5.9
March, 1965	221.3	10.6
March, 1966	227.0	2.9
March, 1967	230.0	1.3

Source: Employment Review 1961-66 and 1966-67, DGE&T.

11.3

11.4 The equipment and processes in the steel industry call for three types of employees for the works departments; those engaged in (i) direct production; (ii) maintenance; and (iii) services. Maintenance and services constitute about 62 per cent of the total employment in the works department. There is little scope for employment of casual labour in connection with regular operations or maintenance jobs; the proportion of such labour is not significant. Our Study Group has recommended:

"Management, however, should every half year review the jobs on which casual employees are engaged and if these jobs are of a sufficiently long duration, then such employees should be made eligible for service benefits admissible to temporary employees. If studies reveal that such jobs are essentially of perennial nature, the employment of casual or temporary labour on such jobs would not be justified and management should consider absorbing them permanently."

11.5 While the older steel plants have well-devised procedures evolved over many years, the steel plants in public sector started with no set rules. Although vacancies are notified to the Employment Exchanges according to the provisions of the Act, there is no compulsion to appoint men sponsored through the exchanges. Relatives of employees are also simultaneously considered along with those sponsored by the employment exchanges. For skilled jobs, technicians and higher designations, the necessity to recruit through the employment exchanges does not normally arise because all the Steel Plants have their own training and apprenticeship schemes whereby the requisite number are trained. If at all it is necessary to advertise the posts, men sponsored by the employment exchanges are considered along with those who apply in response to the advertisements.

11.6 Employment Priorities: The steel plants in the public sector follow certain priorities in recruitment of personnel in which a certain percentage is reserved for persons belonging to scheduled castes and scheduled tribes, displaced persons, retrenched Central Government/public sector undertaking employees, etc. The steel plants in private sector have also laid down priorities for recruitment in lower categories of staff and preference is given to ex-employees or temporary employees with clear record of service, one dependant of an employee who has been permanently disabled whether totally or partially in an accident met with during the course of employment, local people or persons belonging to the State where the plant is located, etc. In addition, preference is also given to close relations of employees with long years of service. Within each category, members of scheduled caste/scheduled tribes receive preference over others. Our Study Group has mentioned that this policy of filling in a percentage of vacancies from amongst the dependants of the employees in the private sector has not only ensured the loyalty of a large number of employees but has helped in building a stable work force and reducing the pressure on housing. The public sector steel plants find it difficult to adopt this policy as, under the Constitution, they have to give equality of opportunity in employment to all citizens. The recruitment procedures evolved by the steel plants appeared to be satisfactory to our Study Group.

11.7 Training: The problem of training technicians in the industry has acquired new dimensions in view of the adoption of modern techniques of steel production and technological changes which are taking place. The older units had their own training

arrangements for putting persons in production jobs after their initial institutional training. In the beginning, the public sector units had to depend upon the existing steel plants and engineering industries for training its operation and maintenance staff. Arrangements have since been made for training engineers and skilled workers in the Technical Training Institutes set up by the plants of Hindustan Steel except in respect of persons required for handling new equipment installed for the first time or new processes, the knowhow in respect of which is not available in the country.

11.8 In reviewing the position, our Study Group has recommended that there should be facilities for training of workers at different levels, even after workers become permanent. This will enable the employees to acquire skills required for passing trade tests and to improve their prospects. Such facilities may be given to the employees during their off-hours, as is done in some industrial units in the country. Workers newly recruited either come from rural surroundings or have secured appointment in an industrial unit for the first time. It is imperative to have an induction programme to adjust them to the new surroundings.

Working Conditions

11.9 The working conditions in steel plants are governed by the provisions of the Factories Act, 1948 and Rules framed thereunder. The Standing Orders are framed under the Industrial Employment (Standing Orders) Act, 1946. Steel production is a continuous process, the plants have to work during all hours of the day. Shift has to be taken by turns, and therefore there is

no special allowance for night shift except in the Mysore Iron and Steel Limited where night shift allowance is allowed. Employees working in the administration and township offices of the steel plants generally work for shorter hours than those employed in the Works Departments. The general shift workers of the steel plants are given a weekly holiday on Sunday. The employees working in shifts on continuous processes get weekly holidays on a staggered basis.

11.10 Leave and Holidays: Employees of the steel plants in the works departments are entitled to earned leave, not less favourable than that prescribed under the Factories Act, 1948. All the steel plants have a provision for granting casual leave to their employees. The employees of the Hindustan Steel Limited working outside the works departments are entitled to more leave than the employees on the works side; the latter are governed by the Standing Orders which incorporate the provisions made in the Factories Act. The TISCO and Mysore I & S employees get 4 holidays with pay in a year; the IISCO employees get 2 holidays. Among the public sector plants there are variations in the number of paid holidays according to local practices; entitlement for paid holidays also varies between production and other workers. Our Study Group has recommended that to avoid industrial disputes, it would be desirable to lay down uniform standards of leave and holidays on a national basis. It seems desirable that all-avoidable differences in such matters should be done away with as between areas, industries and class of workers.

11.11 Safety: The industry is more advanced than others in the matter of safety regulations. Each of the steel plants has set up a full-fledged Safety Engineering Department manned by qualified Safety Engineers. This department carries out safety inspections,

11.7

accident investigations and safety training, besides maintaining relevant statistics of accidents. The officers of the Safety Department keep close liaison with the Government Factory Inspectorate. Our Study Group notes that there has been a significant decline in the number of accidents in TISCO after the Safety Engineering Department introduced a system of Safety Audit in the year 1960. This safety audit consists of periodic inspections, noting safety hazards, reporting them on a standard form and follow up action at specified intervals at different levels. A similar system has been introduced in the Bhilai Steel Plant. A system of Safety communication Zone has also been adopted by which all decisions and programmes concerning safety are communicated effectively to the employees concerned. Such arrangements are worth emulating elsewhere.

11.12 The frequency rates of accidents in the steel plants from 1964 to 1966 are given below:

Table 11.3

Accident Frequency Rates (number per 1,000 employees)

	<u>1964</u>	<u>1965</u>	<u>1966</u>
TISCO	20.37	14.1	12.25
IISCO	17.75	15.20	14.60
Bhilai	53.05*	30.80*	15.72
Durgapur	32.99*	19.27	12.80
Rourkela	21.26	16.05	10.61
Total	30.50	21.65	13.17

Source: Report of the Study Group on Iron and Steel Industry, appointed by National Commission on Labour.

* It would appear that some of the high accident rates recorded are the result of the construction accidents being included in accidents resulting from production operations. Generally construction processes are more accident prone.

For the five plants taken together, the rate has declined from 30.50 in 1964 to 13.17 in 1966. The Study Group, has cautioned that even though the frequency rate is on the decline, it is still high; there is still scope for improvement. It has recommended adoption of uniform standards, as laid down by the Indian Standards Institution, for maintaining accident statistics in all the plants.

Trade Unions:

11.13 Workers in the Iron and Steel industry are well organised. In TISCO, a stable trade union, known as Tata Workers' Union, affiliated to the Indian National Iron and Steel Workers' Federation and the INTUC, has been functioning since 1938 and is recognised by the management. In TISCO a union affiliated to the Indian National Iron and Steel Workers' Federation was recognised in 1947 by an award of the Industrial Tribunal. In 1953, the position of this recognised union was challenged by another union called the United Steel Workers' Union supported by the AITUC.

11.14 There are ten registered unions in Bhilai Steel Plant but the one recognised by management, under the Madhya Pradesh Industrial Relations Act, is the Steel Workers' Union, Bhilai affiliated to the INTUC. Other active unions are the Bhilai Steel Mazdoor Sabha, affiliated to the HMS and Bhilai Steel Kamgar Sangh, affiliated to the AITUC. Inter-union rivalry, however, has not affected industrial relations because the Madhya Pradesh Industrial Relations Act (unlike the Industrial Disputes Act) provides the sole right of bargaining on behalf of all employees to the recognised union.

11.9

11.15 In the Rourkela Steel Plant, there are six registered unions but two of them, namely, the Hindustan Steel Workers' Association, Rourkela, affiliated to the INTUC and the Rourkela Mazdoor Sabha, affiliated to the HMS are the most active. Initially, the Hindustan Steel Workers' Association was recognised by the management. Elections to the Works Committee held in February, 1966, gave all the ten seats to Rourkela Mazdoor Sabha. Consequently it was recognised in December, 1967, since its verified membership satisfied the criteria for recognition under the Code of Discipline.

11.16 In the Durgapur Steel Plant, there are five registered unions; the two rivals are the Hindustan Steel Workers' Union, affiliated to the INTUC, and the Hindustan Steel Employees' Union supported by the AITUC. In February, 1962, the former was recognised by management on the advice of State Government. At the elections to the Works Committee held in September, 1962, the Hindustan Steel Employees' Union won nine seats out of ten; the recognised union winning only the tenth seat. Since then, the atmosphere has remained surcharged with inter-union rivalry.

Industrial Relations

11.17 Statistics of industrial disputes resulting in work stoppages in the iron and steel industry for the last decade are given below:

Table 11.4

Year (1)	No. of disputes (2)	Workers involved (3)	Mandays lost (4)
1957	55	35,641	261,000
1958	55	64,222	772,000
1959	24	26,807	142,000
1960	38	35,288	262,000
1961	45	10,207	79,000
1962	33	5,108	85,000
1963	45	5,900	26,000
1964	30	10,242	111,000
1965	27	12,968	89,000
1966	27	25,158	85,000

1958 was a bad year for the industry when a general strike for about a week occurred in TISCO. A union supported by the AITUC wanted recognition in place of the Tata Workers' Union, affiliated to the INTUC, and called the strike in support of its demand. This strike led to labour / management problems; the demand of the rival union for replacing the recognised union was not met. Since then, there has been no major breach of industrial peace in the plant. In IISCO, a major work-stoppage occurred in 1953 due to inter-union rivalry. This dispute started with adoption of go-slow tactics by the workers and led to a declaration of lock-out by the management. The lock-out was lifted after 15 days.

11.18 The industrial relations at Bhilai Steel Plant became strained in 1960 owing to a demand for higher wages for construction workers put forward by the Bhilai Steel Kamgar Sangh. Since then, there has been no major breach of peace in this plant excepting a disturbance on 20th June, 1967, when a quarrel between a worker and a security guard led to many workers leaving their work and taking part in a violent demonstration.

11.19 Industrial relations in Rourkela Steel Plant have been marked by inter-union rivalry from the very beginning. In 1962, the workers of the Blast Furnace Department resorted to a stay-in strike and the management of the Steel Plant declared a lock-out which was lifted after 3 days. Inter-union rivalry and go-slow tactics continued to disturb industrial relations and the plant management found it difficult to raise production upto the rated capacity. The situation improved in 1965, and production picked up. Till the end of 1966, production was maintained at a high level. On the eve of the general elections in early 1967, however, inter-union rivalry became more acute.

11.11

11.20 Industrial relations at Durgapur Steel Plant have been disturbed except for brief intervals. This has been again mostly due to inter-union rivalry. In 1964, supporters of two rival unions resorted to stoppages of work to enforce their specific demands. There was an illegal strike for a week in August 1966 and the situation deteriorated after the general elections in early 1967. Between March, 1967, and September, 1967, supporters of two rival unions indulged in gheraos in support of their demands which ranged from withdrawal of a letter of warning issued to one employee by a manager to the creation and upgrading of posts.

11.21 Each steel plant has its Personnel Department which assists top management in formulation of policies and their implementation. In addition, the plants have Labour Welfare Officers as required under the law. Most agreements in the industry are reached by negotiations between the management and the workers at the plant level. In the case of Hindustan Steel Ltd., some agreements in the past were reached at the company level because the recognised unions at each of these plants were affiliated to a single organisation, but this position no longer obtains now.

11.22 Joint Consultation: For facilitating settlement of issues by discussions and negotiations at the plant level, the steel plants have constituted bi-partite committees. There are committees for house allotment, trade test specifications, job evaluation, safety, hospital, education, etc. The Tata Iron and Steel Co. Ltd. has Joint Departmental Councils at the level of each department and Joint Works Council and Joint Town Council

at the works and township level and a Joint Consultative Committee of management at the apex level. In the Indian Iron and Steel Co. Ltd., most of the important issues were settled in the past by informal discussions between top management and the President and General Secretary of the recognised union. This arrangement broke down in 1966-67.

11.23 A formal procedure for dealing with day-to-day grievances of the workmen has been laid down in all the steel plants except the Indian Iron and Steel Co. Ltd. The procedure is based on the model grievance procedure laid down under the Code of Discipline. Works Committees have been set up in Rourkela and Durgapur Steel Plants under the Industrial Disputes Act and a corresponding Joint Committee in the Bhilai Steel Plant under the Provisions of the Madhya Pradesh Industrial Relations Act. The workers' representatives in the Works Committees at Rourkela and Durgapur plants are elected from the various shops whereas the workers' representatives in the Joint Committee, set up at the Bhilai Plant, are nominated by the recognised union. The Joint Committee at Bhilai Plant has been working satisfactorily whereas the Works Committees at Rourkela and Durgapur Plants are not effective. The Works Committee in TISCO, has been working effectively and at present it deals with grievances. This lends support to a general conclusion that where a recognised union exists and it supports joint consultation, the arrangement has a better chance of success.

Wages and Productivity

11.24 The present wage structure of the industry is governed by the recommendations of the Wage Board for the industry which

11.13 .

the
became effective from April, 1965. Prior to/award, wages in individual units were fixed and revised from time to time by mutual agreements and awards and in the case of public sector plants by the recommendations of the Second Pay Commission.

11.25 The Wage Board observed that the monthly earnings of the lowest paid unskilled worker varied from Rs.28.00 to Rs.55.00 prior to 1949. As a result of the recommendations of the Wage Board, the minimum wage of an unskilled male worker was raised to Rs.125.00 per month in all steel plants except the Mysore Iron and Steel Works where it was raised to Rs.120.00 p.m. The Wage Board not only raised the level of wages but brought about a good deal of uniformity between the various plants. The Wage Board recommended a variable dearness allowance linked to All-India Working Class Consumer Price Index for workers in all the units as against the system of fixed dearness allowance being followed in most units previously. This also helped to protect the real earnings of the workers in the face of the steep rise in prices which has occurred since 1965.

11.26 The Wage Board discovered that there was no uniformity either in nomenclature or in job content of designations of identical nature. To get the job values in various plants reduced to some common denominator for the purposes of comparison, the Board decided to undertake a study and entrusted this task to a Committee. The Committee could not finish its work during the stipulated time. The Wage Board did not find it advisable to hold up the report for completing the work undertaken by the Committee. It decided, therefore, to take the existing differentials which were the product of collective bargaining in some of the plants for the purpose of fixing new wage scales.

11.14

11.27 Our Study Group has pointed out that since the Wage Board could not go into the question of evaluation of each job, many disputes may arise because of demands for a proper evaluation of jobs. It therefore recommended

" It should be the endeavour of both management and employees to follow the agreed procedure for job evaluation where they have been evolved and to complete on this basis the programme of job evaluation which could not be finished by the Central Wage Board for Iron and Steel Industry. After jobs are evaluated according to the agreed procedure, the findings should be accepted and there should be no further evaluation until there is significant change in the job content."

11.28 The question of productivity is exceedingly important in case of this key industry. In 1963-64, productivity in terms of tons of ingot steel produced per year per employee varied from 42.5 to 52.0 in the public sector steel plants. This is lower than the corresponding figures in other countries, . about 219 in the USA, 123 in USSR, 122 in West Germany and 93 in Japan.

11.29 The main reason for the low level of productivity in India is that the Steel Plants are overstuffed. One of the main objectives of the two-million-ton expansion programme in TISCO was to secure a rational deployment of the labour which was in excess of requirements. The re-deployment was made by close consultation and agreement between management and labour, whereby the workers were assured that there would be no retrenchment, that the emoluments of the workers would be protected in all cases and the necessary training would be given to all workers who were required to take up new responsibilities. The public sector plants, almost from the start, had a substantial excess staff. This has been the subject of comment in public inquiries about the working of the steel plants. However, it was soon realised that it is more difficult to lay off workers in public sector projects than in those privately owned.

11.30 The benefits enjoyed by the workers in the industry are better than those enjoyed by workers in other organised industries. The Employees' State Insurance Scheme has not been extended to any of the steel plants, but in lieu of it, all plants have their own arrangements for providing the required benefits to their employees. Similarly, the steel plants have their own schemes for Provident Fund and gratuity.

11.31 All steel plants run well-equipped hospitals in their townships supplemented by health centres and dispensaries in different residential localities. Medical aid is provided free to all employees and their families except in the Tata Iron and Steel Company Limited. In TISCO, the treatment is free in the outdoor and general wards to the employees and their dependants; treatment in special wards is to be paid for. In TISCO and IISCO, facilities for domiciliary treatment are also available to patients. Specialised treatment is available in all hospitals. The hospitals run family planning clinics with arrangements for distributing contraceptives and performing tubectomy and vasectomy operations. The expenditure on medical benefits per worker per month in the different plants is as follows:

Table 11.5

Name of the Plant	Expenditure per worker per month on medical facilities (in rupees)
(1)	(2)
1. TISCO	13.38
2. IISCO	10.29
3. Mysore Iron and Steel Limited	4.61
4. <u>Hindustan Steel Limited</u>	
(i) Bhilai Steel Plant	11.17
(ii) Durgapur Steel Plant	9.47
(iii) Rourkela Steel Plant	10.74

11.32 Provident Fund: In the Tata Iron and Steel Company Limited an employee contributes 8% of the salary (basic wages and dearness allowance) and an equivalent amount is contributed by the Company. The money with full interest is paid along with the settlement dues at the time when it is due. The Hindustan Steel Limited has its own contributory provident fund scheme, which is claimed to be better than the statutory scheme.

11.33 Gratuity: Every permanent employee of TISCO who has put in not less than 15 years' service, is eligible for half a month's salary for every year of service upto 40 years and one month's pay for every year over 40 years' service. Gratuity is payable at the discretion of the Company at the time of retirement. There is also a system of long service awards to employees for satisfactory service. These awards consist of gold/silver medals along with cash money. The Hindustan Steel Limited has framed Gratuity Rules (1966) which provide for payment of gratuity at a stipulated rate in cases of discharge on abolition of post, permanent in-capacity, death while in service, superannuation and retirement after 30 years' of qualifying continuous service.

11.34 The permanent employees are generally not retrenched either due to rationalisation or closure of sections or departments. In accordance with the agreement with the union, employees who are rendered surplus are assured their total emoluments including incentive bonus, if any. These employees are absorbed as and when suitable jobs come up in other departments.

Welfare

11.35 The standard of welfare measures and amenities available in the steel plants is better as compared to that available in other industries, excepting the new ones that have come up: chemicals

and pharmaceuticals, oil refining, petro-chemicals and fertilizers. 148

These measures do not add to the cost of production substantially and at the same time, they help to build up the morale of the employees. Every plant has provided for the education of the employees' children. Exemption from tuition fee, free supply of dress to school going children, free or subsidised meals, subsidised transport, free supply of books and stationery and scholarships for poor children are amongst the facilities provided in the schools. The number and the level of the schools run by the different steel plants are indicated below:

Table 11.6

<u>Companies</u>	<u>Type</u>	<u>Number</u>
1. Tata Iron and Steel Company Limited	Higher Secondary,	10
	Middle,	3
	Upper Primary,	6
	Lower Primary	9
2. Indian Iron and Steel Company Ltd.	Higher Secondary,	2
	High School	1
	Primary	5
	K.G.	1
3. <u>Hindustan Steel Ltd.</u>		
i) Bhilai Steel Plant	Higher Secondary	4
	Middle	2
	Primary	20
ii) Durgapur Steel Plant	Multipurpose Higher Secondary	3
	Primary	10
	Pre-Primary	11
iii) Rourkela Steel Plant	High School	1
	Higher Secondary	1
	Lower Secondary	10
	K.G.	1

11.36 The apparent disparity in the educational facilities is partly due to the difference in the size of schools and the number of children expected to avail themselves of the facilities. There have been no complaints about the inadequacy of educational facilities. In some of the older townships ancillary industries have come up and the schools have to cater to the requirements of children belonging to workers of these ancillary units.

11.37 In most of the steel plants there is an arrangement for adult literacy scheme. Expenditure incurred in running such schemes is generally borne entirely by the management. The annual expenditure incurred in running such schemes is given below for some of the steel plants.

Table 11.7

Name of the Steel Plant	Annual expenditure incurred in operating Adult Literacy Schemes (in rupees)
(1)	(2)
1. Tata Iron and Steel Co.Ltd.	11,000
2. Bhilai Steel Plant	19,400
3. Rourkela Steel Plant	5,000

The Workers' Education Scheme, evolved by the Central Board for Workers' Education is also being implemented in the steel plants.

11.38 Housing: The percentage of workers who have been provided housing accommodation in different steel plants is given below:

Table 11.8

Percentage of employees provided housing in TISCO, IISCO, MISL and HSL.

1. Tata Iron & Steel Co. Ltd.	68%
2. Indian Iron and Steel Co. Ltd.	26%
3. Mysore Iron and Steel Ltd.	30%
4. <u>Hindustan Steel Limited</u>	
i) Bhilai Steel Plant	53%
ii) Durgapur Steel Plant	69%
iii) Rourkela Steel Plant	64%

Generally, all houses are provided with water supply, electricity, electric and sanitary fittings. The Indian Iron and Steel Co. Ltd. provides rent-free accommodation to its employees. The Mysore Iron & Steel Ltd. also makes available rent-free accommodation to certain categories of employees. In TISCO, house-rent is collected from the employees at the rate of 10% of salary plus dearness allowance or the standard rent, whichever is less. In the plants of Hindustan Steel Limited, rent is charged from the employees at the rate of 7½% of pay plus allowances for those drawing upto Rs.150/- p.m. and 10% of pay and allowances from those drawing above Rs.150/- p.m. In both cases, the recovery of house rent is restricted to the prescribed percentage of pay or the standard rent, whichever is less.

11.19

11.39 Transport: All the steel plants under Hindustan Steel Limited have subsidised transport facilities for the workers from their residence to the workplace and back. The townships are generally situated 5 to 6 miles away the work-place, in two of the three public sector plants. In other plants, the employees reside in or near the township close to the works. There is thus no special demand on the employer for providing transport.

Recreational Facilities

11.40 / All steel plants have play grounds and other facilities for indoor and outdoor games. Well organised inter-steel plant sports and games meets are a regular annual feature and are arranged by rotation in each steel plant. Radio sets are provided in the community centres. Library facilities are also available in steel townships. The managements of the steel plants have provided recreational facilities to the employees and their families through clubs and community centres, etc. For several of these facilities, the beneficiaries are more the senior supervisory and middle level staff of the units. Production Workers are spectators and not participants in such activities. It is true, however, that if a worker shows special aptitude in a game/s he receives encouragement in every respect. Such favouritism as is inevitable in the circumstances does not become a point of controversy between the manager and the union.

11.41 Canteens: All plants have complied with this provision. Generally, the canteens are run departmentally. The number of canteens in each Steel Plant is given below.

Steel Plants. (1)	No. of Canteens. (2)
1. TISCO.	6 + 2 Kiosks
2. IISCO	3 + 5 Kiosks
3. MISL	1
4. <u>HSL:</u>	
(i) Bhilai Steel Plant.	26
(ii) Durgapur Steel Plant	15 + 4 Kiosks
(iii) Rourkela Steel Plant.	13

Not all canteens are well maintained. Very much depends upon the interest which workers take in using this facility and the slovenliness which they can tolerate. Even in units which have a fair standard of welfare activities the canteens have been sloppy. Considerable improvement is needed in this area of welfare.

11.42 Cooperatives. Consumer Cooperative Societies and Cooperative Credit Societies are functioning in all the plants. Financial aid in the form of loans to meet the need of working capital is provided to all the consumer cooperative societies in the plants except in the IISCO. Cooperative Credit societies have been organised in some plants for providing loans on reasonable terms and also to promote the habit of saving amongst the employees.

11.43 The Bhilai Steel Plant has given a new turn to the cooperative movement by introducing cooperative farming as a special activity. There were about 5,000 acres of cultivable waste lands lying on the out-skirts of the township and also sufficient waste water which could be used for the purpose of irrigation. Agricultural Cooperative Societies of the employees of the Plant have been formed department-wise and sizeable plots of land allotted to each society on short-term lease for purposes of cultivation. The Plant incurred the cost of providing fencing around these farms and water for irrigation purposes. The funds for cultivation were raised by

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the societies through share capital from their members. So far 22 Departmental Cooperative Agricultural Societies have come into existence and nearly 1,000 acres of land put under cultivation of Kharif Crops (1967-68). The area under Rabi Crops is still larger. The cooperatives also run vegetable farms and poultries. Apart from giving some added income to the members of the cooperatives, these activities provide a contrast to the industrial environment of the steel plant by a green or golden yellow belt round it as also a confidence among workers that producers of steel can also participate in the 'Green Revolution'.

12. CEMENT

Production of cement commenced at Porbandar in 1913. Several factories were set up in the next seventeen years. By 1930, production increased to 5,73,000 tonnes and had outstripped demand. After a period of keen competition, 11 cement companies merged in 1936 to form the Associated Cement Companies Ltd. The Dalmia-Jain group entered the field in 1938 with five new units. By 1945 production increased to over 2 million tonnes. Between 1948 and 1957 ten more factories were established with the total production exceeding 5.5 million tonnes. At present, there are 44 cement plants in the country including three in the public sector owned one each by the State Governments of Mysore, Uttar Pradesh and Jammu & Kashmir. The industry is mainly concentrated in Bihar, Rajasthan, Madras, Andhra Pradesh and Gujarat. Plan achievements and targets of capacity and production of cement are given in the table below:

Table 12.1

(In million tonnes)

	1960-61	1965-66	1968-69	1973-74
	production	production	(Estimated)	(target)
			capacity	Production
			city	ction
	7.97	10.8	14.5	18

12.1 The statistics (^{Annexure-I}Appendix A) compiled from the Census of Manufacturers and Annual Survey of Industries, will give a bird's eye view of the working of the industry. Productive capital employed and gross output per worker, increased several times between 1949 and 1964. Value added by manufacture per man-hour worked increased from Rs.0.97 in 1949 to Rs.2.74 in 1964.

12.2 The industry annually contributes over Rs.50 crores to the national exchequer by way of taxes and around Rs.28 crores to the railways by way of freight. The net value added by manufacture, which is the industry's contribution to the

national income, has steadily risen over the years and now amounts to nearly Rs. 45 crores.

12.3 Even with all the development which has taken place in the industry, per capita consumption of cement in this country is only 24 kg. as against 365 kg. in Japan, 305 kg. in the U.K. and 341 kg. in the USA. The industry has thus a large scope for expansion. The demand projections made by the Perspective Planning Division of the Planning Commission in connection with the draft Fourth Five Year Plan, estimated the cement requirement at about 27 million tonnes in 1975-76.

Employment and Related Matters

12.4 Employment level and trends: Cement is a capital intensive industry; direct employment potential in this industry is modest. But indirect employment sustained by employment in extraction and supply of raw materials, the cement industry is considerable, if the transportation, and indeed employment in construction, for which cement is an important component, is taken into account.

Table 12.2

12.5 The statistics in the margin in respect of cement

Year	No. of Factories.	Average daily employment(000)	} factories registered under the Factories Act will indicate that presently the industry employs about 29,000 workers. The Employment Review published by the D.G.E. & T. shows that there was a temporary decline in employment in the industry
1956	29	22	
1961	38	25	
1966	42(P)	29(P)	

P =Provisional

Source: Indian Labour Statistics(1968)

during 1966 and 1967 due to a sharp decline in production.

Substantial power cuts in certain States and labour troubles were the cause of this decline. The position improved by the end of 1967.

12.6 Working Force: According to the Labour Bureau survey, production and related workers (including supervisory) constituted 81.2 per cent of the total number of employees in the cement factories in June 1961. Watch and Ward and other services (7.8%), clerical and related workers including supervisory (5.7%), professional, technical and related workers (4.9%) and administrative, executive and managerial personnel (0.4%) accounted for the rest. There has been a noticeable rise in recent years in the proportion of skilled and semi-skilled operatives in the industry and a decline in unskilled labour. This change in the composition of the work-force is mainly due to technological improvements in the industry.

1960-61

12.7 Employment of Women: The survey by the Labour Bureau estimated the percentage of women workers in this industry at 2. . At present the percentage is 5. Most women were employed in large factories in occupations like loading and unloading, carrying coal and dust, bag stitching and sweeping. After the First Wage Board's Report, industry does not favour recruitment of women for loading and unloading.

12.8 Contract Labour: Prior to Independence labour required in the quarries and the packing department was recruited generally through contractors. The Committee observed that it was an exception rather than the rule for

factory managements to exercise any real control over the work and wages of the contract labour. The Industrial Committee on Cement, at its Session in 1954, took the far-reaching decision to abolish contract labour by 1956 in all occupations connected with the manufacturing processes including quarrying operations. In the case of loading and unloading, however, the Committee concluded that contract labour might be permissible in operations which depended on outside agencies. The First Wage Board for Cement Industry recommended that contract labour in all operations connected with the manufacturing process (including quarrying operations) except loading and unloading operations, should be abolished within six months of the publication of the report. The 1961 Labour Bureau survey found that about 80 per cent of the large cement factories continued to employ contract labour for jobs like loading and unloading, affixing stamps on cement bags and preparation of wire-ties for the bags. The Second Wage Board which submitted its report in 1967 did not consider the question of abolition of contract labour because a Bill on this subject was pending before the Parliament. It, however, endorsed the recommendations of the First Wage Board that workers employed through the contractors should enjoy the same wages and facilities as departmental labour.

12.9 Stability of work force: Cement factories are to be found mostly in isolated areas away from urban influences. Workers are drawn from nearby villages, and more often than not, they like to continue their ties with the villages.

While this was the position at one time, workers in the industry are fairly committed to industrial conditions now. There is security of tenure and the overall average accession and separation rates are less than 1 per cent.

12.10 Absenteeism in the industry is around 12 to 16 per cent. It is generally high between February and May when the workers go to their villages for harvesting.

Two or three large establishments in the industry have tried out different methods to reduce absenteeism. These include cash prizes ranging from Rs. 10 to Rs. 25 for good attendance, weightage to good attendance at the time of granting promotions and a small cash allowance of Rs. 3 p.m. to the continuous shift workers who are present on all working days of the month. These measures have to some extent helped to reduce the absenteeism.

12.11 Recruitment and Training: According to the Labour Bureau survey, about 88 per cent of the workers in the cement industry were recruited directly in 1961 (58% at the factory gates and 30% through departmental heads or Labour Officers), about 8% through the "Workers Recruitment Committees" and the remaining 4 per cent through advertisements.

12.12 Training and apprenticeship facilities exist in almost all the cement factories. Training is on an ad hoc basis in about four-fifths of the factories and in the others there are regular schemes. Training is generally imparted in the trades of fitter, moulder

and kiln-igniting and particularly for burners and millers. The period of training varies from six months to four years depending upon the nature of trade and the degree of skill required.

12.13 The industry does not require skills which are varied or complicated. The existing plants have no doubt wide variations in design as these were brought from different foreign countries at different times. Labour is mostly localised and has little mobility. The bigger plants have their own programmes to meet their needs. Availability of "technical personnel" therefore does not pose any serious problem. The improvement desired is for increasing the proportion of skilled labour in the total working force for better efficiency. There is evidence to show that this is already being attempted in some cement plants.

Wages, Earnings and Productivity.

12.14 Wage Level: Prior to 1947, there was little or no standardisation in the industry either in regard to the nomenclature of occupations or in regard to wages. Of the total workers, 61.4 per cent had an earning of less than Re.1 per day and slightly one-third of the total were earning only annas eight to twelve per day. Subsequent years witnessed a rise in the earnings of workers and regional disparities were also reduced. The First Wage Board found the then existing basic wages in the majority of units as Rs. 26 per month. The amount of dearness allowance varied but

in few establishments a fixed dearness allowance of Rs. 35.00 per mensem was being paid. The Wage Board recommended the following minimum remuneration:

	Basic	Dearness Allowance	House Rent.	Total
Gujarat & Saurashtra	52	38.5	7.5	98
Other regions	52	31.5	7.5	91

It recommended that the dearness allowance component should be linked to the All-India Index according to a scale worked out by the Board. The recommendations came into effect from 1-1-1960.

12.15 . The Labour Bureau survey found that there were a large number of wage revisions in the industry between 1956 and 1961, 48% of which were consequent upon the recommendations of the First Wage Board, 41% by agreements between employer and employees and 11% by voluntary decisions of employers. The average daily earnings of production workers in June, 1961, were Rs. 4.74 and for all workers Rs.5.36. The data collected under the Payment of Wages Act show that the average per capita annual earnings of employees in the cement industry earning less than Rs. 400 per month were Rs. 2,011 in 1963, Rs. 2,072 in 1964 and Rs. 2,306 in 1965 and 1966. The Second Wage Board which reported in August, 1967, recommended that the minimum total wage in the cement industry should be Rs. 164.60, minus Rs. 3 deducted towards amenities, consisting of a basic wage of Rs. 61.10, house rent allowance of Rs. 13.00 and dearness allowance of Rs. 87.50. The Board also recommended a formula for periodic

revision of the dearness allowance on the basis of the All-India Index. The recommendations of the Board were not unanimous.

12.16 Wage differentials: According to the First Wage Board, there were wide variations among factories in the lay-out, capacity of mills to pay, type of machinery installed and process of manufacture - dry or wet. The same designation did not have the same job content in all factories. The Board did not consider it expedient to embark on job analysis and evaluation for re-fixation of wage differentials among various categories of workers. It disturbed as little as possible the differentials which had been determined by custom and usage, local circumstances, experience in working over a number of years and awards and agreements. Some adjustments were made in the light of revision of the wage of the lowest category of workers and to remove apparent anomalies. The Second Wage Board also recommended that the existing differentials should continue.

12.17 Productivity: ^{Annexure-II} Appendix 'B' gives the results of a study made by Labour Bureau covering the period 1952 to 1961 on the basis of data contained in the Census of Manufacturing Industries upto 1958 and the Annual Survey of Industries (ASI) from 1959 onwards. It reveals that the index of labour utilisation (net output/man-hours) for 1961 was 49% higher than the level in 1952 and the index of real earnings was 40% higher. There was also a great deal of mechanisation during this period and the index of fixed investment per worker rose by 119%. Despite

significant improvement in labour utilisation in recent years, the prevailing productivity levels in the Indian cement industry are no where near the advanced countries. ^{Annexure - III} Appendix 'C' gives the man-hours required per tonne of cement production in selected countries. While comparing productivity levels in India and abroad, allowance will have to be made for the fact that Indian cement factories sometimes have to have their own masons for lining the kilns and use their own power plants for electricity supply. Even taking these factors into consideration, the productivity in the Indian industry is low. However, within the industry there are substantial differences in productivity as between one factory and another. It varies from 4.47 man-hours per tonne in Saurashtra to 20.12 in Banmore.

12.18 The cement industry was one of the five industries selected by the National Productivity Council for intensive study. A Study-group appointed by the Council after a detailed investigation expressed the opinion that there was scope for improving the level of productivity. Among the measures suggested by the Group are better plant layout, better methods of material handling, preventive maintenance, statistical quality control and incentive wage.

The Study Group reported:

"Our machinery for cement production is in no way inferior to the machinery installed in other countries. But our workers labour under a peculiar conventional disability. A person doing a particular job will attend to that job alone and to none other even if he has plenty of spare time. Thus, an oiler will not do the cleaning, the cleaner will not do the oiling

and a machine-man will not do either of these jobs. The principle of the division of labour is thus carried to a ridiculous extreme, with the result that there are many persons unnecessarily hanging around each piece of machinery".

12.19 There is also considerable room for raising productivity by mechanising quarrying operations wherever feasible.

Working Conditions.

12.20 Hours of Work and Rest Interval: Cement

manufacture being a continuous process, about 71% factories, were working three shifts daily and the remaining 29% were working one shift only. The single shift system was confined to small factories. A regular system of transferring workers from day shift to night shift and vice versa existed in all these factories. In factories running three shifts working hours were $7\frac{1}{2}$ with $\frac{1}{2}$ an hour rest interval making the spread-over of 8 hours for each shift. In the smaller factories the spread-over was more than 8 and upto 9 hours.

12.21 Leave Benefits: The Labour Bureau survey (1960-61) revealed that all cement factories had a system of granting earned leave to their workers. The period of leave, qualifying conditions and the rate of payment were governed by the provisions of the Factories Act, 1948. Workers in about 85% of the factories enjoyed the benefit of casual leave with pay, the period varying from 10 to 15 days in a calendar year. Nearly an equal number of workers were entitled to sick leave under the Employees' State Insurance Scheme.

12.22 National and Festival Holidays: Prior to 1947 the practice of granting national and/or festival holidays did not exist in this industry. In 1960-61 all factories granted national and/or festival holidays with pay. In a few units casual workers were excluded from the scope of this benefit.

processes.

12.23 Dust and Fumes: A few \angle in manufacture produce dust and fumes. The 1960-61 survey revealed that the employers had sought to counter this nuisance by providing workers with dust respirators or dust masks but those were not used; they caused discomfort while working. The workers instead preferred to have a piece of cloth wrapped round their mouths.

12.24 Conservancy and other facilities: The survey in 1960-61 revealed that factories employing female workers had not provided separate sanitary arrangements for them in several cases; in almost 50% of the factories where creches had been provided, they were reported to be ill-ventilated and poorly furnished; and in quite a few factories sanitary conditions in canteens were poor. General cleanliness in some factories left much to be desired.

12.25 Safety and Accident Prevention: The rate of work-injuries to workers in the cement industry has been steadily declining in recent years. The rate per 1000 workers was about 31.1 in the second half of 1963 and about 15.4 in the first half of 1965. The Labour Bureau survey (1960-61) revealed that about 40% of all cement factories in the country had set up

Workers' Safety Committees to look into the causes of accidents and to find out ways and means for prevention of accidents.

Industrial Relations

12.26 Trade Unions: Workers are well organised. In 37 cement factories, about whom the information is available, there are 67 registered trade unions. Of these, 44 unions have been recognised by the managements. The details of unions controlled by the various Central Organisations are given below:

<u>Table 12.3</u>		
<u>Name of the Central Organisation.</u>	<u>No. of Unions.</u>	<u>No. of Unions recognised by the management.</u>
I.N.T.U.C.	41	29
A.I.T.U.C.	10	5
H.M.S.	4	4
S.S.P.	1	-
No affiliations	11	6
Total:	<u>67</u>	<u>44</u>

12.27 Some of these unions represent workers employed in the cement factory as well as the workers attached to limestone quarries, while in other cases, there are separate unions representing workers in the factory and quarries. The Indian National Cement Workers' Federation functions as the National body for the unions affiliated to the INTUC. The unions affiliated to the AITUC have formed their national federation under the name of All-India Cement Workers' Federation.

12.28 Employers' Organisations: There are at present more than 40 cement factories in the country. The A.C.C. dominates the industry, the next is the Dalmia group of factories. Besides there are a few more units including public sector units. On employers' side, all except a few units are members of the Cement Manufacturing Association. This Association deals with the problems of the cement industry and functions as a clearing house for information on personnel practices in the member factories.

Annexure IV

12.29 Industrial disputes: Appendix 'D' gives the number of disputes and man-days lost during 1956 to 1965 due to work-stoppages. In general, the time-loss to the industry has not been heavy except in a few isolated years. Time-loss due to wage-disputes has generally been small since 1960, when the recommendations of the First Wage Board for the industry came into effect.

12.30 Collective Agreements: The Labour Bureau survey (1960-61) estimated that about 62% of the cement factories in the country had concluded collective agreements with their employees. The subject matters of collective agreements covered the rate of bonus payment and workers entitled to it, fixation of grades of pay, implementation of Wage Board Recommendations, classification of daily-rated workmen, employment of contract labour, grant of travelling allowance to workers on retirement, paid festival holidays, dearness allowance, sick leave, payment of gratuity and Sunday and holiday work. Negotiations and collective agreements in the

industry take place at the unit-level. (1960-61)

12.31 Standing Orders: The Labour Bureau survey/revealed that nearly 71% of the cement factories in the country were under statutory obligation to frame Standing Orders, and roughly 85% of these had framed Standing Orders for their workers. In all the cases the Standing Orders were certified. In 40% of the large factories having the Standing Orders, only production workers were covered. In the rest, all workers were covered, including the clerical and watch and ward staff.

12.32 Works Committees: The 1960-61 survey revealed that 71% of the cement factories were under legal obligation to set up Works Committees. Only 60% of the units had complied with the law. The main reason for not setting up such committees was reported to be that neither the management nor the workers had felt the need for the same.

12.33 Grievance Procedure: The ¹⁹⁶⁰⁻⁶¹ Bureau Labour survey showed that the practice in most units was that grievances were usually taken to the supervisors or departmental heads in the first instance. If the workers were not satisfied with the decision at this level, the Welfare Officer or the Personnel Officer was approached. Most grievances were redressed at this stage as the concerned officer conducted an enquiry before giving his decision. If a satisfactory settlement was not reached, the matter was taken to the Manager whose verdict was normally binding.

Welfare And Amenities

12.34 Welfare amenities are provided to workers in compliance with the Factories Act. Besides, there are many items of welfare which some employers have voluntarily undertaken. The important among them are:

12.35 Education: The 1960-61 survey disclosed that all the large and about one-fourth of the small units were found to be providing schools for their employees' children. Roughly 56% of the units provided educational facilities upto High School level. It was estimated that nearly 10,564 students were receiving education in schools in June, 1961. The employers had recognised this responsibility even prior to Independence. No attention, however, was being paid to adult education in any of the cement factories.

12.36 Housing: In 1944-45, the Labour Investigation Committee found that nearly 31.5% of the working force in the cement industry had been provided housing facility by the employers. The 1960-61 survey showed no change in the percentage of workers housed as compared to the position pre-war. Workers housed approximated 32%. In about 27% factories, no rent was charged from the employees; in nearly 29%, some employees were given rent-free quarters while others had to pay rent; in the remaining 44%, rent was charged from all the allottees. About 20% of the large factories were providing house building facilities to their employees.

12.37 Transport: Workers were usually not given any transport facilities by the management. Majority of workers lived generally not very far from the factory. The ¹⁹⁶⁰⁻⁶¹ Labour Bureau survey revealed that about 15% of the cement factories were providing free transport facilities to some of their workers.

12.38 Recreation: The Labour Investigation Committee seemed satisfied with the then existing arrangements and had remarked that almost all cement factories ^{had} clubs with reading rooms, indoor games, radio sets, etc. and also playing fields. Some factories had provided swimming pools for the use of their employees. Some of these facilities were used more by the clerical and supervisory staff than by the production workers. The survey in 1960-61 revealed that at the All-India level about 86% of the cement factories had provided recreation facilities to their employees.

12.39 Canteens: The 1960-61 survey showed that all large factories were under a statutory obligation to provide canteen facility to their employees and most of them had actually done so. This again was a continuation of the pre-Independence practice.

12.40 Other Amenities: The Labour Investigation Committee had pointed out that most of the cement factories in the country were running cheap grain shops. The committee also observed that the Factories of Associated Cement Companies had started a Benefit Fund for relieving distress among the operatives by advancing loans and also making certain ex-gratia payments to the sick employees. The 1960-61 survey

revealed that 31% of the cement factories were running grain shops for the benefit of their employees. Of such factories, in about one-fourth, the articles were being sold at cost price and in the remaining three-fourths, either on no-profit-no-loss basis or on nominal profit. It was estimated that nearly 80% of the large factories had cooperative stores.

Social Security

12.41 The Labour Investigation Committee commented that most of the units had provided both the Provident Fund and a Scheme for Service Gratuity. The position regarding Social Security, as found by the Labour Bureau survey during 1960-61, is discussed below:

12.42 Provident Fund: Prior to Independence, the membership of the scheme was restricted to those who received more than a certain sum of pay; a large number of employees remained outside the purview of the Provident Fund Schemes. In 1960-61, about 85% of the cement factories had provident fund schemes covering all employees. In about 27% of the factories having provident fund, only the Employees' Provident Fund Scheme was in operation while the remaining factories (about 73%) were having, in addition to the Employees' Provident Fund Scheme, some other schemes for the benefit of those employees, who were not covered under the Employees' Provident Fund Act. Nearly 82% of the total number of workers in the industry were found to be

the members of one or the other provident fund schemes.

12.43 Gratuity: Prior to Independence, several cement factories had gratuity schemes but either provident fund or gratuity was admissible. In the factories of the Associated Cement Companies, only those employees were entitled to gratuity who were not entitled to the benefit of the provident fund. In the Dalmia Group, however, there was no system of paying gratuity. In most of the units, where a gratuity scheme was in operation, the rates varied with the length of service put in and the qualifying period of service was generally three years. In 1960-61, the Labour Bureau found that about 62% of the factories, were having gratuity schemes for their employees, in addition to provident fund. All the factories having such schemes paid gratuity to workers or their dependants, as the case may be, on the basis commonly accepted. The rate of payment was 15 days' wages for each completed year of service in about 87% of the factories paying gratuity and 21 days' wages in the rest.

12.44 Medical Facilities: In 1944-45, the Labour Investigation Committee had observed: 'Generally speaking, the medical organisation in the country as a whole is extremely inadequate and correspondingly the special medical facilities provided by the employers are also insufficient from both the quantitative and qualitative standards The medical facilities are, of course, of various types and

12.19

grades ranging from mere first-aid to hospitals of first class type The position in regard to the provision of ~~of~~ maternity and child welfare centres is much less satisfactory than that of ordinary medical facility'. In this general pattern of medical facilities, those provided by the cement industry came in for a special but commendable mention. In 1960-61 arrangements for the medical attention existed in nearly 85% of the cement factories and about 71% of the factories had dispensaries/hospitals attached to them.

Working of the Cement Industry

	1949	1955	1961	1964
1. Productive capital employed per worker (Rs.)	8,172	20,262	27,053	30,183
2. Gross output per worker (Rs.)	6,818	16,314	27,517	33,520
3. Value added by manufacture per man-hour worked (Rs.)	0.97	N.A	2.38	2.74
4. Ratio of gross output to fixed capital.	1.24	1.14	1.22	1.41
5. Ratio of gross output to input.	1.58	1.66	1.31	1.28
6. Percentage of value added by manufacture to gross output.	36.7	39.9	23.5	22.1
7. Percentage of wages to value added by manufacture.	30.0	18.3	26.0	27.9
8. Percentage of salaries to value added by manufacture.	7.9	7.4	11.3	12.9
9. Percentage of benefits and privileges to value added by manufacture.	1.7	3.1	5.7	6.8

Source: Statistics of Selected Manufacturing Industries - Part I p.89 compiled by the National Commission on Labour.

(ii)

Annexure -II
(Ref. Para 12.17)Index of Input-utilisation, Average earnings and
real earnings of workers for all-India Cement
Industry 1952-61

(1952 = 100)

Year	Index of Labour Utilisation		Index of	Index of	Index of average	Index of
	Gross output/ Employment.	Net output/ Manhours	Material Utilisation Gross output/ Materials.	capital utilisation Gross output/ Fixed Invest- ment.	earnings of workers.	real earnings
1	2	3	4	5	6	7
1952	100	100	100	100	100	100
1953	107	106	96	91	115	112
1954	122	120	98	96	121	124
1955	111	118	98	66	118	127
1956	102	96	95	61	108	106
1957	114	113	96	67	118	109
1958	121	115	96	59	125	111
1959	153	156	101	60	134	114
1960	156	166	100	67	144	120
1961	160	149	95	73	172	140

Source: Report on Trends in Utilisation of Labour and other inputs in selected industries
(Labour Bureau).

(iii)

Annexure - III
 (Ref. Para 12.1)
APPENDIX 'C'

Statement showing man-hours required per tonne of cement production in selected countries.

	USA	Belgium	Japan	India
1952	1.81	2.38	3.49	25.63
1953	1.64	1.85	2.93	22.57
1954	1.67	1.84	2.44	19.17
1955	1.58	1.61	2.49	18.83
1956	1.49	1.62	2.01	18.21
1957	1.50	1.53	1.75	17.67
1958	1.37	1.51	1.79	15.60
1959	1.26	-	1.54	14.42
1960	1.34	1.28	1.26	13.49
1961	1.24	1.17	1.10	12.86

Source: Cement Industry in India by V. Poddar.

(iv)

Annexure IV
(Ref. Para 12.29)
APPENDIX 1DNo. of Disputes and Man-Days Lost in the Cement Industry during 1956-65.

Year	Wage Disputes		Non-Wage Disputes		Total	
	No. of Disputes	No. of Man-days lost.	No. of Disputes	No. of Man-days lost.	No. of Disputes	No. of Man-days lost.
1956	1	2,240	5	6,626	6	8,866
1957	3	17,626	10	32,830	13	50,456
1958	1	392	3	2,915	4	3,307
1959	2	159,443	9	221,573	11	381,016
1960	2	953	7	5,140	9	6,093
1961	1	60	9	92,863	10	92,923
1962	2	191	14	58,959	16	59,150
1963	1	60,100	4	4,290	5	64,390
1964	2	1,313	7	1,310	9	2,623
1965	3	12,858	6	3,133	9	15,991

Source:- Statistics specially furnished by the Labour Bureau to the Committee on the functioning of the system of Wage Boards.

1. Report on an Enquiry into Conditions of Labour in the Cement Industry in India (Labour Investigation Committee, 1946).
 2. Report of the Productivity Study Group on Cement Industry (National Productivity Council).
 3. Report on Survey of Labour Conditions in Cement Factories in India (Labour Bureau).
 4. Report of the Central Wage Board for the Cement Industry, 1959.
 5. Report of the Second Wage Board for Cement Industry (1967).
 6. Employment Review, 1961-66 and 1967 (Directorate General of Employment and Training).
 7. Report on Trends in Utilisation of Labour and other Inputs in Selected Industries (Labour Bureau).
 8. Cement Industry in India (V.Poddar).
 9. Replies to the questionnaire issued to the National Commission on Labour from Indian National Cement Workers' Federation, Bombay.
 10. Labour Conditions in the Cement Industry - some salient aspects - Prepared by National Commission on Labour.
 11. Commerce - Annual Number, 1968.
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13. HEAVY ENGINEERING

A significant development of engineering industry has taken place since Independence and particularly after the start of economic planning in 1951. The attempt has been to achieve a proper synthesis of heavy, medium and light branches with emphasis on saving of foreign exchange. The country has today several large engineering units, manufacturing a variety of items from pins, pans and hand tools to ocean going vessels, aeroplanes, locomotives, automobiles and an array of industrial machinery and machine tools. Such a phenomenal growth of engineering industries has considerably ^{improved} their status in the national economy. ^{for the industry} From a share of 20.6% in total productive capital, 16.0% in employment and 18.5% in output in 1951, the respective shares increased to 42.2%, 27.8% and 32.3% in 1963. Table ^{Annexure-I} (Appendix A) summarises the place of engineering industries in the national economy. About 29% of men working in factories are employed in engineering industries and the contribution of large and medium scale engineering industries in the production of goods was of the order of Rs.1723 crores, which was approximately 31% of the value of goods produced by all industries.

13.1 Recession in the engineering industries which began during 1965-66 still continues. As the statement given in ^{Annexure-II} Appendix B indicates; heavy engineering industry continued to be in a very depressed state till the end of 1967. Though detailed information on installed capacity and production during 1968 is not available,

the indices of production compiled by the Central Statistical Organisation reveal that up to August 1968 many of the industries failed to record a rise in the production level. It would appear that several lines of production in the engineering group are such that they got affected early in a recession and are about the last to recover. According to the Draft Fourth Five-Year Plan the engineering industry would bring about progressively fuller utilisation of the capacity. Investments are contemplated only to a limited extent by way of diversification in some of the existing units like the Hindustan Machine Tools, Mining and Allied Machinery Corporation and Bharat Heavy Electricals for filling in certain gaps. Provision has been made for the expansion of Hindustan Shipyard at Visakhapatnam and for the Cochin Shipyard. The installed capacity for some of the major items of electrical equipment will increase to 3.58 million kw for steam turbines and generators, 1.7 million kw of hydro-turbines and generation, 1.7 million k.w. of power boilers, 1.63 million HP for electric motors above 200 HP and 14.94 million kVA of transformers. Expansion in machine tool production, transport and communication equipment and agricultural machinery is also envisaged.

13.2 The term 'Heavy Engineering' is difficult to define. The Commission Study Group, therefore, went by the experience of selected large engineering establishments which manufactured machines, machine tools, metal rolling, electrical equipment like transformers generators and engines, automobile building and the like.

Employment, Recruitment and Training

13.3 Eighty to ninety per cent of workers employed in the industry are production and related personnel, a great majority of whom are technicians belonging to skilled and highly skilled categories. With the introduction of modern and sophisticated machines in the Heavy Engineering Industry, the requirements of high standard of skill in workmen is of great importance. Proper selection and effective training, basic as well as on the job, are vital needs of industry.

13.4 This special requirement of the industry has led to a practice for each large establishment to have its own programme of recruitment and training of apprentices in various trades. As required by law, a vacancy has to be notified to the Local Employment Exchange, which normally is the main source of recruitment for unskilled categories. In certain units there is a convention or an agreement with the union to give preferences to the re-

of the employees and ex-employees for lower categories of jobs. For skilled and supervisory categories also, the industry makes efforts to obtain its requirements locally but the selection is on the basis of competition amongst the candidates who apply in response to advertisements.

13.5 For the unskilled there is no shortage of labour as almost at every location, there is an adequate supply. Skilled categories in short supply are boiler attendant, instrument technician, air conditioning mechanic, draftsman, estimator and gas cutter. The Apprentices Act comes handy for these skills. There is a fair measure of mobility among skilled workmen because of shortage as also because of the fact that industries which were once confined to certain regions are now spreading to different areas and workers usually prefer to move to units nearer home.

13.6 Casual labour is not much in vogue; percentage of such labour to the total is shown in the Table in the margin. Standing

Table 13.1

Electrical machine	.. nil	} Orders do not mention casual labour. The employees are generally classified as permanent or temporary. Temporary employees normally get the same basic wages and dearness allowance as permanent employees, although in most cases, they do not participate/or are not allowed to participate in incentive bonus schemes. Recruitment of temporary
Metal rolling	.. 6.5	
Motor vehicle	.. 6.1	
Metal foundry	.. 2.7	
Metal extraction & refining.	.. 0.8	
Machine tools	.. 1.7	
Railway workshop	.. 0.3	
<u>Source: Report on Survey of Labour Conditions in respective Industries (1960-61 & 1961-62) - Labour Bureau).</u>		

employees is common to fill up vacancies during the long absence of permanent employees or to do a non-permanent job which may be of sufficiently long duration or to fill up temporary vacancies until permanent recruitment is made or for running maintenance

service units in the early part of installation. Work of a casual nature does come up and such work is managed by employing casual labour. The recruitment is sometimes done departmentally and sometimes they are taken through contractors. In either case, this category of employees is paid consolidated daily wages which are usually lower than the minimum wages paid to the regular employees.

Wages and Earnings

13.7 No uniform practice relating to wages was followed in regard to different industries belonging to the heavy engineering group throughout the country. The West Bengal Government, had set up an omnibus tribunal for going into the wage structure of the engineering industries of the State in 1948 and a uniform wage structure was evolved following its recommendation. Several large establishments rationalised their wage structure in consultation with their workers. In some cases, wages were fixed through awards of industrial tribunals. The present wage structure was developed in the States on the basis of bargaining power of the workers in individual establishments or through settlements in conciliation proceedings or awards in individual establishments. A Central Wage Board for the Engineering Industry set up in December, 1964, made some interim recommendations but since the recommendations were not unanimous, there were problems of implementation. The Board has not yet submitted its final recommendations.

Annexure - III
13.8 Appendix - I indicates that while the index of money wages has almost doubled during the thirteen years period (1951-63), the index of real wages has not shown a significant upward trend during the same period. This is a common pattern for different industries.

13.9 The Labour Bureau Survey in 1958-59, concluded that average daily wage-rates (maximum and minimum) were the highest in the engineering group of industries. The following table shows the average daily rates in a few industries:

Table 13.2

S.No.	Industry Group (1)	Average daily wage rate (Rs)	
		Minimum (2)	Maximum (3)
1.	Engineering	3.54	4.98
2.	Textiles	3.42	4.07
3.	Other manufacturing	2.06	3.14
4.	Mining	2.38	3.29
5.	Plantation	1.29	2.98

13.10 As for the individual industries within the engineering group, the following table shows that the average minimum wage rate was the highest in the industry Metal Extracting and Refining, while the average maximum wage rate was the highest in the industry Ship-Building and Repairing.

Table 13.3

S.No.	Industry (1)	Average daily wage rate (Rs)	
		Minimum (2)	Maximum (3)
1.	Metal Extracting & Refining.	4.42	5.23
2.	Metal Rolling	2.63	3.54
3.	Metal	2.76	3.84
4.	Manufacture of Bolts & Nuts	2.63	3.66
5.	Manufacture of Agricultural Implements.	2.41	3.77
6.	Manufacture of Machine Tools	3.13	4.71
7.	Manufacture of Electrical Machinery and Appliances.	3.20	4.57
8.	Manufacture of Textile Machinery and Accessories.	3.73	5.64
9.	Ship Building and Repairing	4.14	5.78
10.	Railway Workshops	3.62	5.42
11.	Tramway Workshops	3.84	4.31
12.	Repair of Motor Vehicles	3.21	4.30
13.	Aircraft Building & Repairing	3.97	5.67

13.11 The system of payment of separate dearness allowance does not prevail in the industry, where it does, the method of payment is not uniform. The bigger units, however, pay separate

dearness allowance. Production or incentive bonus and overtime earnings are the two relatively important components of a worker's wage packet. The table ^{Annexure IV} (~~Appendix D~~) shows a break-up of average daily earnings by components according to wage census of 1958-59.

Working Conditions

13.12 Two or three shift working is common with several large units. Generally the factories running two or more shifts a day have a regular system of transferring the worker from the day shift to the night shift and vice-versa. The interval for such a change-over varies from one week to a month. Some units having a system of night shifts provide certain amenities to their workers in the form of free supply of tea or coffee. Workers who do not accept this offer, are paid 0.15 P per night shift in lieu thereof. Working hours for the night shift workers are less in several cases. The spread-over during the day shift ranges between 8 to 9 hours with a rest interval of half an hour to one hour. Some factories which have multiple shift system prescribe even less than 8 hours for employees who are engaged on difficult or arduous jobs. Where contract labour is employed, daily hours of work do not exceed 8. A majority of the factories take precautions to safe-guard workers against dust and fumes hazards. House-keeping has been found to be generally satisfactory in all the big establishments.

13.13 The Factories Act, 1948, makes it obligatory on managements to make suitable arrangements for sitting for all such workers as are obliged to work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of their work. Since many operations in industry

are performed by workers while standing, the above provisions of the law assume some significance. It was observed that the employers units except a few have not complied with the provisions of the law. The reasons adduced are:-

- (i) that workers are required to work on precision machines; it is not possible for them to be away from the machine without affecting production,
- (ii) that the workers could use other places, like canteen or rest shelters for the purpose,
- (iii) that some managements are not adequately conversant with the requirements of law.

13.14 In all big factories, permanent structures have been built up for latrines, urinals and water taps. Suitable arrangements for the supply of drinking water and washing facilities are maintained for the use of workers in practically all units. Washing facilities are generally in the form of taps on stand pipes and water stored in receptacles. In a few factories, taps or jets or wash-basins with taps, etc. have been provided for the purpose. Cleaning materials, usually soap, is also supplied to workers in a few cases. Similarly, other provisions like canteens, bathing facilities, creches, lockers and rest shelters are also generally complied with.

13.15 Holidays with pay for Republic Day and Independence Day are common with all units. Paid holiday for Mahatma Gandhi's Birth-day (2nd October) is also allowed by most units. Our Study Group for Heavy Engineering Industry, however, recommended that these three national holidays with pay should be made compulsory. Except in the case of monthly-rated staff, weekly off is without pay. The practice in regard to regional/festival holidays with pay varies from 2 to 13 days in a year. The same is true of casual leave, some

units allow 5 days leave with pay while there are others granting as many as 12 days in a year. According to our Study Group, absenteeism continues to pose a problem. The absenteeism rate drops to 2 per cent a couple of months before the annual bonus is payable while after the payment of the annual bonus, the rate rises to as high as 30% for the following 3 to 4 weeks.

Trade Unions

13.16 Association of Employers: The employers organisation in the industry dates back to 1895 when the Engineering and Iron Trade Association was established. Its name was subsequently changed to the Indian Engineering Association. Membership of the Association is open to all firms or companies which are engaged in all forms of engineering or engaged in the design, production, distribution, maintenance or repair of engineering goods. The membership includes many progressive engineering firms in India. One of the "promotional" activities of the association is to provide members with expert advisory services. It has on its rolls, full-time labour officers to assist the constituent members in interpreting and applying labour and welfare legislation, in solving their individual staff and labour problems and in conducting their cases before the Tribunals. The association has a full-fledged Research and Statistics Department.

13.17 Another organisation of employers, founded in 1942, is the Engineering Association of India. It is also a voluntary association of engineering units for the promotion of several and mutual interests. Its objectives are similar to those of the Indian

Engineering Association. Its organisational structure comprises the Departments of Research and Statistics and Labour besides the General Secretariat.

13.18 Organisation of Employees: Most of the trade unions in the industry are affiliated to one of the four central organisations. The Inter-Union Code of Conduct, our Study Group for Heavy Engineering remarks has been observed more in breach in the last ten years. Dual membership which is not permissible under the Code is common in several unions; there are several cases of industrial unrest caused by inter-union rivalry; the rival groups and unions fighting each other and the management. According to the data published for the year 1964-65, 762 unions

operated in the heavy engineering industries covering a membership of 3,92,000. The average membership of unions in the industry is by and large the same as in unions taken as a whole.

Industrial Relations

13.19 Neither the works committees required to be set up statutorily nor others which have been agreed to voluntarily operate effectively in the industry, due to mutual distrust or lack of proper appreciation of the functions of such bodies.

The Model Standing Orders, framed under the Industrial Employment 1946 (Standing Orders) Act, lay down the arrangements for settlement of workers' complaints, and these seem to be in existence in several units. Collective agreements also take place covering such items as revision of pay scales, dearness allowances; gratuity and other demands made by workers.

13.20 Most of the units in the industry fall outside the scope of "public utility services", as defined in the Industrial Disputes, Act, 1947. It follows that the workers would be within their right to go on strikes without notice, unless there is a subsisting contract between the employer and its workmen. This right is exercised in spite of the Code of Discipline which lays down that there should be no strike without notice. The statistics of number of industrial disputes resulting in work-stoppages, the workers involved and the mandays lost are summarised below:-

TABLE 13.4

Year	All Industries			Heavy Engineering Industries		
	Number of disputes	Number of workers involved ('000)	Mandays lost ('000)	Number of disputes	Number of workers involved ('000)	Mandays lost ('000)
1	2	3	4	5	6	7
1960	1,556	983	6,515	209 (13.4)	95 (9.7)	816 (12.5)
1962	1,421	705	6,121	248 (16.6)	41 (5.8)	738 (12.1)
1964	2,151	1,003	7,725	403 (18.7)	146 (14.6)	1,859 (24.1)
1965	1,835	991	6,470	396 (21.6)	83 (8.4)	746 (11.5)
1966	2,556	1,410	13,846	565 (22.1)	162 (11.5)	1,453 (10.5)

Source: Indian Labour Statistics, Labour Bureau, Simla.

Note: Figures in brackets indicate percentage for heavy engineering industries to the corresponding All-Industries Figures;

Engineering units constitute as mentioned earlier about 16% of industrial employment; except for the year 1964, industrial harmony appears to be better than the average for all industries.

Incentives and productivity

13.21 Experience of the past years has clearly shown that a substantial expansion in exports of engineering goods could not be achieved through normal economic stimuli. Many units have introduced incentive schemes. Commenting on it our Study Group has said "It is an unfortunate realisation that while the incentive schemes must continue, what is of critical concern from the point of view of expanding our exports is the high cost of production. It is said that in wagon building or structural fabrication our economic prices are about 11 to 25 per cent higher than the lowest prices tendered by outside parties. This gives indication of the extent of uncompetitiveness of the prices of our heavy engineering goods in the world market. The high production cost in India is in no less measure due to lack of productivity and the consequent low utilisation of capital. The solution of our export problem lies largely in improving this particular situation."

Social Security and Welfare

13.22 Workers of the industry now enjoy a fair measure of social security benefits. Besides statutory social security schemes, some units have additional benefits for their employees such as gratuity, retirement benefits, medical benefits, death relief and family relief fund. In some units the cost of these schemes is substantial and in at least three of them the cost for one year is over Rs.30 lakhs. In one of the units it is said to be 15% of its total labour cost. This is somewhat higher than for all industries. No set practice obtains in the matter of gratuity payment. Some units pay at the time of retirement gratuity based on half a month's

basic wage for every year of service, if an employee has put in years a certain minimum number of / of service.

13.23 The Welfare facilities have generally taken the form of subsidised housing, subsidised canteen and organisation of social and cultural activities. Housing provision in places away from cities and large towns, varies from 15% to 80% of the total strength. Very often employees in large units are drawn from different regions. To achieve social and cultural integration amongst them social and sports associations have assumed importance. Several units assist/ the formation of such associations.

13.24 There is no common pattern about education facilities to the children of workers. In a few cases, the company runs schools upto the higher secondary level and there are others where the unit provides transport facilities at subsidised rate for the employees' children to attend schools run by the State or other organisations.

(1)

Annexure I
(Ref. Para. 13.0)
A P P E N D I X 'A'IMPORTANCE OF ENGINEERING INDUSTRIES IN THE
INDUSTRIAL SECTOR OF INDIA : 1965

Sl. No.	Item	Engineering Industries	All large medium factories (ASI)	All Industries	Percentage of Col. 3 to Col. 4	Percentage of Col. 3 to Col. 5
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	No. of registered factories.	14,291	-	61,857	-	23.1
2.	No. of large factories.	3,788	-	13,459	-	28.1
3.	Productive capital (1964 Rs. Crores)	1,869	5,257	-	36.0	-
4.	No. of persons employed (all factories : June, 1965)	13,37,474	-	46,62,401	-	28.7
5.	No. of persons employed (large & medium factories 1964)	10,61,000	37,52,000	-	28.3	-
6.	Ex-factory value of gross output (1964 : Rs. Crores)	1,723	5,596	-	31.0	-
7.	Value added by manufacture (1964 : Rs. Crores)	534	1,510	3,380	35.0	15.8

(Source:-Report of the Study Group for Heavy Engineering, National Commission on Labour 1968)

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Annexure-II
(Ref. Para 13.1)APPENDIX - BCAPACITY UTILISATION IN ENGINEERING INDUSTRIES

(Production as percentage of installed capacity)

Industry	1965	1966	1967
NON-METALLIC MINERAL PRODUCTS:			
Asbestos Cement Products	101.2	70.6	56.4
Coated Abrasives.	72.2	46.8	48.8
BASIC METAL INDUSTRIES:			
Transmission Towers.	85.2	70.9	67.4
Steel Structural, Heavy.	72.7	64.6	23.5
Steel Pipes and Tubes.	93.1	82.8	53.8
Cast Iron Spun Pipes.	87.0	83.1	50.9
Steel Castings	67.4	49.0	44.3
Copper and Brass Pipes and Tubes.	31.8	22.8	19.7
Arsenical Copper Rods	12.9	19.6	13.7
Lead Pipes and Tubes.	10.3	5.1	4.3
METAL PRODUCTS, EXCEPT MACHINERY & TRANSPORT EQUIPMENT:			
Wire Ropes.	58.4	61.2	39.1
Expanded Metal	24.6	11.3	10.0
MACHINERY EXCEPT ELECTRICAL:			
Road Rollers.	75.2	72.8	38.5
Textile Machinery looms (calico, semi-automatic and automatic).	36.2	31.2	21.6
Carding engines	167.8	101.1	46.7
Spinning frames	64.3	38.1	14.3
Lifts.	109.4	131.2	75.0
Hoist Blocks (Electric/Air).	28.3	15.3	8.6
Cranes, other than mobile.	45.5	47.0	26.7
Machine tools.	75.1	81.2	63.0
Lathe tools.	85.4	68.1	59.3
ELECTRICAL MACHINERY, APPARATUS, APPLIANCES AND SUPPLIES:			
Cables and conductors:			
Bare copper.	24.6	14.1	5.9
Winding wires.	82.4	77.2	66.4
Plastic & Rubber Insulated.			
Cables & Flexible.	60.7	48.4	43.4
Paper insulated power cables.	70.9	70.8	33.3
Conduit Pipes.	75.7	86.0	57.4
Arc welding electrodes.	72.7	64.6	41.4

SOURCE: The Hindu Survey of Indian Industries, 1968.

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APPENDIX 'C'INDEX OF WAGES (INDUSTRY GROUP-ENGINEERING)Annexure-III
Ref. Para 13.8)

Year	Wage per Worker % (Rs)	Index Nos. of Wages at current prices	Consumer Price Index No. (1951 = 100)	Index Nos. of Wages at constant prices
(1)	(2)	(3)	(4)	(5)
1951	1050.8	100.0	100.0	100.0
1955	1161.0	110.4	91.4	120.7
1956	1185.3	112.7	100.0	112.7
1957	1162.3	120.1	105.7	113.6
1958	1330.9	126.6	110.4	114.6
1959	1582.1	150.5	115.2	130.6
1960	1634.7	155.5	118.0	131.7
1961	1772.3	168.6	120.0	140.5
1962	1862.8	177.2	123.8	143.1
1963	1977.1	188.1	127.6	147.4

(Source:- Report of the Study Group for Heavy Engineering Industry National Commission on Labour (1968)

M/S

Annexure-IV
(Ref. Para 13.11)

AVERAGE DAILY EARNINGS OF WORKERS EMPLOYED
IN HEAVY ENGINEERING INDUSTRIES, BY
COMPONENTS.

Sl. No.	Industry	Rupees						
		Basic earnings	Productivity or incentive bonus	Attendance bonus	Shift allowance	Over time payment	Other	Total daily earnings
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Metal Extracting & Refining.	4.51	0.96	0.01	0.01	0.52	0.14	6.
2.	Metal rolling.	3.17	0.49	-	-	0.03	0.31	4.
3.	Metal founding.	3.19	0.05	-	-	0.01	0.01	3.
4.	Manufacture of Bolts Nuts, etc.	2.90	0.08	-	-	0.01	0.01	3.
5.	Manufacture of Agricultural Implements.	2.89	0.01	-	-	0.01	0.03	2.
6.	Manufacture of Machine Tools.	3.55	0.20	0.01	-	0.04	0.09	3.
7.	Manufacture of Electrical Machinery & Appliances.	3.44	0.18	-	0.01	0.04	0.29	3.
8.	Manufacture of Textile Machineries & accessories.	4.45	0.01	-	-	0.03	0.01	4.
9.	Shipbuilding & repairing.	4.89	0.01	0.01	0.03	1.07	0.15	6.
10.	Railway Workshops.	3.77	0.02	-	0.02	0.06	0.30	4.
11.	Tramway Workshop.	3.52	-	-	-	0.08	0.21	3.
12.	Repair of motor vehicles.	3.35	-	-	-	0.02	0.12	3.
13.	Aircraft building & repairing	4.59	0.13	-	0.05	0.01	0.01	4.

(Source: Report of the Occupational wage survey (1958-59) Labour Bureau)

14. HEAVY CHEMICALS

The recognised division in the chemicals industry is three-fold (a) heavy chemicals, (b) fine chemicals, and (c) petro-chemicals. Labour problems in each are understandably different. We propose to cover workers in heavy chemicals, since this part of the industry has longer history in this country than the other two. Also heavy chemicals are basic to the development of several industries in the country. In the early years the main products were sulphuric acid and chemicals derived from it. The industry was given protection in 1931. The Second World War gave further impetus to the industry as a result of which the production of acids increased three-fold. Since Independence and particularly with the initiation of the planning process, significant expansion has taken place in the industry. The total investment in the industry increased to Rs.877 crores during the early years of the Third Plan. The industry has since diversified sulphuric acids, caustic soda and soda ash now figure in the industrial complex for which targets have been fixed in the Fourth Plan (1969-74). The number of factories rose from 60 in 1951 to 119 in 1965 with a corresponding increase in average daily employment from 9,087 to 16,600. Plan achievements and targets of capacity and production for selected years for the three components of heavy chemicals are as in the table below:

Industry	Table 14.1		1968-69 (Est)		1973-74 (targets)	
	1960-61 *	1965-66 *	Capacity	Production	Capacity	Production
Caustic Soda	101	218	400	314	560	500
Soda Ash	152	331	430	390	650	550
Sulphuric Acid	368	662	1900	1020	4000	3500

*Actual Production in 000 tonnes.

Annexure I

The statement at ~~Appendix 'A'~~ shows the statewide distribution of Heavy Chemicals factories during 1965 together with the average daily number of workers employed therein.

Employment, Recruitment and Training

14.1 The working force in the industry registered under the Factories Act, works out at 21,600 as on 31st March, 1965. The State-wise break-up of the total working force as estimated by the Labour Bureau, on the basis of the survey of labour conditions in Heavy Chemical factories in India, is summarised at Appendix 'B'. This estimate, however, differs from the statistics of the Factories Act, 1948 (16,600) for the year 1965 mainly due to the fact that it relates to a particular point of time whereas the data under the Factories Act represent the average daily employment during the year. Moreover, the estimated figure also includes employees not covered under the Factories Act.

Annexure II

14.2 It would be observed from the statement at Appendix 'B' that 'Production and related workers including supervisory' constituted an overwhelming majority (about 79%). The proportion of workers belonging to this group was the lowest (66%) in West Bengal and the highest (82%) in Maharashtra. The percentage of production workers and administrative, executive and managerial personnel was higher in small factories as compared to large units. Such differences as are noticed depend upon the composition of the industry as also on the age of the machinery for different parts of the complex. As such no special inferences need be drawn from such percentages.

* Unless otherwise stated all factual discussions refer to Survey of Labour Conditions (1965-66) conducted by Labour Bureau.

Annexure-III

14.3 Appendix 'C' summarises data regarding the percentage of factories employing women and their proportion to the total working force in the industry. It will be observed that although about 1/5th of the factories employed women, they constituted only 4.5% of the total workers. 85% of the women employed in the industry were engaged on production and related processes.

14.4 A majority of the workers (about 85%) were recruited directly; mostly at the factory gate a small number about 2% through Labour Officers. Those recruited through advertisement and interviews by the management accounted for about 8% of the total working force. Of the rest, about 3% were recruited through employment exchanges and the remaining 2% through intermediaries like mistries and jobbers.

14.5 Training and apprenticeship facilities had been provided in about 21% of the units, constituting about 50% of factories in Tamil Nadu, 27% in West Bengal, 20% each in Maharashtra and the residual group and 14% in Gujarat. Such facilities exist in large establishments; in smaller units, they are more of an exception than the rule. The 1965-66 Survey arrangements further revealed that regular \angle for training were available in large factories only. Training was generally imparted in trades or occupations such as fitters, turners, wiremen and firemen. The period of training varied from six months to three years depending upon the nature of the trade and the degree of skill desired. None of the units guaranteed employment to the trainees after completion of the training period.* Our Study Group emphasised the training aspect

* In all the cases, the trainees were paid remunerations/stipends ranging between Rs.25/- and Rs.235/- per month.

by recommending that wherever possible, the existing trade institutes should be utilised and where no such institutes exist, there should be joint collaboration between industry and Government in organising training programmes.

Working Conditions

14.6 The 1965-66 survey showed that about 48% of the factories worked three shifts, about 7% two shifts and the remaining 45% one shift. Generally all the large factories and about 37% of the small factories worked three shifts daily. The number of shifts worked depends on the product manufactured and not so much on the size of the unit. Where multiple shifts operate, transferring workers from one shift to another was common. The interval, after which such a change over was made, was a week in about 69% of the factories.

14.7 A majority of the factories (81%) had an eight-hour shift and a 48-hours week. In about 17% of the factories, the working hours were $7\frac{1}{2}$. There was no change in the hours of working according to the shifts. The contract labour, wherever employed, worked for the same number of hours as their counterparts employed directly.

14.8 About 34% of the factories allowed casual leave with pay to their employees. Of the factories allowing casual leave with pay, all employees could avail of this facility in about 95% cases.

Casual leave was generally allowed upto 10 days in a year.

The system of granting sick leave with pay to the employees ^{prevailed} in about a fourth of the units surveyed. This benefit was in addition to the facilities available under the ESIS, wherever in force. The period of sick leave was restricted to from 10 to 15 days in a year generally. Besides, all the units grant national/festival holidays with pay to their workers.

14.9 Some components of the industry were susceptible to dusty processes. The law requires provision of protection against them. Dusty processes were found to have been isolated in ^{almost} all units. Even so the provision of dust-masks is compulsory. In a third of units such masks were supplied. Processes in the industry which are susceptible to emitting fumes had taken precautions of isolating such processes. Gas masks were provided to workers as an additional protection.

Industrial Relations

14.10 Trade Union Organisations: Only in 30% of the factories the workers have organised themselves into unions. About 56% of the workers engaged in the industry are members of unions. It would appear that where workers were unionised the employer recognised the union in almost all cases. The problem of multiplicity of trade unions existed in the industry; in some units three or more unions ^{are} functioning. More than 60% of units had multiple unions. The main activity of the unions, as expected, was to secure claims of their members under the various labour Acts. Relief to distressed members was also arranged by unions but the activity was confined only to unions in the larger units.

14.11 The table at ^{Annexure - IV} Appendix 'D' gives the number of disputes and mandays lost during 1959 to 1966 due to work-stoppage resulting from industrial disputes. Peaceful conditions seemed to prevail in the industry from 1959 to 1963. During 1964 to 1966, the time loss was inordinately high in the industry. In 1964 two major strikes, one in Uttar Pradesh and the other in Maharashtra took place. In the former case, it was due to suspension of some workers who took part in a strike and in the latter, the arrest of a few workers for their alleged assault on officers caused the work stoppage.

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14.12 About a fourth of the units concluded collective agreements during the period 1956 to 1965. Revision of pay scales and dearness item allowance was found to be the most common/covered under such agreements. Other issues were gratuity, permanency of temporary workmen, overtime work, earned leave, casual leave, festival and national holidays, bonus, re-instatement of workers, supply of milk in the factory, lockers, reduction in electricity charges, production incentive schemes, etc.

14.13 Works/Joint Committees were constituted in about half the number of units which were required to set up such Committees. The main reason for not setting up these committees was that the committees did not function properly, and consequently they had to be dissolved. Works or Joint Committee had been constituted voluntarily in no unit. Matters of mutual interest as well as of interest to either party were discussed in the committee meetings and the decisions taken were generally implemented.

14.14 According to the prevailing practice, the grievances are usually taken to the immediate supervisory or departmental head or any other person appointed by the management for this purpose. If the workers are not satisfied with the decision at this level, the welfare or the personnel officer is approached. Most of the grievances are redressed at this stage and if still a satisfactory settlement is not reached, the matter is taken to the manager whose verdict is normally binding on both the parties.

Wages and Earnings

Annexure-V

14.15 Appendix 'E' shows inter-regional differentials in wages/earnings for different groups of workers in the industry according to the size of the units. While some of the differences are due to the nature of the product manufactured and the level of prices, there could be other reasons also underlying the wage structure at each centre. No short explanation/should, therefore, be attempted.

14.16 The following statement shows the average daily earnings by components, during 1965 of workers in the industry based on the returns received under the Payment of Wages Act and relates to employees earning less than Rs.400 per month.

TABLE 14.2

<u>Component</u> (1)	<u>Average daily earning</u> (2) (Rs.)		<u>Percentage</u> (3)
1. Basic Wages	3.86		54.67
2. Cash allowances including D.A.	2.40		34.00
3. Bonus	0.77		10.91
4. Money value of concession in kind	Negligible		Negligible
5. Arrears	0.03		0.42

14.17 This table also requires to be interpreted carefully.

The composition of the total pay packet does not significantly differ from that obtaining in industries taken as a whole. Unlike certain industries the D.A. does not form a major portion of earnings. This is due to the fact that wage levels were adjusted to a date nearer the date of enquiry. The state of the industry can be reflected through a comparatively high percentage of bonus payments.

14.18 Only a small number of factories in the industry (about 12%) had schemes for the payment of production or incentive bonus to their workers. The proportion of large factories paying such bonus was about 34% as against 8% of the smaller units. Among the different centres, the proportion of factories paying production/incentive bonus was highest in Gujarat (57%) as compared with West Bengal (14%) and residual group (5%). Generally, only the production workers in certain departments were entitled for this kind of bonus. The norms fixed and the rates of payment varied from unit to unit.

14.19 The system of paying house rent allowance was not a common feature in the industry as only a few units paid house rent allowance to certain categories of employees who were not provided accommodation by the management. Night shift allowance prevailed in a small minority of units, the payment was obviously not uniform. The rate of payment in West Bengal varied between Rs.5 to Rs.25 per month, while in Tamil Nadu, it was 25% of the basic wages for the day. Only a few factories provided transport or conveyance allowance to their workers. Attendance bonus was rather an uncommon feature in the industry. In a few cases workers who have to be in actual work during all the working days in a month were entitled to this payment. The total on this account for the lower paid employees came to be about Rs.6/- a month.

14.20 In a majority of cases, payment of bonus depended upon the discretion of the managements. In two out of five cases, however, it was paid as a result of agreements between employers and employees. Generally, qualifying service ranging between one month to six months' service in the particular year is stipulated as a requirement for

bonus payment. The rate of payment also varied from 2 months' basic/total earnings to 5 months' basic/total earnings in about half of the units surveyed. In another fourth the quantum was determined on the basis of 20% to 25% of the total earnings. As expected workers in West Bengal got Puja bonus as an additional benefit.

14.21 Where contract labour was engaged, only in about 36% of the units, the principal employers exercised some control over the payment of wages to contract workers by way of including a term in the contract that a contractor should carry out the obligations as laid down in the Payment of Wages Act and by checking payment registers and keeping them in the custody of the principal employer.

Social Security

14.22 Provident Fund Schemes were in existence in about 62% of the factories. Of the factories having provident fund schemes in nearly all the provident fund had been set up under the Employees' Provident Fund Scheme framed by the Government of India in 1952. Some units, however, had their own contributory schemes. In the latter case, the rate of contribution for both employers and employees was 8% of the basic pay and dearness allowance or 10% of the basic pay, whichever was higher. The scheme was applicable to all workers on completion of one year service.

14.23 The payment of pension where it existed depended upon the discretion of the management. Generally only those workers who had rendered a minimum of 30 years service were eligible for pension. The monthly rate of payment was 10% of the basic pay plus 50% of the average dearness allowance drawn during the last 12 months, another five rupees were added to the quantum ad hoc. The system of paying gratuity was in existence in

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third of the units. This was permissible in case of death, retirement and voluntary resignation. The rate of payment varied between 15 days and one month's wages for each completed year of service, subject to a maximum of 15 months' wages. The qualifying period varied between 5 to 15 years.

Welfare

14.24 Some relevant details disclosed in the Survey of Labour Conditions (1965-66) are as below:

14.25 Only about 9% of the units provided schools for the benefit of their workers' children. Of the factories providing such facilities, the more common pattern was the setting up of a nursery and/or primary school. In about half the schools, no fees were charged. None had any arrangement for adult education.

14.26 Two units out of five provided housing accommodation to their employees. Of the total houses provided, the percentage of one-room tenements was 46, that of two-room houses was 42 and that of three or more rooms was 12. About 68% of the houses were pucca and the rest were kutcha or semi-pucca houses. About two-thirds of the factories providing houses did not charge any rent from their employees. It was estimated that on 31st March, 1965, about one-fifth workers were provided houses by the employers. Only 5% of the factories provided house building facilities to their employees.

14.27 Three out of ten units provided recreational facilities for workers. Nearly three-fourths of the factories providing such facilities had arrangements for outdoor games. Film shows, social functions and dramas were also organised for the recreation of workers in about half of the units providing recreation facilities.

The expenses for such facilities were met through ad hoc contributions from management generally, or through the welfare funds. In about 10% of units workers also contributed .

14.28 In units which were required to provide a canteen three out of five had snacks and tea/coffee; others served meals also. About 2/3rd of the canteens were being run by the managements, nearly 20% by the contractors and the ^{remaining} 6% on a cooperative basis. Irrespective of the agency which ran the canteens most of the units subsidised the canteen in varying degree.

(i)

Annexure I
(Ref. Para 14.0)
A P P E N D I X 'A'

State-wise distribution of Heavy Chemicals factories and average daily employment therein during 1965.

State	Number of factories	Average Daily Employment
(1)	(2)	(3)
1. Assam	1 (0.8)	15 (0.1)
2. Bihar	21 (17.7)	1,807 (10.9)
3. Gujarat	21 (17.7)	4,552 (27.4)
4. Kerala	1 (0.8)	50 (0.3)
5. Madhya Pradesh	1 (0.8)	500 (3.0)
6. Madras	3 (2.5)	2,345 (14.1)
7. Maharashtra	30 (25.2)	3,418 (20.6)
8. Mysore	9 (7.6)	241 (1.5)
9. Punjab	5 (4.2)	84 (0.5)
10. Rajasthan	1 (0.8)	36 (0.2)
11. Uttar Pradesh	10 (8.4)	820 (5.0)
12. West Bengal	10 (8.4)	2,179 (13.1)
13. Delhi	6 (5.1)	553 (3.3)
T O T A L	119 (100.0)	16,600 (100.0)

Note:- Figures in brackets are percentage of total.

Source:- Report on the Survey of Labour Conditions in Heavy Chemicals factories in India, Labour Bureau.

APPENDIX-BEstimated Percentage Distribution of Workers by Broad Occupational Groups in the Heavy Chemicals Industry (31st March, 1965)

Centre	Total Number of Workers (Estimated)	Estimated Percentage of Workers				
		Professional, Technical & Related Personnel	Administrative, Executive & Managerial Personnel	Clerical & Related Workers (including Supervisory)	Production & Related Workers (including Supervisory)	Watch and Ward & Other Services
1	2	3	4	5	6	7
1. West Bengal	3,581	7.5	4.4	11.5	65.6	11.0
(a) Large Factories	3,119	8.2	4.1	12.8	64.1	10.8
(b) Small Factories	462	2.6	6.5	2.6	75.5	12.8
2. Madras	2,780	3.0	0.8	8.7	80.6	6.9
(a) Large Factories	2,780	3.0	0.8	8.7	80.6	6.9
(b) Small Factories	-	-	-	-	-	-
3. Maharashtra	4,445	4.2	1.4	5.6	82.3	6.5
(a) Large Factories	2,968	5.4	0.4	6.3	81.8	6.1
(b) Small Factories	1,477	1.6	3.3	4.1	83.5	7.5
4. Gujarat	5,804	5.9	0.6	5.1	81.1	7.3
(a) Large Factories	4,804	6.8	0.4	5.2	79.9	7.7
(b) Small Factories	1,000	1.8	1.3	4.4	86.7	5.8
5. Residual	5,030	2.9	1.8	8.9	80.9	5.5
(a) Large Factories	3,626	3.7	0.6	7.8	82.7	5.2
(b) Small Factories	1,404	0.8	4.7	11.8	76.4	6.3
6. All India	21,640	4.7	1.7	7.6	78.7	7.3
(a) Large Factories	17,297	5.5	1.2	7.9	78.1	7.3
(b) Small Factories	4,343	1.5	3.6	6.5	81.1	7.3

* 'Covered' as well 'Not-Covered' under the Factories Act, 1

SOURCE: Report on Survey of Labour Conditions in Heavy Chemical Factories; in: India (Labour Bureau)

Annexure - III
(Ref. Para 14.3)
APPENDIX - C

(iii)

Estimated Proportion of Women Workers in the Heavy Chemicals Industry
(31st March, 1965)

Centre	Total Number of Factories	Percentage of Factories Employing Women	Total Number of Work- ers*	Percentage of Women Workers	Percentage of women workers to Total Number of Women Work- ers in the Industry
1	2	3	4	5	6
1. West Bengal	11	13.6	3,581	0.2	0.8
(a) Large Factories	3	50.0	3,119	0.3	1.0
(b) Small Factories	8	-	462	-	-
2. Madras	2	100.0	2,780	0.4	1.5
(a) Large Factories	2	100.0	2,780	0.4	1.5
(b) Small Factories	-	-	-	-	-
3. Maharashtra	25	20.0	4,445	0.3	1.1
(a) Large Factories	5	100.00	2,968	0.4	1.4
(b) Small Factories	20	-	1,477	-	-
4. Gujarat	14	57.1	5,804	16.3	96.6
(a) Large Factories	2	100.0	4,804	15.6	95.8
(b) Small Factories	12	50.0	1,000	19.4	100.0
5. Residual	43	4.7	5,030	**	0.2
(a) Large Factories	4	50.0	3,626	0.1	0.3
(b) Small Factories	39	-	1,404	-	-
6. All-India	95	19.5	21,640	4.5	100.0
(a) Large Factories	16	78.1	17,297	4.5	100.0
(b) Small Factories	79	7.6	4,343	4.5	100.0

* Both 'Covered' and 'Not covered' under the Factories Act, 1948.

** Less than 0.05 per cent.

(Source: report on Survey of Labour Conditions in Heavy Chemicals factories in India; Labour Bureau.)

(iv)

A P P E N D I X 'D'

Number of Disputes Resulting in Work-
Stoppages: Workers involved and Mandays
lost in the Heavy Chemicals Industry
(1959 to 1965).

Year	Number of Disputes	Number of workers involved	Number of Man-days lost (in '000)
(1)	(2)	(3)	(4)
1959	7	2,325	4
1960	6	841	5
1961	-	-	-
1962	2	858	1
1963	9	576	3
1964	21	5,573	60
1965	8	5,968	54
1966	30	8,569	67

Sources:- Indian Labour Statistician
Labour Bureau.

M/S

Annexure - V
(Ref. Para 14.15)

(v)

APPENDIX E

Estimated Average Daily Earnings of Workers by Broad Occupational Groups in the Heavy Chemicals Industry
(March 1965)

(In Rupees)

Centre	Professional, Technical & Related Personnel	Administrative, Executive & Managerial Personnel	Clerical & Related Workers (including Supervisory)	Watch & Ward and Other Services
1	2	3	4	5
1. West Bengal	19.64	28.90	14.36	5.46
(a) Large Factories	19.95	31.12	14.83	5.89
(b) Small Factories	13.70	27.99	5.08	2.72
2. Madras	18.08	32.42	11.12	4.75
(a) Large Factories	18.08	32.42	11.12	4.75
(b) Small Factories	-	-	-	-
3. Maharashtra	23.06	39.88	10.75	5.49
(a) Large Factories	25.43	86.64@	11.52	6.32
(b) Small Factories	8.47	13.48	8.51	4.17
4. Gujarat	19.94	31.25	9.17	3.77
(a) Large Factories	22.54	105.35@	12.51	4.55
(b) Small Factories	9.08	14.66	3.71	2.57
5. Residual	14.84	17.47	5.43	5.33
(a) Large Factories	14.84	67.75@	8.49	6.61
(b) Small Factories	-	8.89	4.80	2.83
6. All-India	20.30	28.77	10.59	5.07
(a) Large Factories	21.36	57.53	12.41	5.71
(b) Small Factories	9.82	13.37	5.48	3.24

* Covered under the Factories Act, 1948.

@ Figures are provisional.

(Source: Report on Survey of Labour conditions in xxx Heavy Chemical factories in India (Labour Bureau))

15. FERTILIZERS

The fertiliser industry has acquired importance in recent years because of the new perspective for agriculture in our planning. The industry had its early beginnings with the construction of a fertilizer plant (capacity 10,000 tonnes of Nitrogen per annum) by the Fertilizers and Chemicals Travancore Ltd., Alway where production started in 1947. The next landmark in the growth of the industry was the commissioning of the Nitrogenous unit at Sindri in 1952. The first planned major effort to develop indigenous fertilizer production was, however, made during the Third Plan period. The consumption of nitrogenous and phosphate fertilizers has increased from 292 thousand tonnes and 64 thousand tonnes respectively in 1961-62 to 1500 thousand tonnes and 700 thousand tonnes respectively by 1968-69. During the same period the consumption of potassic fertilizer increased from 28,000 tonnes to 250,000 tonnes. Plan achievements and targets of capacity and production are as in the following table.

Table 15.1

Industry (Fertilisers)	1960-61		1965-66		1968-69 (Est.)		1973-74 (Target)	
	Production (000 tonnes)		Production (000 tonnes)		Capa- city	Prod.	Capa- city	Prod.
Nitrogen (in terms of N)	101	232	1024	550	3700	3000		
Phosphatic (in terms of P ₂ O ₅)	53	123	421	220	1800	1500		

15.1 According to our Study Group on Fertilizers the investment in the Industry by 1970-71 will be of the order of Rs.750 crores and may go ^{up} to Rs.1,500 crores by 1975-76. The Fertilizer programme for the Fourth Plan clearly indicates that we are moving towards establishment of adequate capacity to meet the demand and that in the early years of the Fifth Plan the country is expected to be self-sufficient. At the same time we would have to build up substantial design and engineering capability besides facilities for indigenous fabrication and manufacture.

Employment and Related Matters

15.2 Levels of Employment: According to the data available with the Directorate of Employment and Training the employment in the public sector of the industry increased from about 16 thousands in 1961 to about 24.3 thousands in 1967. In the private sector units employment increased from about 6.8 thousands in 1963 to 7.5 thousands in 1967. With the proposed rapid expansion in the capacity for both nitrogenous and phosphatic fertilizers, the employment opportunities in the industry would increase substantially in the years to come. A nitrogenous fertilizer factory of the size of the FACT or the Nangal Unit of the F.C.I. employs about 4,000 persons. A unit ^{with} an annual rated capacity of one lakh tonnes of N may be taken to provide employment to about 4,500 persons. On this basis the total employment in the industry could be worked out. As capital - employment ratios go, the industry is capital intensive but the indirect employment effects which the industry produces can be substantial if one takes into account the additional labour required in agriculture for handling more agricultural production resulting from ^{the} use of fertilisers.

15.3 Employment Pattern: Our Study Group has divided the workers in the industry into different categories viz. highly skilled, skilled, semi-skilled, unskilled and clerical and has given some data about number of employees in these categories in respect of some of the fertilizer units. Of the total number of 25,241 employees employed on 1.1.1966 by the twenty units, for which data on this pattern were available, the three categories viz. highly skilled, skilled and semi-skilled, which may broadly be classified as 'Technical' constituted about 60 per cent of the total employees. This ^{is} high percentage as compared with many industries new and old. The percentage is high because ^{of} the sophisticated and technical machinery used in the manufacture.

15.4 According to the Survey of Labour Conditions in the Artificial Manures Factories (1965-66) carried out by Labour Bureau, 71 per cent of the working force in the industry belonged to 'Production and Related Workers'. 'Clerical and Related Workers' formed the next important group and accounted for nearly 12 per cent of the total followed by 'Watch and Ward and Other Services' (nearly 10 per cent) the balance constituting 'Professional, Technical and Related Personnel', ^{and} 'Administrative, Executive and Managerial Personnel'. About 49 per cent of the units employed an estimated total of 1,841 women which constituted nearly 7 per cent of the total workers employed. 76% of women belonged to the group 'Production and Related Workers'. None of the units surveyed were found to be employing child labour.

15.5 Recruitment and Promotion: Unskilled labour is recruited which mainly through the local Employment Exchanges to \angle the vacancies are notified except in the initial stages of project construction when persons displaced from their lands and property are appointed in view of the policy to give preference for recruitment to persons whose land or property is acquired for the industrial project. Recruitment to semi-skilled and skilled categories like Electricians, Machinists, Mechanics, Drivers, and Operators of different classes is made by reference to the Employment Exchanges as well as by simultaneous advertisements in the press. Candidates recommended by the Employment Exchanges and those applying against press advertisements are considered and the best of them are selected. Apprentices are also recruited on the same basis for training as tradesmen and chargemen. After successful completion of their training, the apprentices are appointed on regular jobs. The Fertilizer Corporation of India has stated in its reply to the Commission's Questionnaire that no discrimination is made in employment on grounds of caste, community, language and region. Advertisements for class III and class IV posts, however, are generally made only in regional newspapers with the result that mostly people belonging to the area or State where the project is located apply against such advertisements.

15.6 Recruitment to positions at higher levels is made from within the organisation subject to the availability of suitable departmental candidates'. This procedure obtains with varying local practices in different units of the Corporation and in the FACT. Taking the industry as a whole the 1965-66 survey showed that about 43 per cent of the workers in the industry had been

recruited directly by the management; of these 25 per cent were recruited through labour officers, 17 per cent at the factory gate and the remaining through departmental heads or through existing workers. Of the remaining 57 per cent, about 38 per cent had been recruited through advertisements and about 18 per cent through Employment Exchanges.

15.7 Training: According to our Study Group the existing vocational guidance and technical training schemes have been found to be inadequate to provide suitable personnel for the industry. To overcome the difficulties the larger units in the fertilizers industry have started their own training centres. The F.C.I. Ltd. as also other fertilizer units such as FICT, Gujarat State Fertilizer Company etc. have been giving particular attention to training of technical personnel. F.C.I. has established Training Institutes at Sindri and Nangal where a regular programme of training trade-apprentices operates. Chargemen trainees from amongst science graduates and graduate apprentices from amongst the engineering and science graduates to man various positions at different levels, are also trained. Selling of fertilisers is a specialised job and calls for a certain level of knowledge about scientific agricultural practices including proper use of allied inputs like pesticides, better seeds, irrigation, and better cultural practices.

↳ Besides, motivational aspects have a crucial role to play in the building up of a corps of well-informed sales personnel all through the line. These skills are acquired by intensive training which should be tailored to suit the specific objectives at different levels of the marketing functions.

15.8 Training is generally imparted in trades or occupations as welder, fitter, turner, electrician and wireman. The period of training ranges from six months to three years depending on the trade and the factory. Remuneration paid to apprentices vary from Rs.40.00 to Rs.275.00 p.m. but was generally around Rs.50 p.m. in the initial stages. Only about 20 per cent of the units guaranteed employment after successful completion of the training.

Working Conditions.

15.9 Shift Working: Shift working in the industry obviously depends upon the technology used. The Fertilizer Corporation of India has stated that the units which have to work continuously cannot give normal rest intervals. Such units are at present given temporary exemptions from rest intervals as provided for in the Factories Act. It has been suggested that permanent exemptions should be given where necessary for such exemptions are on grounds of technology.

About a third of the units surveyed provided amenities like free tea or night-shift allowance to workers during night hours. Working hours in a majority of factories were $7\frac{1}{2}$ to 8 a day. Processes giving fumes, vapours or gases such as manufacturing of ^{ammonia} / nitric acid and sulphuric acid and oil gasification were being carried on in about 18% of the units. All of them had taken precautionary measures to avoid abnoxious fumes reaching the workers. Several units supplied in addition protective equipment like gas masks and goggles.

15.10 Paid Leave and Holidays: A weekly off is given to workers in all the units. However, payment for such offs was being made only in 87 per cent of the units. Usually all workers were entitled to receive such payment except in a few cases where it was restricted

to monthly rated employees. It is estimated that nearly 87 per cent of the factories were granting earned leave at the time of the Survey. As regards the period of leave, qualifying conditions and rate of payment, the managements generally followed the provisions of the Factories Act, 1948. The Survey results show that while about half the units provided benefits of casual leave with pay, the period varying from 10 to 15 days, all large and half the small factories granted the benefit of sick leave. The period of sick leave varied from 10 to 15 days. National and Festival holidays were common everywhere. The number of such holidays varied from 5 to 15 days.

15.11 Work Injuries: The workers in most of the units are entitled to leave in cases of accident injury. Rate of accident is however declining. Provision of safety equipment and clothing is common. Some units in the industry have been getting national and international prizes for accident free working.

and
15.12 Health / Safety: Our Study Group has recommended that no new factories in the fertilizer industry should be allowed to be opened or commissioned unless the authorities concerned are all satisfied fully that adequate safety measures have been adopted and proper conditions of work from the point of view of elimination of health hazards are assured and made available. The workers should also be alert. They need to be familiar with the system of alarms that are used in the factory and outside. Some of the units organise safety exhibitions and film shows to educate the workers. During the 1965-66 Survey only one large factory reported some cases of occupational diseases. This may be because arrangements

for detecting such diseases did not exist in many units or workers were afraid to have a check up for the fear of loss of employment.

No case in which compensation was payable on this account was reported during the Survey.

Wages, Earnings and Productivity

15.13 Wage Composition: The system of payment by time was prevalent in the industry in almost all units more or less exclusively. Hardly 2% of workers were piece-rated. Proportion of piece-rated employees was higher in small factories as compared to large ones. About half the units surveyed were paying dearness allowance as a separate component. Amongst these in about 47 per cent rate of dearness allowance was linked to consumer price index numbers and in about 11 per cent the workers were getting dearness allowance at a flat rate. In the remaining 42 per cent factories a combination of two or more systems was prevalent. The system of payment of House Rent Allowance is not in vogue in industry. The following table shows the relationship between wages and other benefits to gross output.

Table 15.2

Relationship between gross output and total wages, salaries and benefits.

Year	Gross Output	Total wages, salaries and benefits	Total wages as ^a percentage of gross output.
1	2	3	4
	(Rs. crores)	(Rs. crores)	
1960	24.15	3.56	14.74
1961	31.73	3.92	12.35
1962	39.39	4.15	10.54
1963	46.91	5.18	11.04

Source: Annual Survey of Industries.

15.14 Break-up of wages into salaries and benefits has been indicated below:

Table 15.3

Amount spent on wages, salaries and benefits.

(Rs. crores)

<u>Year</u>	<u>Wages</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
1960	2.02 (56.74)	1.27 (35.68)	0.27 (7.58)	3.56
1961	3.00 (76.53)	0.64 (16.32)	0.28 (7.15)	3.92
1962	3.07 (73.98)	0.83 (20.00)	0.25 (6.02)	4.15
1963	3.77 (72.78)	0.95 (18.34)	0.46 (8.88)	5.18

Source: Annual Survey of Industries.

N.B.: Figures in brackets indicate percentage to total.

15.15 A central Wage Board for Heavy Chemicals and Fertilizer Industry has recommended the interim relief on the following lines with effect from 1st November, 1966.

Table 15.4

<u>Wages (i.e. Basic + D.A.) or the consolidated wage.</u>	<u>Recommended interim relief.</u>
(1) Upto and inclusive of Rs.100/- p.m.	Rs.12.50 subject to a total maximum of Rs. 109.00.
(2) Above Rs.100/- but not more than Rs.200/- p.m.	Rs.7.50 subject to a minimum total of Rs.110/- and a maximum total of Rs.206/-.
(3) Above Rs.200/- and upto Rs.500/- p.m.	Rs.5/- subject to a minimum total of Rs.207.50 and a maximum of Rs.500/-

The above payment will be adjusted in the final recommendations of the Board and shall not be taken into account for purposes of Provident Fund, Gratuity, Incentive Payments, Bonus or other allowances. The Government has requested the concerned employers to implement the recommendations.

15.16 Wage Differentials: The table below gives the data on average daily earnings of different categories of employees in factories of different size groups according to the 1965-66 Survey.

Table 15.5

Estimated Average Daily Earnings of the Workers* by Broad Occupational Groups in the Artificial Manures Industry, (31st March, 1965).

(In Rupees)

Size-group	Professional, Technical and Related Personnel.	Administrative Executive and Managerial Personnel.	Clerical and Related Workers (including Supervisory)	Watch and Ward and Other Services
1	2	3	4	5
1. Large Factories	28.08	16.29	12.35	8.28
2. Small Factories	11.47	12.66	6.90	3.81
3. All Factories	25.52	15.04	10.58	6.78

* Covered under the Factories Act, 1948.

15.17 Bonus: According to the 1965-66 Survey the system of paying year-end bonus was found to be in vogue in all the large and 53 per cent of the small factories. In most of the units all categories of workers were entitled to receive the annual bonus. The conditions for the entitlement to bonus payment as also the rate of payment varied from unit to unit and sometimes within the unit itself for different categories of workers. In the year 1964-65 the bonus payment ranged between "15 days" and "six months" basic wages.

Social Security

15.16 Provident Fund : All the large units and about 71 per cent of small factories surveyed had a system of provident fund for workers. Of these, in nearly 93 per cent of the factories, provident fund scheme had been set up under the Employees' Provident Fund Scheme. About 71 per cent of the workers employed on 31.3.1965 were members of the scheme. The rate of compulsory contribution in the Fertilizer Corporation of India is $8\frac{1}{3}$ per cent of the salary or wages but employees have the option to contribute more. The Corporation's contribution is limited to 8 per cent as from June 1, 1961 when a gratuity scheme was also introduced. The Fertilizer Corporation of India is of the view that the present Provident Fund Scheme may be changed to Pension-cum-Provident Fund-cum-Insurance Scheme. The basic features of the suggested scheme are: (1) pension should be payable to the members of the scheme against 50 per cent of the amount due to them, and (2) the remaining 50 per cent amount payable to them should not be paid in lumpsum but against that the members should be compulsorily insured.

15.19 Gratuity Scheme: The system of paying gratuity is prevalent in about 80 per cent of the large factories. Gratuity is payable to workers on retirement, voluntary resignation or termination of service on grounds other than misconduct and to their dependants in case of death of workers. According to the Survey the rate of payment varied from '15 days' to 'one month's' wages for each completed year of service. The qualifying period varied from unit to unit but is generally around 10 to 15 years.

Industrial Relations and Trade Unions

15.20 Industrial Disputes: Peaceful conditions prevailed in the industry during the period 1959-63. A few workers seem to have been involved in disputes. During the year 1964 and 1965 the labour situation did not remain peaceful; there was a considerable increase in the number of workers involved in industrial disputes. The data available are given in the table below:

Table 15.6

Number of Disputes resulting in work stoppages, workers involved and mandays lost in the artificial manures*(fertilizers) industry

<u>Year</u>	<u>Number of disputes **</u>	<u>Number of workers involved</u>	<u>No. of mandays lost (000's)</u>
(1)	(2)	(3)	(4)
1959	3	59	-
1960	1	75	@
1962	1	103	@
1964	5	10,133	233
1965	4	4,713	27
1966	4	3,205	57

*Labour Bureau, (Indian Labour Statistics 1964, 1966 & 1968)

**These include both strikes and lockouts.

@ Less than 500 mandays.

15.21 During the year 1966-67 except at Nangal relations with recognised unions in the various constituent units of the F.C.I. remained undisturbed. There was a strike at Nangal from 17.10.1966 to 6.11.1966. The main issue of the strike was payment of bonus. There was a strike at Trombay which commenced on 17th May, 1967 and lasted till 29th May, 1967. The demands of the workers have been referred to a Conciliation Board set up by the Maharashtra Government. During the last three years almost every fertilizer unit had major problems in industrial relations resulting in loss of production. There is a dual control by the respective State Governments as well

as the Central Government on the fertilizer units. For purposes of Industrial Disputes Act appropriate Government is State Government. While for purposes of Industrial Employment (Standing Orders) Act appropriate Government is the Central Government. This results in different policies being followed in different States so far as labour matters are concerned. In some States, Chemical Fertilizers Industry has been declared as a Public Utility under the I.D. Act which 'inter-alia' prohibits and penalises illegal strikes and lockouts but in some other States it is not so.

15.22 Trade Unions: The 1965-66 Survey showed organised workers in three out of five factories. These include all large factories and two-thirds of small units. About 93 per cent of the unions are reported to have been helping their members in securing claims under various Labour Acts. Some unions were also giving financial assistance to the distressed members. None of the unions is reported to be running an adult education centre. About 74 per cent of the factories having trade unions have only one union and in the rest two unions were found functioning. In all large units, unions have been accorded recognition by the management.

15.23 Grievance Procedure: According to the prevailing practices in most of the units grievances were usually taken to the supervisory or departmental heads in the first instance. If the workers were not satisfied with the decision at this level, the Welfare Officer or the Personnel Officer, wherever appointed, was approached. Most of the grievances are redressed at this stage, as the concerned officers conduct an enquiry before giving a decision. If, however, a satisfactory settlement was still not reached, the matter was taken to the manager whose verdict was not binding, but respected.

15.24 Works or Joint Committees: All large and 24 per cent of small units were under a legal obligation to set up works committees and of these about two-fifths had set up the committees. The reason for not setting up these committees in the units wherever it was obligatory is reported to be that neither the managements nor the workers had felt any need for the same. Works committees have not been able to function effectively. This may be due to the limited scope of its functioning vis-a-vis trade union rights and obligations. Unless there is a proper atmosphere of mutual trust and goodwill prevailing, experiment of workers participation in management would not work out successfully.

Welfare and Amenities

15.25 Medical Facilities: All the units of the fertilizer industry are not covered under the ESI Scheme. It is estimated that all large and 12 per cent of the small units had dispensaries/hospitals attached to them. Of these 77 per cent had appointed part-time doctors for the purpose. The remaining units were having full-time or part-time doctors. In addition to the above, some factories were also having contracts with the doctors. 87 per cent factories had provided first-aid boxes for use of the workers. The Fertilizer Corporation of India has established well equipped hospitals at Sindri and Nangal. There is a hospital with 125 beds and 5 Sindri and a hospital with 80 beds and 2 dispensaries at outlying dispensaries at Nangal on which the Corporation's recurring annual expenditure amounts to more than Rs.20 lakhs. Besides this, 5 beds have been reserved in the T.B. Sanatorium at Ranchi and 2 beds in the Government Sanatorium at Itki for male and female patients

respectively. A family planning clinic is also being run at the Nangal Hospital with the help of grant given by the State Government. At Sindri also, a family planning centre is being run by the Medical Department for the benefit of the employees and their spouses.

15.25 Creches: Only about 24 per cent of the factories employed more than 50 women workers and were thus under a legal obligation to provide the facility of creches. However, only one-fourth of them have actually done so. The creches in all the factories having them were maintained in a satisfactory condition and they were properly lighted, ventilated and furnished.

15.27 Recreation Facilities: Nearly 80 per cent of the large and 6 per cent of the small factories have provided recreation facilities to their employees such as indoor and outdoor games, cultural activities such as dramas, film shows, religious and social functions. In about two-thirds of the factories recreational facilities were financed solely by the managements who made either regular or ad hoc contribution to meet the expenses.

15.28 Educational Facilities: About three-fifths of the large factories had educational facilities to the children of their employees. In all these schools fee was being charged from the students. Adult education centres were not being run in any factory.

15.29 Transport: In a large fertilizer complex, transport facilities can be a problem. The facilities are looked upon by the employees as a compulsory provision to be made by the

employer notwithstanding the fact that with the growth of area, better transport facilities are provided by the Government or the Municipal authorities. Certain units are giving bicycle advances. There are others who give transport allowance.

15.30 Housing: All large factories and about 18 per cent of the small units provide housing accommodation to their workers. Of the total houses provided about 44 per cent were one-roomed tenements, nearly 38 per cent two-roomed, about 15 per cent three-roomed and the rest consisted of 4 or more rooms. In about 2/3rd of the units providing housing facilities all employees were given rent free quarters and in the remaining rent was being charged from all the allottees. The survey indicates that nearly 35 per cent of the workers in the large factories and 4 per cent in the small ones have been provided with housing facilities.

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16. OIL REFINING AND DISTRIBUTION

Oil refining is a complex industry which undergoes changes in its technology at short intervals. India is a new entrant to the industry. Prior to 1947, the country had one petroleum refinery in Assam, whereas the distribution side of the industry was fairly well developed with six distribution companies. The Industrial Policy Resolution, 1956 emphasised the development of oil production in the public sector.

16.1 Oil exploration was started in India by the Assam Oil Company/Burmah Oil Company and their associates in the 1890s. Their activity was restricted to the regions in Upper Assam. Since Independence, extensive geological and geo-physical explorations were undertaken in other parts of the country. Till about 1956, oil exploration was in private hands with partnership by the Government of India, where necessary. Since then the responsibility for exploration was assumed by Oil and Natural Gas Commission. The Commission became a statutory body under an Act of Parliament in October, 1959. The functions of the Commission are to plan, promote, organise and implement programmes for the development of petroleum resources, to produce and sell petroleum and petroleum products and to perform such functions as the Central Government may assign from time to time.

16.2 In the last fourteen years, the share of petroleum^{and its byproducts} in the commercial energy consumed has increased from 15.4 percent to 20.2 percent. It will now no longer be a source of energy alone but will assume a significant role as the feed-stock in the

manufacture of fertilizers and petrochemicals. Rapid increase in the and its consumption of petroleum/products, thus, can be presumed. Petroleum consumption has increased from 7.78 million tonnes in 1960 to 13.97 million tonnes in 1967, a compound rate of growth of 8.5. Plan achievements and targets of capacity and production are as

shown below:

Table 16.1

Industry	1960-61 Production	1965-66 Production	(figures in million tonnes)			
			1968-69 (Est.) Capacity	1968-69 (Est.) Production	1973-74 (target) Capacity	1973-74 (target) Production
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Crude	0.41	3.02	6.15	5.85	..	9.7
Refining Capacity in terms of Crude through-put.	6.09	9.75	17.5	16.13	28 to 29	26

16.3 The Indian Refineries Limited was formed in 1958 to construct, operate and manage two refineries - one at Gauhati in Assam and the other at Barauni in Bihar. The commissioning of the Gauhati Refinery on 1st January, 1962, marked the beginning of the public sector refineries. In July, 1964, followed the commissioning of the refinery at Barauni in Bihar. Both these refineries are based on crude supplied from oil fields of Assam. The discovery of crude oil in Gujarat made it possible to set up a third refinery, called the Gujarat Refinery near Baroda. The refinery was commissioned on 11th October, 1965.

16.4 On the distribution side, the State entered the oil industry in June, 1959, with the formation of Indian Oil Company Limited on 30th June, 1959. With effect from 1st September, 1964, the Indian Oil Company Limited and the Indian Refineries Limited,

were merged to form the Indian Oil Corporation Limited with registered office of the Corporation at Bombay, the former forming the Marketing Division and the latter forming the Refineries Division of the new Corporation. By a subsequent order of the Government of India, another Division, called the Pipeline Division, was created on 11th March, 1965.

Employment, Training and Recruitment

16.5 Oil refining is a capital intensive industry. Its technology undergoes a change continuously; a unit established now becomes obsolete a few years hence. The total labour force required for manning the unit is low. The table (margin)

Table 16.2

Year	Total Employment (both marketing & refining)
1960	24,188
1961	23,336
1963	23,372
1965	24,202*

*includes figures in respect of pipelines section also.

(Figures relate to Burmah-Shell, ESSO, Caltex and IOC)

Source: Study Group Report.

years 1960-65 from which it would be clear that the employment remained more or less constant with the advance of years.

16.6 Because of the peculiarities of the industry, a worker knowing only one craft will not be of much use to it nor will there be any appreciable advancement for him. If he has to be continuously employed and to enhance his own prospects, a worker must be conversant with more than one craft. A mere unskilled worker doing only one type of manual labour has not much of a place in this industry. Therefore, in recruiting workers

the employer will look to basic educational qualification and the aptitude for acquiring more than one skill. The industry needs far more semi-skilled and skilled workers than unskilled. The establishments in the industry, therefore, have a comprehensive scheme of training for higher skills. Looking to more than one operation for a worker in the industry is not uncommon.

16.7 Recruitment to the industry whether in the private sector or the public sector, is resorted to by notifying the posts to the Employment Exchanges, by advertisements in the newspapers, through the employees engaged in the establishment, from amongst the apprentices working in the various establishments and even from amongst the applications received directly by the establishment. Recruitment to semi-skilled, skilled and technical posts presents some difficulty. Employees are recruited from all over the country. Scarcity in certain categories is felt, particularly on the refining side. Skilled fire fighting operators, instrument technicians and process operators are in short supply. Some companies have their own training programmes also. Even with all these training arrangements, employment at least on the refining side, is restricted. When new units are added to an existing establishment, it does not generate extra employment.

16.8 During the last two years there has been dissatisfaction among employees of foreign oil companies over the question of job security and operation of voluntary retirement schemes. The Burmah Shell Marketing Company alone has entered into long-term settlements with unions in the various regions covering both the points. These settlements cover about 87% of the Company's all-India strength.

This matter was discussed in a tripartite committee. The representatives of foreign oil companies and employees' organisations met in April, 1967 but no agreement could be arrived at. Government, therefore, appointed a Commission of Enquiry under the Commissions of Enquiry Act, 1952, which has reported recently.

Contract Labour

16.9 . A study undertaken by the Labour Bureau brings out the nature of contract labour employed in refining :
and marketing wings of the industry. In the refineries section the following jobs are generally given for execution to contractors:

- (i) Civil, mechanical, electrical works for the construction of a refinery,
- (ii) Construction of townships,
- (iii) Periodic grass-cutting and removal of woods within the refinery premises,
- (iv) Modification of production units,
- (v) Erection of new machinery or special repairs to existing plant and equipment at the time of periodic or emergency shut-downs,
- (vi) Periodic painting of buildings, structures, columns and other equipment,
- (vii) Temporary work pertaining to civil, mechanical or electrical construction which may become necessary for a running refinery.

16.10 On the distribution and marketing side a contractor is preferred for

- (i) Loading and unloading of bulk and packed products, stacking and unstacking of packed materials, filling of tank wagons, tank lorries, barrels, tins, etc.

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- (ii) Carting of packed petroleum products from Depots to Railway Goods-sheds and vice-versa,
- (iii) Transporting of bulk/packed products from Depots/ Installations/Terminals and up-country Depots or Agents. General maintenance of and repairs to plants, equipment and building, painting of tanks, etc.

This arrangement was not considered satisfactory by unions.

The agreement they had with the IOC now requires that

- (i) the management will ^{communicate} to the unions within a period of two months from the date of the agreement, a list of jobs given on contract basis to outside agencies. This list shall include job-description, names of the contracting parties, number of workmen involved, the date on which the contract is scheduled to expire;
- (ii) The unions, thereafter, will send their reply within the next two weeks showing where contract system can be abolished immediately or gradually;
- (iii) Thereafter the parties will jointly discuss and negotiate the jobs on contract system by keeping in view the decision of the Supreme Court in the case of Esso Refineries (Stanvac Refineries), Bombay, at the Regional level;
- (iv) The procedure as laid down in (i), (ii), and (iii) above, shall not prevent the parties to arrive at ad hoc settlements on any job or jobs given on contract system without waiting for formalities.

16.11 A similar long-term settlement was signed by the management of the Burmah-Shell with its two unions in Bombay in 1967.

Working Conditions

16.12 Refineries and depots (on the distribution side) employing more than 10 persons are covered by the Factories Act, 1948. But this does not make any difference to the conditions in units not covered. Provisions regarding hours of work, rest intervals, weekly day of rest, overtime payment, occupational diseases, safety and welfare, etc. are similar in both and considered to be

satisfactory. Employees of the administrative offices - whether on the refining side or the marketing side - are covered by the Shops and Establishments Act; they do not have any special difficulties either.

16.13 Leave: The quantum of leave varies from company to company. The employees get anything from 27 to 30 days' earned leave. They also get casual leave from 7 to 12 days and sick leave which varies from 7 days on full pay to 21 days on half pay. They are also entitled to festival holidays from 8 to 18 days varying from establishment to establishment or centre to centre.

16.14 Safety: The industry is open to risks and hazards of fire and explosion. Safety precautions are thus essential for smooth running of the industry. Friction between the various parts of the machinery, possible leakage at different stages plus human failure all make a careful watch imperative. Fire fighting equipment and personnel trained in combating fires are essential. With all these inherent risks, incidence of accidents appears to be low.

16.15 Health: Minimum health standards are maintained by various establishments. Employees are required to undergo medical examination.

Trade Unions and Employers' Organisations

16.16 Unions: Workers in the industry are well organised. They are educated and the industry employs a good number of semi-skilled, skilled and other technical staff. The industry is located in the different parts of the country. In the middle and senior levels,

16.8

there is a mixture of workers belonging to different language groups, also belonging to different regions. There are two federations in the industry:

1. All-India Petroleum Workers Federation (AITUC), and
2. National Federation of Petroleum Workers (INTUC).

Individual unions are affiliated to one or the other federation though a few are affiliated to neither. In spite of the multiplicity the industry has been able to maintain a fair record of industrial harmony.

16.17 A few unions of management/supervisory staff have been formed in some units and have been registered under the ^{Indian} Trade Unions Act, 1926. These are as follows:

- Refineries: Bombay : Esso Refinery Management Staff Association.
- Marketing: Bombay : Burmah-Shell Management Staff Association.
Madras : Burmah-Shell Management Staff Association.

Industrial Relations

16.18 Supply and distribution of petroleum products is a public utility service and is included as such in the First Schedule of the Industrial Disputes Act, 1947 in the State of Assam, Gujarat, Madhya Pradesh and Maharashtra. Petroleum refining is also declared a public utility in the States of Maharashtra and Gujarat. Since workers are well organised and the employers responsive, collective bargaining plays an important role in the industry, though in the earlier years i.e. upto 1953, disputes were settled more by adjudication.

16.19 Works Committees, Joint Management Councils: Works Committees have been set up in the oil industry. But as in other industries, they have an indifferent record of success in spite of the fact that the unions are well established and workers are educated. Joint Management Councils have not been formed in the industry.

Wages and Welfare

in the industry

16.20 Classification of jobs/is not uniform. The scales of pay also vary from company to company. The rates of dearness allowance vary from company to company, though uniformity exists as between refineries. Refining and marketing sections even under the same company have different D.As. Marketing sections of different companies show a variation. Thus there is complete divergence in the designations, rates of wages and rates of dearness allowance existing in the industry. The fixation of scales of pay for different jobs, in the initial stages, was according to the assessment of the individual company. Recently long term settlements have been arrived at between the unions and the managements.

16.21 Employees on the refining side have benefits of housing, cooperative societies, free supply of uniforms, subsidised canteen facilities, leave travel concessions, sick leave with pay, medical facilities, provident fund, festival holidays with pay and gratuity. On the marketing side, however, the fringe benefits are less extensive. A statement showing the features of gratuity scheme in the leading establishments of the industry is given in Annexure. Where statutory provisions so require, canteen facilities have been provided in the marketing sections also. Leave travel concessions have been provided

in some units. The workers of Indian Oil Corporation get benefit of water and electricity at very nominal rates. They have fully equipped hospitals in townships and concessional transport is provided for them. Leave travel concession is also afforded by some of the units.

Social Security

16.22 Ex-gratia financial assistance is given to the employees of Burmah-Shell (marketing and refining), Esso, Caltex and IBP (marketing) towards the cost of medical treatment incurred by employees of these companies. Where the Employees' State Insurance Act, 1948 is applicable, some companies pay the difference between the daily earnings and compensation as is available under the Employees' State Insurance Act and the period of sickness is debited to the employees' sick leave account. The employees of the Indian Oil Corporation are covered by the Central Services (Medical Attendance) Rules and the benefits are available to the dependants of the employees who come under the definition of 'family'.

16.23 In Burmah-Shell, Caltex, Esso and IBP (marketing), the compensation paid to a worker for disability resulting from industrial accidents is more generous than what is provided under the law. The management not only supplements medical treatment as is available under the Employees' State Insurance Scheme but also gives the employee his basic pay and cost of living allowance for such purposes as is provided by

the management. However, the benefits paid by the company are reduced to the extent the benefits under the Employees' State Insurance Scheme are available to the employee.

16.24 The Employees Provident Fund schemes are applicable to the marketing and refining organisations in the industry. The various units in the oil industry had their own Provident Fund Schemes and when the Employees Provident Funds Act, 1952 came into force, the employees were given an option either to opt for the scheme under the Act or to continue with the scheme of the company. The schemes have been recognised under the Employees Provident Funds Act, 1952.

16.25 Schemes of gratuity prevail in the Indian Oil Corporation (both marketing and refining), Esso (refining and marketing), Caltex (refining) and Assam Oil Company, Burmah-Shell (marketing and refining) and Caltex (marketing). The details of gratuity are given in ^{the} Annexure.

(i)

ANNEXURE

Ref. para 16-25)

GRATUITY - A comparative statement showing the main features of Gratuity Schemes applicable in the IOC and Private Sector Oil Companies.

(Sources of Information - Companies concerned)

HEAD Organisation.	Type of Employees Entitled.	Employees Specifically Excluded.	Rate (unit)
(1)	(2)	(3)	(4)
IOC (Ref. Divn.)	All Employees Other Than Officers, in Regular Payscale.	Employees separated before the introduction of the scheme.	1/2 month's emoluments for each completed year.
IOC (Marketing Division)	All Regular Workmen	Employees separated before the introduction of the scheme.	Same as for IOC (R.D.) staff.
Caltex (Refining)	All Permanent Employees (Workmen as well as Supervisors)	Employees placed on Home Leave basis and those separated prior to the introduction of the scheme.	1 month's salary for each completed year of service.
Assam Oil Co.	Workmen not Covered by Pension Scheme.	Presumably the employees separated from the Co. before the introduction of the scheme.	30 days basic pay for each year.
Assam Oil Co.	Workmen covered by Pension Scheme.	As for workmen not covered by Pension Scheme.	30 days basic pay for each year.
Esso (Refining)	Regular Employees Constituting Permanent Resident Staff.	i) Employees separated before the introduction of the scheme. ii) Employees covered by Company's pension plan.	One month's "Compensation" for each year (counting each completed month as one-twelfth of a year)
Esso (Marketing)	As for Esso (Refining)	As for Esso (Refining)	As for Esso (Refining)

(ii)

ANNEXURE (Contd.)

HEAD Organisation	Mode	Qualifying Service	Maximum Limit
(1)	(5)	(6)	(7)
IOC(Ref.Divn.)	Lumpsum	Death-Disability - none Retirement) Superannuation) 5 yrs. Retrenchment) Termination° (Misconduct) - 10 yrs. Resignation - 15 yrs.	15 times* monthly emoluments or Rs.24000 whichever is less. * i.e. 30 units.
IOC(Marketing Division)	Lumpsum	IOC(RD) staff	IOC(RD) staff
Caltex (Refin- ing)	Either lump sum or in three annual instalments, at the request of employee	Death,Disability - none Retirement + - none Termination - 5 yrs. Resignation - 15 yrs.	15 units
Assam Oil Co.	Lumpsum	Death,Disability - none Retirement + - none Retrenchment - none Resignation - 15 yrs.	Rs.2500 or as calcula- under different heads whichever is higher for only those who are eligible for maximum gratuity unde respective heads.
Assam Oil Co.	Lumpsum	Death,Disability-none Retirement + -none Retrenchment - none Resignation - 15 yrs.	20 units
Esso (Refining)	Lumpsum	Death,Disability - none Retrenchment Termination - 5 yrs. Resignation - 15 yrs.	15 units.
Esso (Marketing)	As for Esso (Refin- ing)	As for Esso (Refining)	As for Esso (Refining)

Contd...

Contingencies when payable

HEAD Organisation	Death & Permanent Mental or Physical Disability	Retire- ment Superann- uation	Retren- chment.	Resigna- tion Volun- tary Retire- ment.	Termination/Discharge/ Dismissal
(1)	(8)	(9)	(10)	(11)	(12)

IOC(Ref.Divn.) Service Amount For As for Payable, Payable if service
under 2 months' ser- retire- if ser- more than 10 yrs.
1 year emolu- vice ment vice at the rate of 1/2
ments of more (Sup) more unit per year MD
1-5 yrs. 4 mon- than 5 yrs. than 15 to decide for
ths' as per "Rate" as per remaining half.
emolu- Sub- as per
ments ject to maxi- "Rate"
5 or 8 mon- to maxi-
more ths' mum of
or emolu- 30 units
ments.
As per "Rate"
whichever is more.

IOC(Market- As for IOC(RD) IOC(RD) IOC(RD) IOC (RD) If service for 10
ing Divi- staff staff staff staff staff or more than 10
sion) the rate is 3/4 ths
upto 15 yrs.
the rate is 3/4 ths
of the unit. If
service is 15 yrs.
or more then pay-
able as normally.

Caltex As per "rate" As per As for 15 units Termination:
(Refining) Maximum limit: "Rate" "Termi- after If service more than
15 units. Maximum limit: nation" complet- ing 15 yrs. @ 1/2 unit;
15 units. 15 units. ct from service. 10-15 yrs. @ 3/4
dis- unit; 10 or over 15:
missal) As per "Rate" Mis-
conduct: At Co.'s

ANNEXURE (Contd.)

	Contingencies		when payable		
HEAD Organisation	Death & Permanent Mental or Physical Disability	Retire- ment Supera- nnuation	Retren- chment.	Resigna- tion Voluntary Retire- ment	Termination/Dis- charge/Dismissal
(1)	(8)	(9)	(10)	(11)	(12)

discretion to der-
benefit.

Assam Oil Co.	As per "Rate" subject to maximum of 20 units	As per "Rate" subject to maximum of 20 units	As for "Termination" (as distinct from dismissal)	As per "Rate" subject to maximum of 20 units, after completing 15 yrs. service.	Termination: For case other than misconduct As per "Rate" subject to maximum of 20 units after completing 15 yrs. service @ 1/2 unit. For case of misconduct listed below no gratuity payable (i) moral turpitude (ii) financial resulting from misconduct or (iii) damage to Co.'s property.
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Assam Oil Co.	As per "Rate" subject to maximum of 20 units	As per "Rate" subject to maximum of 20 units	As for "Termination" (as distinct from dismissal)	As per "Rate" subject to maximum of 20 units, after 15 yrs. service.	As for workmen not covered by Pension Scheme.
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Esso(Refining)	As per "Rate" subject to a maximum of 15 units.	-	As for "Termination" (as distinct from dismissal.)	As for "Rate" subject to a maximum of 15 units, for service over 15 yrs. or more	Termination: Service if over 10 yrs. and less than 15 yrs. @ 1/2 unit. Over 15 yrs. @ 1 unit. 15 yrs. or over 15 yrs. 15 units
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Esso(Market-Refining)	As for Esso (Refining)	-	As for Esso	As for Esso (Refining)	As for Esso (Refining)
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(v)

ANNEXURE. (Contd.)

HEAD Organisation	Emoluments (Defined)	Remarks
(1)	(13)	(14)
IOC(Ref.Divn.)	Average of Basic pay, DA, Personal Pay, Spl. Pay drawn during 12 months preceding separation. Max.Emoluments-Rs.1800	
IOC(Marketing Division)	Average of basic pay, DA, Spl. pay drawn during 12 months preceding separation Max. emoluments - Rs.1800	
Caltex (Refining)	Basic salary or wage, last drawn.	
Assam Oil Co.	Final rate of Basic Pay.	
Assam Oil Co.	Final rate of Basic pay.	
Esso (Refining)	"Compensation" is the final rate of fixed rate of fixed basic salary or wage + DA or high cost of living allowance.	(For service prior to 1.11.54, in the event of death, termination, of employment & resignation, a lumpsum allowance @ 10% of fixed basic salary or wage during each yr. of service will be payable)
Esso (Marketing)	As for Esso(Refining)	(A lumpsum allowance calculated as for ESSO(Refining) but limited to amount that exceeds Co.'s contribution to P.F. for service prior to 1.11.1954.

NOTE: Information regarding Burmah-Shell (Marketing & Refining) and Caltex (Marketing) not available.

+ Superannuation

o Termination due to misconduct.

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NOTE: Information regarding Annex-2 (a) (b) (c) & (d) is not available.

+ Superannuation

+ Taxation due to withdrawal

17. COTTON TEXTILES

Among the countries which produce cotton cloth, India holds the third place, next to America and China. It ranks second in the world's cotton textile trade. The industry is the largest employer in the country with more than 9 lakh men and women directly employed. The industry has assets worth more than Rs.900 crores, a paid-up capital of 165 crores and a history of 115 years. In 1966 there were 575 cotton textile mills of which 283 were spinning mills and 292 were composite. The turnover of mills in 1967 was about Rs.520 crores of cloth and Rs.260 crores of yarn. The value of cotton consumed was Rs.418 crores and the wage bill was in excess of Rs.200 crores. The industry has a sizeable export market. All the mills are covered under the Factories Act, 1948, along with some of the larger powerloom units and handloom units. In 1965, the total number of units registered under the Factories Act was more than 2,000. Between them they provide sustenance to about 8.5 lakh workers. For several reasons, therefore, the industry has an important place in the country's economy.

17.1 This is the one industry in which employers and workers are organised both at the all-India level and at different centres which have a sizeable number of units. Government's interest in the industry would be seen by the setting up of the office of the Textile Commissioner to regulate, plan and develop the activities of the industry. There are several well-organised textile research associations for the industry which advise on the application of knowledge of science to the problems of the industry.

17.2 The industry is concentrated in a few centres, the most important of which are Bombay City and its suburbs, Ahmedabad, Coimbatore, Kanpur, Calcutta, Indore and Delhi. During the post-Independence period, expansion of the mill-sector has been restricted, particularly in regard to loom capacity to give protection to handloom and powerloom sectors. Thus production of cloth in the handloom and powerloom sectors increased by more than 200% between 1951 and 1966 as against 14% only in the industry. The industry has now taken to processing of cloth on a larger scale than before. Production of yarn, however, increased by about 53% during the same period.

Units in the industry vary considerably in size, paid-up capital and in other respects. While the best mills in this country compare favourably with mills abroad, there are many units where efficiency requires to be considerably improved. Average level of productivity for the industry as a whole is, therefore, low. Modernisation, rehabilitation and rationalisation have been the problems of the industry since the end of the Second World War and even earlier. A Working Party for the industry appointed in 1950 remarked "the industry is working with plant and machinery most of which is not only old but completely out-moded and renewal of machinery is an urgent problem of the industry." Another Working Group in 1960 found that the position had worsened since. A manifestation of these problems has been the closure of many mills due to uneconomic working. Some of them are run by Government through authorised controllers.

17.3

17.3 The Economic and Scientific Research Foundation has in a recent study estimated the total demand for textile cloth in 1975 at 13,100 million metres on the basis of a per capita of 20 metres. Considering the growing competition from man-made fibres the Federation is of the view that the share of cotton textiles in the total demand for fabrics will decline from 90% in 1964 to about 75% in 1975. It thus arrives at a figure of 9,080 million metres as the estimated total demand of cotton fabric 1975. The Indian Cotton Mills Federation is of the view that this estimate is on the low side and that the demand of cloth in 1973-74 will be between 9,334 million metres and 9,574 million metres. The total production of cotton cloth in 1966 was of the order of 7,336 million metres (4,239 million metres produced by mills and 3,097 million metres produced by handloom and powerloom units) and thus by 1975 the present level of production will have to be stepped up by roughly 2,000 million metres. How much of this increased production will be met by the mills sector and how much by the handloom and powerloom sector is a matter difficult to predict; but in 1966 the relative share of the two sectors was 58 : 42 respectively. On this basis there is no doubt that the industry as a whole will have to be poised for higher output in the long run. The Draft Fourth Plan has targeted an output of 9350 million metres of cotton textile.

Annexure I

17.4 The statistics presented at Appendix A, compiled from the Census of Manufactures and Annual Survey of Industries covering larger registered factories (both mills and powerlooms)

will give a bird's eye view of the working of the industry. The figures show that productive capital employed per worker and gross output per worker have doubled during the period 1949 to 1963. Ratio of gross output to fixed capital has consistently declined and ratio of gross output to input has generally shown minor fluctuations. A more refined analysis of the data by the Delhi Institute of Economic Growth (Wages and Productivity in Cotton Textile Industry in India by J.N.Sinha and P.K. Sawhney, Feb. 1968) reveals that the percentage share of labour in net distributable output has varied from 58.4 to 76.1 and correspondingly that of capital from 41.6 to 23.9. The Institute's study also shows that the larger share of labour has contributed to a rise in the real earnings of employees at the average rate of 1.2 per cent per year during the period 1950 to 1963 which is slightly higher than the rate of rise in per capita national income at constant prices for the same period. The rate of return on capital has ordinarily ranged from 6 to 10 per cent.

Employment and Related Matters

17.5 Level of Employment: The figures given at Appendix B indicate the trends in employment in the industry. Data in columns (2) and (3) of ^{Annexure-II} ~~Appendix B~~ are in respect of factories registered under the Factories Act and those in columns (4) and (5) are in respect of spinning and composite mills only. Employment data in column (3) are subject to several limitations, differences in response from year to year, and it is difficult to come to any conclusions. However, employment data for the mills, given in column (5) show that after a decline in 1958 and 1959 employment showed a rising trend from 1960 to 1964; and a decline thereafter.

Quality of
replies from
responding
units

declining The trend appears to have been checked in 1967 when employment was marginally higher than in 1966. Our Study Group for the industry is of the view that the employment potential in mills is not likely to increase; "the utmost that can be expected is that the present level of employment should be maintained and at the same time a higher level of productivity should be achieved". The Study Group has found that the decline in employment is particularly marked for women workers and recommended an amendment to the Factories Act so as to enable women workers to work in the evening and for shorter hours.

17.6 The phenomenon of closure of mills in the industry has attracted a good deal of attention. Out of about 600 mills in the country, some 20 to 30 remain closed at any given time owing to various reasons, e.g. inefficient management, financial difficulties and old and worn out machinery. During periods of recession or crisis in the industry, more mills have been closing down because of uneconomic working. One such period was 1958-60 and again from the latter half of 1965 more closures of mills are taking place in the industry. At the end of March, 1969, 80 mills remained closed affecting about 85,000 workers. The cases of closed mills are examined on individual basis by Government and suitable action is taken in each case either by grant of financial assistance to the concerned mill to re-start or by placing the mill under an Authorised Controller appointed under the Industries (Development and Regulation) Act, 1951. At present 12 mills are being run by Authorised Controllers. A new Act called the Cotton Textile Companies (Management of Undertakings and Liquidation or Reconstruction) Act, 1967, has been enacted to

enable Government to manage a cotton textile mill, and simultaneously liquidate it as a running concern, or suitably re-construct it. A Textile Corporation has also been set up inter alia to deal with mills as may be taken over by Government.

17.7 Employment Pattern : According to the occupational wage survey in 1958-59, some 250 different occupations were recorded in the cotton textile industry; but 25 of them accounted for about 76 per cent of total employment. Important occupations together with approximate percentage employment accounted for by each were : weavers (20%), double sider (7%), general mazdoor (5%), doffer boy (10%), winder (5%), single sider (7%) and reeler (8%). Women formed about 7% of total employment and were mostly employed in occupations like winder, tape woman, reeler, doffer and waste picker. Of the total workers employed in the industry, about 88% were permanent, 6% temporary, 5% badli and the remaining 1% were casual workers and apprentices. In the industry, time-rated workers constituted 57% and piece-rated workers 43%.

17.8 In the absence of comparable data for pre-Independence period, it is difficult to judge how the employment pattern has changed over the years. The indications are, however, that a slow process of modernisation and rationalisation has been at work in the industry; as a result the proportion of unskilled labour (which included a large complement of women labour) has declined. It is possible that the industry will have to change its character from being labour-intensive to becoming capital-intensive and it will have to go in for a further measure of rationalisation to compete with the outside world. This will mean new occupations of higher skills and increase in the proportion of skilled workers.

17.9 Recruitment practices: By 1947, recruitment of workers through mistries and jobbers was already on the decline. Today the most prevalent practice is to recruit workers at the factory gate directly by the managerial staff. A survey of labour conditions in cotton textile factories conducted by the Labour Bureau in 1960-61 revealed that 85.3% of workers were directly recruited by the management (62.8% at factory gates, 10.1% through departmental heads and 12.4% through Labour Offices or Employment Bureaus). In some textile centres, factories keep a badli register in which the names of non-permanent workers are entered. The badlis report to the factory gates every day and are employed in the places of absent permanent workers or vacancies of permanent workers. This system is reported to have proved very useful in preventing loss of production and as a training ground for new entrants. Introduction of decasualisation scheme at three large centres of the industry, viz. Bombay, Ahmedabad and Sholapur is also an important development in the post-Independence period. Under the scheme, all potential recruits to the industry at the respective centres are registered and properly classified and vacancies occurring in individual factories are filled from such persons according to well-regulated procedures.

17.10 Training: The categories of skilled workers in short supply are weavers, piecers, four-siders, drawers-in, boiler attendants, turners, and fitters. The Indian Cotton Mills Federation has pointed out that "although one of the objects of the Decasualisation Scheme is to encourage systematic training of textile workers for ensuring steady supply of efficient workers,

no positive steps seem to have been taken by the Scheme in this direction". Even the individual mills have not made proper arrangements for training their workers. The Survey of Labour Conditions (1960-61) revealed that only 12% of the cotton textile factories in the entire country had arrangements for training; in 9 cases out of 10 there was no regular scheme and training was imparted on ad hoc basis only. Our Study Group has also drawn attention to this problem.

Working Conditions

17.11 The Indian Cotton Mills' Federation has stated that by and large the requirements of Labour Laws are being observed by the industry. This is a confirmation of the conclusions reached

in the 1960-61 survey; / The working conditions have improved since the defaulter's were generally smaller factories. Independence mainly as a result of the provisions of the Factories Act, 1948. More still remains to be done to secure better implementation. In fact during the family/living surveys conducted two years back workers complained about inadequate attention by management in this regard.

17.12 Paid Leave and Holidays: The Indian Cotton Mills' Federation has pointed out that though the Factories Act lays down the quantum of paid annual leave for workers on a uniform basis, some industrial courts/tribunals have been awarding additional annual leave on demands by unions. As a result, workers in different regions/industries get different quantum of annual leave; and this is undesirable. Besides paid annual leave, workers get paid festival and national holidays. There are variations in the extent of paid national and festival

holidays for workers in different regions. The Supreme Court had occasions to refer to too many holidays in industrial concerns. On this basis, a suggestion has been made by the Indian Cotton Mills' Federation that the total number of holidays, including national and festival holidays and weekly-off provided under the Factories Act, should not exceed 55 in a year.

17.13 Work Injuries: The frequency rate of fatal injuries in the textile industry has been lower than the overall frequency rate of such injuries in all registered factories during the last 10 years but the frequency rate of non-fatal injuries in the industry has been higher than the overall rate. General view is that arrangements for proper training of new entrants, refresher courses for workers already employed and proper implementation of the existing provisions of the Factories Act will go a long way to bring down the rate of injuries. Provision of safe conditions at work-places and safe working environment is primarily the responsibility of employers. In regard to the work of training new entrants and conducting refresher courses for those already in employment, the Indian Cotton Mills Federation suggests that it should be undertaken by Government or the Employees' State Insurance Corporation or it can be entrusted to voluntary organisations with suitable subsidies from Government.

Wages, Earnings and productivity.

17.14 Wage developments: Substantial revisions of wages and allowances have taken place in the industry in the post-Independence period. In Ahmedabad, Bombay and Sholapur, wages in the cotton textile mills were standardised in 1947 or 1948 by the awards of the Industrial Court, the rates of dearness allowance in Bombay were further revised in 1955 by the Labour Appellate Tribunal. Uniformity in the minimum rates of wages in Madras State was brought about for the first time in 1947 under the award of the Venkataramanaiya Court of Enquiry; an agreement on standardised wages came into effect in Coimbatore District in 1955. Wages in Cotton Mills in West Bengal were revised by awards of the Industrial Tribunal in 1948 and in 1958.

17.15 In 1957, the first Central Wage Board for Cotton Textile Industry was set up to look into the wage structure on an industry basis. The Board's recommendations, applying to all composite and spinning mills, came into effect from 1.1.1960, for a period of 5 years. The Board's recommendations meant a flat increase of Rs.6 in certain centres and Rs.8 in the more advanced ones. In August 1964, a second Wage Board for the industry was set up. Its recommendations are being processed within Government. Thus, the wages at present being paid by the textile mills are based on the recommendations of the first Central Wage Board. A comparative position of the monthly wages and dearness allowance of the least skilled worker in the industry in 1947 and 1967 for a few centres is given at ^{Annexure-III} Appendix C. The first Central Wage Board for the industry had recommended that there should be consolidation of

dearness allowance with basic wage at an index which would yield an amount equal to three-fourths of the average dearness allowance of the first six months of 1959. In effect, however, the consolidation has not taken place.

17.16 Wage differentials: The recommendation of the First Wage Board and the size of the dearness allowance in proportion to basic wage have had the effect of upsetting ^{wage} differentials in the industry. This aspect of the wage structure in the industry has been criticised on the ground that existing differentials ~~leave~~ have no scope for efficiency. The centrewise differences are even more anomalous. The occupational wage census (1958-59) gives figures of average daily pay-roll earnings in 1958-59 of workers in comparable occupations at different centres. These figures show that pay-roll earnings in Bombay are almost twice as much as in Calcutta and more than twice the pay-roll earnings in Bangalore.

17.17 Payment of results: The wage census (1958-59) revealed that about 43% of the workers in the registered factories are employed on straight piece rates. In cotton mills this percentage has been estimated to be about 60% now by our study group. Wages in the industry are not linked to productivity. The First Central Wage Board for the industry found that neither the employer nor labour favoured any system of progressive rates of incentives and they felt that the present system of payment by results or straight piece rates should not be disturbed. The Board did not wish to go counter to this view but expressed the hope that within the period of 5 years, over which the increased wages recommended by ~~its~~ it would run, desirable minimum standards in working conditions and workloads would have been attained. While this expectation has not been

fully met, the Study Group on the Cotton Textile Industry has pointed out "in recent years, however, there has been a change and managements as well as trade unions have shown a willingness to determine work allocation on the basis of working conditions existing in individual mills." The Study Group has pointed out that the nature of work in the industry and the disproportionately large element of dearness allowance, paid at a flat rate, militate against introduction of incentive wages successfully in the industry.

17.18 Trends in Wages and Productivity: On long term trends in productivity and earnings in the industry up-to-date figures are not available; but the following are the results of a study made by the Labour Bureau covering the period 1947 to 1961 on the basis of data contained in the annual Census of Manufacturers up to 1958 and thereafter in the Annual Survey of Industries.

Table 17.1

Year	Index of Labour <u>Utilisation</u>		Index of materials utilisation	Index of capital utilisation.	Index of average earnings of workers	Index of real earnings of workers
	Gross output employ- ment.	Net output employ- ment.	Gross output materials	Gross out- put/Fixed Investment.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1947	100	100	100	100	100	100
1951	117	143	100	98	135	112
1956	140	195	108	105	151	125
1961	141	132	94	77	199	137

(Source:- Figures in columns (2) to (6) taken from the Report on Trends in Utilisation of Labour and other Inputs in the Selected Industries by Labour Bureau, Government of India-Table 2,3, page 23. Figures in column (7) have been derived by dividing figures in column (6) by the corresponding All-India Consumer Price Index Numbers on Base 1949=100, as published by the Labour Bureau on page 179 of the Indian Labour Statistics, 1963).

The above figures show that till 1956, the index of labour utilisation (which is the same thing as the index of labour productivity) advanced faster than the index of real earnings, probably as a result of the process of mechanisation/rationalisation; but by 1961, when the recommendations of the first Central Wage Board were implemented, the two were almost at par.

17.19 Our Study Group on the Cotton Textile Industry has pointed out that the rate of increase in productivity in this country has been much lower than in other countries. It has stated that the number of workers employed for 1000 spindles up to spindle point varies from about 4 to 10 in India as against from 1.5 to 4.5 in Japan. It may also be stated that since 1965 the industry has been facing many difficulties. A slump has set in, production of mill-made cloth has declined, spindle activity has come down appreciably, the cotton crop has been low, imported raw cotton is not available in needed quantity, cost of production has increased owing to sharp rise in the prices of raw cotton, stores, electricity and in dearness allowance of employees and the profitability of the mills has been substantially reduced. For placing the industry on a firm and stable footing, the Study Group has recommended that the industry should be supplied with adequate quantities of cotton of various qualities at prices which are on par with world prices, modernisation should be given a very high priority and special financial arrangements made for that purpose and supply of machinery, stores and accessories should be of high quality. The Study Group has further recommended that mills, in which the machinery buildings, etc., are old and outdated and are impossible of economic running even after modernisation, should

be scrapped and a suitable scheme at the national level should be evolved in order to avoid the misery of unemployment for workers of the mills to be scrapped.

17.20 Annual Bonus: Since 1950, bonus in the textile industry was paid on the basis of the Labour Appellate Tribunal formula, which made provisions for rehabilitation and modernisation and then allotted a share of the remaining profits as bonus. A legislation on the subject was enacted in 1965. Certain provisions of the Act have come in for criticism by employers and workers but as our Study Group has pointed out the effect of the Act can only be known after some time.

Social Security.

17.21 It is in the field of social security that a marked advance has been made since Independence. When the Labour Investigation Committee reported only a few benevolent employers had introduced provident fund scheme and a few paid pension or gratuity to their old employees. These benefits were by no means extensive. Only one cotton textile factory each in Punjab and Delhi had a sort of a Sickness Insurance Scheme. At present three-fourths of workers employed in the industry have provident funds, almost all the textiles centres. Workers (at some centres their families also) enjoy medical benefits under the Employees' State Insurance Scheme; in several regions of the country gratuity schemes have been introduced for the workers. Workers are also entitled to retrenchment and lay-off compensation.

Trade Unions

(1944-46)

17.22 Growth of unions: The Labour Investigation Committee observed that "in spite of the changed outlook of both of the State and the employers so far as trade unionism is concerned, it

has not yet come into its own." Since then, there has been a marked change in the situation. The Survey of Labour Conditions (1960-61) revealed that 65% of the registered factories had unions recognised by management and 66% of the workers in registered factories were members of unions.

17.23 Apart from the Textile Labour Association of Ahmedabad, which has a host of activities to its credit and a consistently following in the last forty years, there are a number of unions at other important textile centres such as Bombay, Coimbatore, Indore, Kanpur, Madurai and Calcutta, affiliated to different central organisations. Generally, the unions have on their rolls workers from different textile mills of the centre with representation for the workers of individual mills on the committee of the union. This form of union organisation has been instrumental in bringing about uniform conditions of work in a centre/region.

17.24 Multiplicity of Unions: Attempts to establish a single union for the industry at a centre have so far met with little success in Ahmedabad and Indore centres other than Bombay, where recognition of one union in the industry has been provided for under the Industrial Relations Acts for the State. The employers are of the view that the present legal framework for registration and recognition of unions under the Indian Trade Unions Act and Industrial Disputes Act encourage inter-union and intra-union rivalries. On the other hand, some of the trade unions have voiced the feeling that managements try to impose a union of their liking on the workers sometimes with the connivance of Government Departments. Employers would like to deal with one strong union which can deliver the goods at plant level or industry level; but opinions vary as to how this can be achieved.

17.25 On the whole unions in the industry have shown results and been able to safeguard the interests of the workers. They have shown a maturity of development judging from the number of agreements on several issues in labour management relations.

Industrial Relations.

17.26 Work-stoppages: Statistics of industrial disputes resulting from work-stoppages in the industry are given below:

<u>Year</u>	<u>Table 17.2</u>	
	<u>Number of disputes</u>	<u>Number of man-days lost (000)</u>
1951	221	1,557
1956	203	2,010
1961	129	878
1966	193	916

The total man-days lost due to strikes and lock-outs have been lower than 1% of total man-days available for work. Over the last decade, disputes relating to wages and allowances accounted for about 18% of total time loss. Since 1961, there has been generally a decline in the time-loss in the industry due to strikes and lock-outs.

Machinery for settlement of disputes:

17.27 According to the procedure at present followed for settlement of disputes, the unions generally take up major disputes involving a large number of workers, with the management. If no solution is arrived at, the dispute may go to the Conciliation Officer of the State or may even be taken up before an Industrial Tribunal set up under the Industrial Disputes Act. In centres where there is a concentration of the industry and organisations of

employers and workers, disputes involving the entire industry are usually discussed between the two organisations. Unresolved disputes will go before an Industrial Tribunal for settlement.

17.28 A special mention should be made of one more machinery for settlement of disputes which is prevailing in the Bombay cotton textile industry. This machinery which is called "Joint Machinery for Settlement of Industrial Disputes" has been set up by an agreement between the Millowners' Association, Bombay, and the Rashtriya Mill Mazdoor Sangh, Bombay, by a Submission dated 18th September 1956, entered under section 66 of the Bombay Industrial Relations Act, 1946. This Machinery has worked successfully. There was almost no instance where the Committee of two Assessors, one representing the Association and the other representing the Sangh, could not come to unanimous decision on a dispute referred to it. In other words, there was no occasion to make a reference to the Board of Referees. It may be mentioned that during the last 12 years 450 disputes were referred to the Joint Machinery. The awards have been given by the Committee of Assessors in respect of 340 disputes. The disputes relating to individual mills as well as industry-wise disputes are referred to the Joint Machinery.

17.29 Joint Consultation: Measures introduced by Government to improve industrial relations are: formation of Works Committees or Joint Committees, Joint Management Councils and arrangements under the Code of Discipline. Though Works Committees/Joint Committees have been set up in most of the mills, these institutions have not been particularly successful. According to the 1960-61 Survey

one-fourth of the committees formed did not meet at all and another one-third met not more than 3 times during the year though the Rules provide that the Committees must meet at least once in a month. There seems to be an apathy on the side of both management and workers towards the functioning of these committees.

17.30 Grievance Procedure: A model grievance procedure was laid down in 1958. This was required to be followed in all undertakings. The 1960-61 survey revealed that except for the provision contained in the Standing Orders (which were general in nature and laid down the authority to whom the complaint might be submitted and who would hear the appeal), ^{factories} ~~not~~ surveyed had ^{not} prescribed any definite procedure for redress of the grievances of their employees. Replies to the Commission's Questionnaire do not show a change in this respect.

Welfare and Amenities.

17.31 The cotton textile industry, being the premier organised industry in the country, has a long tradition of welfare and amenities to its workers on a voluntary basis. The Labour Investigation Committee reported that several of cotton mills were providing recreation facilities, educational facilities, cheap grain facilities, housing, etc. though the committee did not give the number of units where such amenities were provided and the workers who benefitted. The 1960-61 Survey attempted quantitative estimates of non-obligatory benefits enjoyed by the workers in this industry. About 38% factories provided recreation facilities mostly in the nature of outdoor and/or indoor game and some other recreational programmes, about 7% of the factories were running schools for the benefit of

17.19

workers' children, 6% of the factories had grain shops, 17.5% were having cooperative credit societies or stores or both.

17.32 Housing was provided in 27.3% factories, and 5.9% of the workers had been housed. Housing conditions of the workers in the industry are still far from satisfactory, though through the efforts of State Governments, employers and public bodies significant progress has been made. The Labour Investigation Committee found in 1943-44 that at important cotton textile centres, most of the workers lived with families in houses built by private landlords and generally occupied one small room sometimes with a verandah attached. Sanitation in these colonies was neglected. The position in 1958-59, as revealed by the family living surveys conducted by the Labour Bureau, is given at ^{Annexure IV} ~~Appendix B~~. Majority of workers still lived in single-room tenements but a fair proportion had two-room tenements. About 10% to 25% workers were living in houses provided by employers or public bodies (including Government), and a small but significant proportion lived in selfowned houses.

17.33 Trade unions in the industry at some centres are active in regard to provision of welfare activities. Particular mention may be made of the Textile Labour Association, Ahmedabad, which has a long history of welfare work among the workers. Apart from giving legal aid to workers, the Association maintains a Girls' Hostel, Libraries, Gymnasiums, a Maternity Home, Dispensaries, a Workers' Cooperative Bank and several Workers' Cooperative Housing Societies and Credit Societies.

17.34 The following recommendation of the first Central Wage Board for the Cotton Textile Industry is of

significance:

"The Board, while regretting that even after a century's existence the industry is unable to pay a need based wage feels that the stage has been reached when both the employers and the workmen should foregather to lift the industry as a whole to a higher level, each making his contribution in his own way. The employers must adjust themselves to the changing climate of their responsibilities; and the workmen for their part must have a broader view of their duties in our social set up; and both must accept the inevitability of changes by rationalisation and modernisation if the industry is to flourish."

(i)

APPENDIX-AAnnexure I
(Ref. Para 17.4)WORKING OF THE COTTON TEXTILE INDUSTRY

	<u>1949</u>	<u>1955</u>	<u>1961</u>	<u>1963</u>	<u>1964</u>
1. Productive Capital employed per worker (rs)	2,567	3,609	3,882	5,001	5,239
2. Gross output per worker (Rs).	5,108	6,507	9,010	10,576	11,506
3. Value added by manufacture per manhour worked (Rs).	0.79	N.A.	1.33	1.32	1.40
4. Ratio of gross output to fixed capital.	6.01	4.57	3.75	3.28	3.32
5. Ratio of gross output to input.	1.56	1.57	1.53	1.45	1.44
6. Percentage of value added by manufacture to gross output.	36.0	36.3	34.7	31.0	30.6
7. Percentage of wages to value added by manufacture.	64.2	52.5	53.4	60.2	58.9
8. Percentage of salaries to value added by manufacture.	7.7	8.4	7.0	8.5	10.0
9. Percentage of benefits and privileges to value added by manufacture.	0.5	3.4	5.4	6.4	7.5
10. Percentage of wages, salaries and benefits to value added by manufacture.	72.4	64.3	65.8	75.1	76.4

(Source: Statistics of Selected Manufacturing Industries - Part I. p.5, compiled by the National Commission on Labour.)

(ii)

Annexure - II
(Ref. Para 17.5)APPENDIX-BEmployment in Cotton Textile Industry

Year	<u>Registered factories</u>		<u>COTTON MILLS</u>	
	Number of working factories	Estimated average daily employment(000's)	Number	Average daily employment (000's)
(1)	(2)	(3)	(4)	(5)
1951	1,753	685	378	715
1956	1,695	822	412	807
1957	1,617	841	436	813
1958	1,718	769	470	767
1959	1,884	806	482	763
1960	1890	790	479	772
1961	1936	826	479	793
1962	2027	823	481	798
1963	2156	835	498	804
1964	2194	867	514	831
1965	2272	850	543	822
1966	2247(P)	843(p)	575	788
1967	-	-	-	789

(Source: Labour Bureau's "Indian Labour Statistics" and Study Group Report)

P= Provisional.

(iii)

Annexure - III
(Ref. para 17.15)
APPENDIX C

Wages and dearness allowance of the least skilled worker in the cotton textile industry for a month of 26 working days.

CENTRE	1947			1967			Total of 1967 as a percentage of the total of 1947	Estimated consumer price index for 1967 on base 1947=100
	Basic wages	Dearness allowance	Total	Basic wages	Dearness allowance	Total		
Bombay	30.00	44.90	74.90	40.00	167.56	207.56	277	252
Ahmedabad	*28.00	56.20	84.20	38.00	172.78	210.78	250	242
Bholapur	26.00	51.56	77.56	34.00	129.63	163.63	211	250
Baroda	26.00	44.38	70.38	36.00	155.50	191.50	272	-
Indore	22.45	37.63	60.08	38.00	118.78	156.78	261	-
Nagpur	14.84	29.67	44.51	34.00	115.95	149.95	337	261
Madras	26.00	32.00	58.00	40.00	137.34	177.34	306	256
Kanpur	30.00	64.00	94.00	38.00	135.39	173.39	185	237
West Bengal	20.13	30.00	50.13	36.17	82.01	118.18	236	204
Delhi	30.00	52.00	82.00	40.00	135.50	175.50	214	231

* For 1948

(Source: 1. 1947 figures from Table 8 of the Report of the Central Wage Board for the Cotton Textile Industry and 1967 figures from the Indian Labour Journal.

2. Index numbers for 1967 on base 1947 = 100 are as estimated by the Labour Bureau, Simla for the Commission.

HOUSING STATISTICS FOR COTTON TEXTILES WORKERSAPPENDIX-D(Percentages shown for each centre and
for each component)

<u>Type of Landlord</u>	<u>Bombay</u>	<u>Ahmedabad</u>	<u>Indore</u>	<u>Kanpur</u>	<u>Calcutta</u>
Employers	8	6	3	8	12
Self	2	5	23	5	7
Private	73	78	64	69	80
Public bodies	17	10	9	18	11
Others	-	4	1	-	-
<u>Type of structure.</u>					
Permanent-Kutchra	12	20	37	22	23
Permanent-Pucca	60	54	48	64	27
Temporary-kutchra	16	11	9	4	20
Temporary-Pucca	11	15	6	10	30
Not reporting	1	-	-	-	-
<u>No. of living rooms.</u>					
One.	96	90	64	78	89
Two.	4	10	27	18	10
Three.	-	-	8	2	1
Not reporting.	-	-	1	2	-
<u>Sewage arrangements:</u>					
Satisfactory	29	46	23	26	9
Moderately satisfactory	27	24	39	26	35
Unsatisfactory	42	28	36	47	56
Not reporting	2	2	2	1	-
<u>Conditions of repairs:</u>					
Good	24	37	28	22	18
Moderately good	47	50	53	44	41

Contd...

(v)

<u>Type of Landlord</u>	<u>Bombay</u>	<u>Ahmedabad</u>	<u>Indore</u>	<u>Kanpur</u>	<u>Calcutta</u>
Bad	28	11	19	34	41
Not reporting	1	2	-	-	-
<u>Ventilation arrangements:</u>					
Good	34	54	52	24	8
Bad	24	9	18	49	65
Tolerable	40	35	26	27	27
Not reporting	2	2	4	-	-

(Figures represent percentage of families under each head. A sample of all working class families at the centre were surveyed but the majority were families of cotton textile workers, as the centres taken there are the important cotton textile centres.)

Source: Family living surveys, 1958-59.

MA/

(vi)

B I B L I O G R A P H Y

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2. Report on survey of labour conditions in cotton textile factories in India, Labour Bureau, Ministry of Labour & Employment, Government of India, 1965.
3. Report of the Study Group on Cotton Textiles constituted by the National Commission on Labour, Government of India, 1968.
4. Report of the Central Wage Board for the Cotton Textile Industry, Manager of Publications, 1960.
5. Occupational Wage Survey, General Report (1958-59), Labour Bureau, Ministry of Labour & Employment, Government of India, January, 1963.
6. Indian Labour Statistics, Labour Bureau, Ministry of Labour & Employment, Government of India, 1967.
7. Family Living Surveys among industrial workers, 1958-59, Bombay, Ahmedabad, Indore, Kanpur and Calcutta, Labour Bureau, Government of India.
8. Replies to the questionnaire issued by the National Commission on Labour from:

The Gujarat Pradesh I.N.T.U.C. and the T.L.A.,
Ahmedabad, Ahmedabad Millowners' Association;
Rajasthan Textile Mills Association;
Madhya Pradesh Textile Mills Association;
Federation of Gujarat Mills & Industries;
Indian Cotton Mills' Federation;
Textile Manufacturers' Association, Amritsar;
Hissar Textile Mills;
Hissar Textile Mill Workers' Union;
Textile Mazdoor Sabha, Hissar;
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18. POWERLOOMS

The growth of powerlooms in the years since Independence has been phenomenal. Of the **factors** which helped this growth, excise levy on mill production and the relative freedom from it in the powerloom sector ~~were~~ the most important. A large number of powerlooms were also set up in an unauthorised manner. A number of intermediaries including textile mills induced the handloom weavers as also those who were not in the weaving profession to set up powerlooms in large numbers. They provided financial and other assistance. Local technical talent and skills got encouragement to set up workshops for fabrication and assembling of looms.

18.1 The structure of the powerloom sector as it exists today should be considered as consisting predominantly of small units of four looms and less with a bare 5 per cent accounting for large units coming under the Industries (Development and Regulation) Act, 1951. As against 15,000 powerlooms which were in existence in 1942 there are about 200,000 now (using both cotton and non-cotton yarn). The policy of the Government was not to allow expansion in the powerloom sector except under a phased programme as a means of helping the handloom weavers. In spite of this restriction, the increase took place, according to the Powerloom Enquiry Committee, 1963, because almost the entire community in areas traditionally known for weaving turned to the powerlooms for livelihood. The employment provided per loom varies from 2 to 2.5 persons on a shift of 1.5 a day. The employment provided by the cotton powerlooms has been estimated at about two lakhs including

the non employed on preparatory processes. The employment in the art silk powerlooms is somewhat lower and has been estimated at about 1.6 lakhs. Major centres of activity in the powerloom sector are located in Ichalkaranji, Melogaon and Bhiwandi in Maharashtra; Surat in Gujarat; Varanasi in U.P.; Burhanpur in Madhya Pradesh; Amritsar and Ludhiana in Punjab and in some areas of West Bengal and Mysore. Each of the centres where powerlooms prosper has its own history, an important part of which is the existence of the handloom sector and availability of local enterprise.

18.2 The following table shows the distribution of powerlooms in different states obtaining as on 31.5.1968. While changes must have taken place since the relative position as between different States could have remained the same.

Table 18.1

S. No.	Name of the State	Cotton	Non-cotton	Total
1	2	3	4	5
1.	Andhra Pradesh	1002	1289	2291
2.	Kerala	1439	162	1601
3.	Mysore	7734	11864	19598
4.	Madras	12663	7978	20641

...contd.

18.3

S. No.	Name of the State	Cotton	Non-cotton	* Total
1	2	3	4	5
5.	Pondicherry	620	-	620
6.	Gujarat	13866	41812	55678
7.	Rajasthan	4083	35	4118
8.	West Bengal	7677	736	8413
9.	Bihar	2039	46	2085
10.	Assam	474	-	474
11.	Orissa	1175	-	1175
12.	Uttar Pradesh	7997	2017	10014
13.	Madhya Pradesh	7682	702	8384
14.	Maharashtra	67209	23662	90871
15.	Delhi	891	503	1394
16.	Punjab	1377	16061	17438
17.	Himachal Pradesh	39	-	39
18.	Jammu & Kashmir	-	18	18
19.	Dadra & Nagarhaveli	114	-	114
20.	Tripura	24	-	24
21.	Manipur	4	-	4
Total		138109	106885	244994

* Figures include

- (i) unauthorised powerlooms regularised;
- (ii) powerlooms permitted under State's quota; and
- (iii) those handlooms converted into powerlooms

Recruitment and Induction

18.3 The powerloom industry in the country can be classified into the following three categories:-

- 1 (1) Powerlooms operated on a self-employed basis in which the owners and their dependants work on their own.
- (2) Looms set up by "Master Weavers" in different cottages or in the same shed and operated by hired weavers.
- (3) Powerloom units working under the same shed with all the preparatory machinery and equipment and employing a fair number of workers.

18.4 The question about recruitment does not arise in case of (1). In (2) also, it is a matter of the master weaver giving a contract of work to a person and not to engage him on a wage. It is only in category (3) that employer-employee relations are important and several issues which we have discussed with reference to other industries will have relevance only to this part of the powerloom industry.

18.5 The small entrepreneurs include a sizeable segment of the educated class, particularly in West Bengal and those who have turned to the powerloom industry as a step in the process of participation in the industrial development of the country. These entrepreneurs do not work on the looms but utilise the services of weavers and in many cases train them up also in powerloom

weaving. They undertake the responsibilities for buying the yarn, paying the wages of weavers and selling their product on their own account. The training of a weaver is comparatively easy and could be imparted within a period of about six months. The bigger powerloom units are set up by major entrepreneurs investing substantial amounts in buildings, preparatory machinery and automatic looms etc. The weavers employed in them are generally those who are retrenched or coming out of the textile industry. In either case there are no special problems of recruitment, training or induction.

Nature of Labour Employed and Earnings

18.6 The facility to improve one's earnings by switching over from handlooms to power operated looms involving a relatively small capital investment, offered the necessary initial inducement for workers to acquire powerlooms. In the future also this process may continue and weavers for the Powerloom Industry will be drawn from the traditional handloom weaver class. The Powerloom Enquiry Committee has assessed the earning of a powerloom weaver owner or a paid weaver at Rs.100 per month or above in several of the principal centres accounting for about two-thirds of the total number of powerlooms. In other centres accounting for one-third of the total number of powerlooms, it varies from Rs.50 to Rs.90 per month. The weighted average earning for the total number of powerlooms for which data have been collected by the Committee comes to Rs.86.50 per month. The gross return to the owner may be around Rs.75/- per month. In the art silk weaving centre on an

average the weaver gets Rs.110 to Rs.120 per month. The Powerloom Enquiry Committee has observed

"Employment on a powerloom, even without ownership, yielded in most cases higher earning than on handloom. Not only the handloom weaver but also the low paid agricultural labour, the industrial worker, the refugee, the small trader, the educated young man of the middle class, the cured leper and the physically handicapped were all attracted to powerlooms as a source of livelihood. ... "

Wages and Dearness Allowance

18.7 (a) Wages : We need concern ourselves only with cases where

- (i) units/^{were}operated exclusively by hired labour; and
- (ii) units/^{were}rented out on monthly payment basis.

These have sprung up as purely commercial enterprises and function as such although in a number of cases, they are shown as small units with independent existence and ownership. The Powerloom Enquiry Committee had assessed the earnings of powerloom owner on a weighted basis on an average of Rs.86.50 per month, the owner getting in addition a return of Rs.75/- per month.

Considering that there is an urge on the part of the handloom weavers to take to power-looms if financial resources were provided, it may be stated that the normal income of a powerloom weaver will not fall below and in fact will be much more than the lowest income of a small agriculturist, though no study as such has been made on the relative wages in agriculture and powerloom industry.

18.8 (b) Dearness Allowance: Except in the case of bigger powerloom factories there is no D.A. as such paid to powerloom workers. The wages are mostly on piece work basis depending on the quantum of cloth woven. It is presumed that the D.A. element is included in the rate fixed for weaving a piece.

Trade Unions and Employers' Organisations

18.9 The powerloom weavers in smaller units are in a weak state of organisation. They compare themselves with handloom weavers and possibly dread that in case a powerloom owner throws them out they will again/go to ^{have to their} / handloom which is a low paying occupation. They, therefore, shun joining a union. As steps are being taken to stabilise the industry, it is likely that the organisation of the powerloom weavers in the industry would be the outcome.*

Conditions of Work

18.10 The conditions of work do not matter when the work is done in the house of a weaver working on his own with the help of family members. Master weavers often resort to the expedient of setting up a fairly large number of looms but splitting them ^{the} in ~~size~~ which does not attract factory legislation and other legislation which depends upon the size of the unit. In such establishments, the weavers are mostly casual or temporary workers and continuity of employment is not assured. The requirements of health and hygiene are not adhered to. The Powerloom

*. In the case of large-scale powerloom units, the union activities are similar or the same as those of the trade unions in the textile mill industry.

Enquiry Committee observed:

"The congestion caused by powerlooms has assumed serious dimensions. With the installation of machine in the dwelling place and with all the accessories lying about conditions of housing which were none too good before, had deteriorated further. In fact, some of the centres of industry presented the picture of an industrial slum. The wastage of industry littered the streets and the Municipal authorities with their limited resources and other difficulties were not able to cope with the problem of sanitation. Along with congestion must also be mentioned the long hours of work associated with the small units of the industry which do not come under the provisions of the Factories Act and other labour laws."

18.11 With these working conditions, it could be no surprise that arrangements for social security or other aspects of welfare will be absent in the industry by and large.

Jute fibre has gained importance as a major packing material throughout the world. An important feature of the jute industry in India is the heavy concentration of mills in and around the City of Calcutta over a range of about 60 miles on either side of the river Hooghly. The reasons for this concentration were partly historical and partly the easy availability of facilities - abundant supply of raw materials, proximity of coal fields and port, net-work of rail-ways and cheap labour. The jute industry is next only to cotton textiles in its importance. Over two lakhs of workers in the industry, nearly 40 lakhs of jute cultivating farm/engaged in secondary and tertiary activities connected with jute are dependent on this industry. Its annual contribution to national output amounts to Rs.300 crores. It accounts for about a fifth of export earnings and ranks first as a foreign exchange earner. Its contribution to Exchequer by way of taxes and duties aggregates to roughly Rs.75 crores. Prior to Partition, Indian jute industry enjoyed a near monopoly position in the world market. Thereafter 75% of the raw-material producing areas went to Pakistan. This necessitated the making available of more raw jute for the Indian jute industry through indigenous production. As a result, production of jute increased from a mere 16.6 lakh bales in 1947-48 to 76 lakh bales including Mesta in 1967-68 and more areas in Bihar, U.P. and Andhra Pradesh were brought under jute cultivation. Plan achievements and targets of capacity and production of jute manufactures are as in the following table:

Table 19.1

		(In thousand tonnes)		
<u>1960-61</u>	<u>1965-66</u>	<u>1968-69 (Est.)</u>	<u>1973-74</u>	
Production	Production	Capacity	Production	(target) Production
1071	1302	1500	1300	1500

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19.1 In the export market, the industry faces unremitting competition not only from substitute materials and bulk handling methods, but also from foreign jute manufacturing industries, particularly the jute industry in Pakistan. The future of the jute industry, therefore, depends on its ability to compete in the world market and the extent to which it can explore the new uses of jute goods and diversify its activities. This requires a series of experiments and scientific research and an open mind to adopt new technology and management methods.

Employment, Recruitment and Training.

19.2 Employment: Of the two lakh and more workers on jute rolls, 75% of the labour force in West Bengal, where 95% of jute mills are situated, comes from the neighbouring States. According to survey of labour conditions in jute factories in India (1959) workers directly related to production constitute the bulk of the working force (92.49%), administrative and clerical and related workers (2.85%), administrative and related managerial personnel (0.20%) and professional and technical (1.02%). Permanent workers accounted for 70.5 per cent of total work force followed ^{by} 'badli' who formed 20.4%, casual, temporary workers and apprentices accounted for the rest. The high proportion of badli workers has engaged the attention of all concerned. A permanent cadre of workers in all units has been recommended by the Wage Board on jute industry to enable flexibility in the quantum of production and rationalisation. However, there is a feeling amongst the workers that this provision has been utilised to their detriment. Employment of women in the industry has been gradually declining. The problems of contract and child labour are non-existent.

19.3 Recruitment practices: In the initial stages jute industry employed intermediaries such as sardars for recruiting labour, but this system has been given up for good. Now the recruitment is made directly by an employment bureau of the mill according to the procedure incorporated in the certified standing orders as well as through employment exchanges. The applicants are registered. They are required to appear for a test. Successful candidates are offered employment as and when vacancies arise.

19.4 Training: During the last few years provision of training to workers has become common. The percentage of workers benefitting by such training is small. The period of training varies between 1 to 5 years. There is no guarantee to trainees of absorption in employment after completion of training. ^{The} Institute of Jute Technology provides training to supervisory and technical staff. Facilities are also given to the children of employees for undergoing training at Calcutta Technical School. The training expenditure in all cases is borne by the sponsoring mills.

Working Conditions:

19.5 As the jute industry is export-oriented, it mainly depends upon demand conditions prevailing in foreign countries. To avoid cut-throat competition among mills, the IJMA and its member mills had entered into an agreement since 1872 known as "Working Time Agreement" by which the loom hours were regulated to adjust the volume of production according to the market demand and the availability

of raw material. The "Working Time Agreement" was scrapped in April 1964. The Labour Investigation Committee report indicates that working hours have considerably differed from year to year between 1872 to 1943. In 1949, 42½ hours per week were allowed. During 1960-61, 8 hours day with 48 hours week was in vogue. The maximum permissible spread-over under the rules was 10½ hours. Upto the pre-war period most of the mills were working single shift; with the modernisation of mills upto the spinning section, almost all the mills are working 3 shifts at present. Special permission has been granted by the Factories Directorate for a spread-over of the working hours in each shift to 11 hours to ensure three shift working. In the absence of seating arrangements, workers take rest when necessary by squatting on the floor. The conservancy services are according to provisions of law but in most units are badly maintained.

19.6 Leave and Holidays: There was no system of earned leave to workers in the jute industry before 19 but the industry used to grant 6 days' festival holidays with pay. After the awards of Jute Tribunals, earned leave was granted - 14 days in the year to all manual and clerical workers within the meaning of Factories Act and 21 days to clerical employees in office. Casual leave was granted to clerical employees in the office for 10 days in a year. A worker was entitled to 15 days sick leave

in a year on half pay. Since the introduction of E.S.I. the leave entitlements are according to ESI rules. The first Industrial Tribunal (1948) awarded eight national and festival holidays in a year and the second Industrial Tribunal increased the number of national and festival holidays to nine days.

Wages, Earnings and Productivity:

19.7 Wages: Wages in jute industry used to be low*, and there was absolutely no uniformity in rates until 1948. The findings of ^{Investigation Committee} Labour showed that majority of jute workers (52 per cent) in Bengal got between Rs.5.00 and Rs.7.50 a week. There was no dearness allowance. During the war when prices rose the workers got an amenity allowance of Rs.4.50 and food-grain concessions worth Rs.2/- each per week. Prior to 1948 the minimum wage was Rs.46/- comprising Rs.18/- as basic and Rs.28/- as dearness allowance. The First ^{Omnibus} Tribunal in 1948 attempted to standardise wages and awarded Rs.58.50 per month as minimum wage comprising Rs.26.00 as basic pay and Rs.32.50 as dearness allowance for 208 working hours in a month. The wages were later revised by the Second Omnibus Tribunal in 1951 and raised to Rs.63.50 by increasing the D.A. to Rs.37.50. The workers were not satisfied with the linking of dearness allowance with hours of work since it was subject to fluctuations due to shortage of raw materials. The Third Omnibus Tribunal was set up in 1954. It increased the minimum wage to Rs.67.17 for 48 hours'

* The statistics presented in the Appendix give a bird's eye view of the working of the industry since 1946.

week consisting of Rs.34.67 as basic wage and Rs.32.50 as dearness allowance. The basic wage was proportionately reduced to 45 hours' work a week as per Working Time Agreement then in vogue. These successive Omnibus Tribunal awards standardised the conditions of service and wages of all categories of jute mill workers, manual and clerical. The pattern of wages set by these Tribunals for the jute mills in West Bengal has influenced the wages in Andhra, U.P. and Bihar.

19.8 In 1960 a Wage Board was appointed. In its award it reinforced standardisation of wage rates in this industry and recommended further increases in the basic wage and dearness allowance. The Board proceeded on the principles enunciated by the Fair Wages Committee and recommended from 1.7.63 a minimum basic wage of Rs.40.17 and a variable dearness allowance linked with the ^{Cost of Living Index} which was fixed at Rs.32.50 at the C.L.I. of 425 base 1939 = 100 to be adjusted at the rate of 20 paise per point rise or fall. The Board also recommended a non-variable 'Wage Board increment' of Rs.8.33 to be treated as a part of basic wage for jute mills in West Bengal for all purposes like bonus, gratuity and provident fund. Further it recommended that the dearness allowance was not to be reduced whatever may be the working hours. The basic wage was also not to be reduced when working hours were not less than 45 hours in a week. But when working hours were less than 45 hours the basic wages fixed on

the basis of 48 hours may be reduced proportionately. The Wage Board recommended wages for different categories of workers including clerical staff. Besides fixing the wages of time-rated workers, piece-rated were also revised and a fall-back wage to piece-rated workers was recommended on the basis of a month of 208 hours. The wages in other States which were not identical to wage rates of West Bengal were recommended to come up to West Bengal level in a phased manner. The total minimum wage in the jute industry in Calcutta is Rs.142.60 (As in February 1969).

19.9 Wage Differentials: According to occupational wage survey (1958-59) average earnings of all workers in West Bengal were higher by about 5.1 per cent than those in other States. Average daily earnings of the 'lowest paid production workers' (Rs.2.60) were not much less than 'all production workers' (Rs.3.27) and 'all workers' (Rs.3.47). There was not much variation in the earnings of the lowest paid in the different centres. Since 1958-59 further standardisation of wages and abridging of differentials have taken place. Rise in dearness allowance related to cost of living has been a contributory factor in reducing the differentials of earnings. On the whole differentials of wages and earnings are not very significant in jute industry. As in February 1969 the daily minimum wage was Rs.5.50 per worker whereas the daily average wage was Rs.6/-.

19.10 Components of earnings: The pay packet of jute workers consists mainly of basic wages and dearness allowance. Other components of earnings such as night shift, house rent, transport, overtime and other allowances all combined are insignificant; they hardly amounted to 1.2% of total earnings in 1959. Since the Wage Board's recommendations in 1963 bonus is a new element in total earnings.

19.11 Productivity: At present 44 per cent of the workers are piece-rated. Of those who are on time-rate some are non-productive workers and for the rest studies are being made in collaboration with industrial consultants to introduce incentive schemes on individual or group basis. The entire batching, preparing and spinning processes have been modernised and efforts towards achieving around efficiency on winding, beaming and weaving have proceeded well. Some mills have been closed for reasons of prolonged uneconomic working or for purpose of rationalisation. Upto the period when Working Time Agreement was in operation i.e. upto April 1964, looms used to be sealed in times of shortages of raw materials or lack of demand. Agreements were also reached to face such situations.

19.12 Annual Bonus: Prior to 1963 no jute mill in West Bengal was paying any annual bonus to the workers but some factories in other States paid such bonus. A few employers were paying festival bonus in West Bengal. Since

1963 mills started paying bonus at a flat rate according to the recommendations of the Wage Board and after 1965 according to the provisions of the Payment of Bonus Act, 1965.

Social Security:

19.13 Before Independence and long before the Maternity Benefit Act was passed expectant mothers were granted leave with wages in the jute industry. Workers were also in receipt of workmen's compensation for accident injuries according to the Workmen's Compensation Act. As a result of awards of various tribunals and introduction of E.S.I. much advance has been possible in this field. Member mills of the I.J.M.A. had been running a pension scheme. The scheme was abolished in 1948, in accordance with the award of First Omnibus Tribunal, and a Provident Fund-cum-Gratuity scheme was introduced in its place. With the coming of Employees' Provident Fund Scheme, 1952, the industry's scheme was brought in line with the Employees' Provident Fund Scheme. The statutory rate of contribution by a worker has been 6½% since 1952. The rate of interest on Provident Fund deposits has varied. For the year 1967-68 it was 5% per annum.

19.14 Employees' State Insurance Act, 1948, is in operation in Calcutta and Howrah since 29th March, 1964 and in 24 Parganas and Hooghly since October 1965. The E.S.I. Scheme provides sickness, maternity and disablement benefits. The working of the scheme has been affected by shortage of doctors, hospital beds and lack of specialist treatment, but these are difficulties in all centres and

Calcutta is no exception. The 1960-61 Survey of the Labour Bureau revealed that 93 per cent of employees in West Bengal and 50 per cent in other States were covered by a death-cum-retirement gratuity. Generally gratuity is paid at the rate of half a month's average basic pay for the last 12 months for each completed year of service for the period prior to the introduction of Provident Fund subject to a maximum of 15 months basic wages, provided a worker had put in 15 years of service/^{and} in the event of death or /superannuation. The present retirement age is 58 years for male and 55 years for female workers.

Housing Facilities:

19.15 Prior to Independence 39 per cent of workers were housed by employers and ^{the} rest had to live in 'Bustees'. Since the housing activity has not kept pace with the progress of industrialisation in Calcutta, conditions of housing have continued to be miserable. Housing specifications have only moderately changed and not more than 40 per cent of jute mill workers get accommodation from mill management. The quality of housing varies from mill to mill. The paucity of funds and ^{building} sites, however, stand in the way of improving the quality of workers' colony.

Growth of Unions:

19.16 About one-fifth of the jute mill operatives in West Bengal were members of trade unions prior to Independence. 63 unions operated in the jute mills in West Bengal with a total membership of 47,697. In

addition there were two unions at Chitavalsah & Nellimarla, (Andhra). The unions in industry are not free from rivalries. The industry-wise organisations such as National Union of Jute Workers (NUJW) was affiliated to INTUC, Bengal Chatkal Mazdoor Union (BCMU) to AITUC and Jute Workers Federation to H.M.S. In 1959, trade unions existed in all the units outside West Bengal, and within West Bengal 54 per cent of units had unions. The percentage of workers who were members of unions was about 25 in West Bengal and 31 in the 'Residual Group' (other States combined). The estimated total membership of trade unions in West Bengal amounted to 60,620. Large majority of unions in West Bengal are affiliated to the two central organisations, INTUC and AITUC, though HMS and UTUC have some following. There is not even a single trade union in West Bengal which is recognised even today. Very often more than one union exist in a unit and employers do not want to antagonise others by recognising one of them. The employers have been well-knit all along through the Indian Jute Mills Association.

Grievance Procedure:

19.17 An employee can take his grievances to Overseer who would try to settle it within the limit of authority given to him. If the worker still remains dissatisfied he approaches the Mill Labour Bureau and the Labour Department of the IJMA. If the grievance persists it may be taken up ~~in~~ conciliation by the State Labour Directorate. Though this is the procedure followed in every case, no regular written grievance procedure is on record.

19.17 Work Stoppages: The industrial disputes resulting in work stoppages, workers involved and man-days lost during the period 1956-67 in respect of jute industry are given below:

Table 19.2

Year	No. of disputes	No. of workers involved	No. of man-days lost ('000)
1956	21	40,063	1,166
1957	16	29,498	417
1958	20	42,223	276
1959	21	30,563	178
1960	43	77,860	1,369
1961	33	58,845	505
1962	27	41,948	414
1963	34	41,537	361
1964	28	1,01,958	905
1965	21	60,294	749
1966	26	73,806	1,248
1967	13	36,656	496

SOURCE : Indian Labour Statistics, 1959-1969.

SLS

Under Utilisation of Capacity in the Industry:

19.19 Due mainly to raw jute shortage and the need to adjust the production to the market demand, there is often under-utilisation of capacity in the jute industry varying between 6% and 22%. In the middle of 1968, production was running roughly 10% below normal and at the end of the year the production was further reduced due to shortage of raw jute.

19.20 The principal factors contributing to the jute mills' uneconomic working are the inadequate supply and high price of raw jute. An assured availability of raw material at a stable and reasonably low price is basic to the economic working of an export industry which must price its products competitively. This is important in view of the fact that the raw fibre accounts for over 60% of the price of the finished jute product. Despite 19 years of organised developmental work for intensive cultivation of jute, the jute industry is still dependant on Pakistan and Thailand for supplementing the internal supply of fibre. Variations in the total yield of jute from year to year have been sharp, giving rise to price fluctuations. The consequent instability in the supply of price of jute goods has adversely affected the image of jute and jeopardised the Indian Industries' competitive position. Stabilisation of internal production of raw jute is an item on which the future of industry depends. Given

19.14

adequate inputs and appropriate know-how, an ^{adequate} average yield should not be difficult to achieve.

19.21 There is also considerable scope for cost reduction through higher productivity by modernisation and increased machine efficiency. But these are problems which have to be settled by tripartite discussions in a spirit of mutual adjustment.

(i)

Annexure
(Ref. Para. 19.)Appendix Table: Working of the Jute Textile Industry (All-India)

	1946	1949	1952	1955	1961	1964
1. Number of factories.	95	106	109	118	96	94
2. Coverage (%)	95	97	95	96	99	96
3. Productive Capital (Rs. crores)	50.1	66.1	68.7	71.5	71.6	92.3
4. Wages and Salaries and Benefits (Rs. crores)	16.1	28.0	29.7	30.1	28.9	43.9
5. Value added by manufacture (Rs. crores.)	37.0	32.1	45.2	37.0	34.5	56.9
6. Productive capital employed per worker (Rs)	1,624	2,162	2,498	2,802	3,393	3,866
7. Average annual money earnings per worker (Rs)	462	815	942	1027	1,173	1,562
8. Gross output per worker (Rs)	2,865	4,681	6,155	5,303	8,652	8,999
9. Gross output-input ratio	1.72	1.29	1.36	1.38	1.23	1.36
10. Percentage of value added by manufacture to gross output	41.9	22.4	26.7	27.4	18.9	26.5
11. Percentage of wages to value added by manufacture.	34.3	76.5	56.5	69.1	65.9	61.1
12. Percentage of benefits and value added by manufacture.	4.7	1.4	1.0	2.0	6.8	5.3

Source:- Statistics of Selected Manufacturing Industries - Part I-p-28 compiled by the National Commission on Labour.

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In 1939 there were 16 paper mills with a production of 70,000 tonnes and employing about 12,500 workers. In the next four years, production went up to 100,000 tonnes; the number of units to 22 and workers engaged increased by 6,500. The tariff protection enjoyed by the industry came to an end in 1947. By 1966 the number of workers rose to 59,000 in 429 factories. The industry is scattered throughout the country though the mill sector is concentrated. The industry covers paper and paper boards, newsprint pulp, straw and mill board. Our per capita consumption of paper is still as low as 3 pounds per year as compared to 530 pounds in USA, 310 pounds in Canada and 150 to 250 pounds in all the European countries. The consumption of newsprint has increased from about 70,000 tonnes in 1955-56 to about 1,85,000 tonnes in 1967-68; it is expected that by 1973-74 the demand for newsprint would be of the order of 2,60,000 tonnes per year. Rayon grade paper pulp is at present produced by only one mill located in Kerala with a capacity of about 60 thousand tonnes per year. With the establishment of one unit each in Madras and Uttar Pradesh the indigenous availability will increase to about 1,50,000 tonnes during the Fourth Plan period. Apart from the integrated paper mills, a paper grade pulp unit with an in-built capacity of 36,000 tonnes per year is expected to commence production in 1968-69. The unit is a joint venture of a number of small-scale paper mills which have no pulping capacity of their own. There were 42 units manufacturing straw and mill boards with a total capacity of about 1,20,000 tonnes by the end of March, 1967. Plan achievements and targets of capacity and production of paper and paper board are as under:

Table 20.1

(In thousand tonnes)

<u>1960-61</u> production	<u>1965-66</u> production	<u>1968-69 (Est.)</u> capacity	<u>1973-74</u> (target) production
350	560	750	960

Employment and Related Matters

20.1 Employment Pattern: According to the Occupational Wage Survey, 1958-59 the industry employed about 29,400 workers. The working force in the industry was divided into 114 categories. Bamboo feeder, finishers, fitters grade II, skilled helpers, unskilled helpers and khalasis accounted for 57% of employees. The next important heading comprised fitter grade I, supervisor, drier, oilman, sweeper and sorter. These together accounted for 9% of the workers. The process of modernisation of industry in the future is likely to bring about a change in the occupational pattern. According to a 1965-66 Survey the percentage of workers in different categories is: (a) Professional, technical and related personnel: 3.07; (b) Administrative, executive and managerial personnel: 1.04; (c) Clerical and related workers: 5.78; (d) Production and related workers: 82.62; and (e) Watch and Ward and the other services: 7.49.

20.2 Contract Labour: The 1965-66 Survey showed that contract labour was mainly engaged on loading and unloading of paper and raw materials and packing of paper, as also on certain other jobs such as feeding of boiler with coal and building and construction in a few units. This labour was getting no benefits such as leave with wages, festival and national holidays, bonuses of various types and welfare facilities which were available to direct labour; management had no control over it either.

20.3 Employment Status: The survey also showed that 76.50% of the workers were permanent, 9.72% temporary, 9.53% casual. 96% of workers were on time scale.

20.4 Recruitment: 47.62% of the total labour were recruited at the factory premises, 37.52% through Labour Officers, 7.94% through Employment Exchanges. Other sources accounted for the balance. No recruitment was made through intermediaries.

20.5 Apprenticeship and Training: Larger units in the industry have been providing training to various categories of workers within their mills. The expansion of the paper industry led to demand for trained manpower. A school of Paper Technology has been set up at Saharanpur for the purpose. Facilities for training and research are to some extent available in the Cellulose and Paper Research and Forest Research Institute, Dehra Dun.

Wages and Earnings

20.6 The wage rates, dearness allowance and other items of remuneration of workers in the industry were generally fixed through the usual processes open to other industrial workers. The agreements/settlements/awards have naturally been confined to individual units. But in most of the units collective bargaining was the dominant pattern. In Titagarh Paper Mills, grades and scales of wages of different categories have been arrived at after scientific study conducted by a Committee consisting of representatives of employers and employees under the guidance of the National Productivity Council. In case of the Bengal Paper Mills, Ranigunj, industrial consultants helped in the matter of wage fixation. The Occupational Wage Survey (1958-59) revealed that wage rates differed considerably. They varied from Rs.1.35 per day in respect of the lowest paid workers (sorter) to Rs.10.24 per day paid for the highest paid employee (Foreman). The average earnings per day of Rs.3.50 comprised basic earnings

Rs.2.96, production bonus Rs.0.15, overtime payment Rs.0.19 and the rest Rs.0.20. According to our Study Group for the industry, the situation has not changed since. Men's earnings worked out at Rs.3.59 per day taking all occupations together as compared to average earnings of women workers of Rs.2.33 per day and those of children Rs.1.13 per day. Nearly 90% of the workers were getting separate dearness allowance apart from basic wages.

20.7 Bonus: Production/Incentive Bonus Schemes were not much in vogue in the industry prior to 1960. In the past such

schemes were prevalent in bigger units but of late it has been a regular feature in the industry as a whole. A survey in 1960-61 that showed attendance bonus was in vogue in 3 units only. The bonus was paid at the rate of 25 paise per day to workers employed in the night shift. Only permanent workers were entitled to receive this bonus.

Working Conditions

20.8 According to the Survey of Labour Conditions (1965-66), 59 per cent of the units worked only one shift, 11 per cent of the units ran two and 30 per cent of the units had three shift working.

20.9 Leave: Casual leave ranging from 4 days to 7 days was admissible in about half the establishments in 1960-61. This percentage dropped to 39 in 1960-66. In the same period the proportion of units which provided sick leave also dropped. This drop could be attributed to the extension of the E.S.I. Scheme to areas in which the industry was located. Invariably the units provided earned leave as required by the Factories Act, 1948.

Trade Unions

20.10 Prior to Independence ^{the} state ^{labour} of organisation in the industry was as described below:

"Trade unionism in the industry is extremely weak. The one exception to this probably is the labour association in the factory at Bhadravati in Mysore State. This Association has been recognised by the employers and unlike most of the units in the country is conducting some welfare activities such as canteen, literacy classes, etc."

Since then there has been ^a remarkable progress. The Survey in the industry in 1965-66 revealed that a third of the units covering about 2/3rd of the workers in the industry were organised. About 18 per cent of the units had more than one union.

Industrial Relations

20.11 In the last ten years, the industry had its share of labour unrest. It took the form of legal and illegal strikes, sit down strikes, go-slow, indiscipline and other forms of agitation. The longest single strike was for 5 months in one unit in Kerala and largest number of strikes and lock-outs were in the Bengal Paper Mills, Ranigunj. Labour Statistics, 1968 gives the following data for the industry.

TABLE 20.2

<u>Year</u>	<u>No. of disputes</u>	<u>No. of workers involved.</u>	<u>No. of mandays lost (000s)</u>
1	2	3	4
1957	6	4034	71
1958	9	3804	66
1959	9	1999	100
1960	10	3279	34
1961	13	3355	78
1962	10	4178	13
1963	19	2825	77
1964	18	4215	110
1965	22	5767	51
1966	25	6869	83

20.12 Multiplicity of unions and their affiliation/created to political parties situations where the employer had difficulties to negotiate; major disputes are being resolved through mediation of the State conciliation machinery. No prescribed grievance procedure is prevalent in the industry.

Labour Welfare

20.13 Educational Facilities: During the 1960-61 survey it was found that 10 out of the 20 sampled units had provided educational facilities for workers' children. Primary schools were run by the management in 2 units. In case of two others both primary and higher schools were managed by the units. A later survey in 1965-66 showed almost no change in this respect.

20.14 Housing: The 1965-66 ^{survey}/revealed that over a fourth of the sample units had been providing housing facilities. The proportion of workers in the industry housed by the employer was also the same. Our Study Group is of the view that the industry provides better housing facilities to its employees as compared to others.

20.15 Other facilities: Provision of canteen though a statutory requirement was not attended to in many establishments. So was the case with creches and rest shelters.

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It is well-known that Indian tanners produced leather of excellent quality on a large scale for export; it is true even today that the special leather products exported by our country are known for their workmanship. While the growth of the industry has been due principally to availability of skilled labour, its slow progress is explained by social factors. Religious sentiments have affected the more efficient exploitation of abundant raw material. Labour engaged in the industry was at the lowest level of social hierarchy; the earnings could hardly be satisfactory at any time during the long history of the industry. Even now the wage levels are about the lowest.

21.1 In the early years the main centres of the industry were Calcutta and Kanpur, Madras, Agra and Bombay followed in importance. The process employed was 'vegetable tanning'. Chrome process in the early part of this century was a landmark in the growth of the industry. The First World War gave an impetus to industry because of the need for tanning the hides and skins which earlier found an export market in Germany. During the Second War years India was not only meeting military requirements of footwear, harness and saddlery but also making industrial leathers and a variety of leather products.

Raw Material.

21.2 The industry naturally depends for its principal raw material upon ^{the} country's animal wealth. By all standards this wealth is abundant but the recovery rate of hides and skins is low. India obtains only 12% of hides as against 49% in France, 44% in USSR, 37% in USA and 33% in Newzealand. For skins the performance

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is better though low. USA obtains as much as 52% of skins, Newzealand 47% and India 34%. The main reason for low recovery of hides is that they are obtained from fallen cattle rather than through slaughter. The quantity and quality are further affected due to crude methods of curing and preservation. While for 'vegetable tanning' raw materials required for the process are available within the country for the more scientific process the industry is dependent on imports.

Employment and Related Matters

21.3 The industry has three distinct stages. In the first stage the raw hide or skin is to be obtained, the intermediate stage consists of tanning of the hide and in the final the goods are to be manufactured. The industry would rank next only to textiles as an employment generator. Due to scattered nature of units all over India firm and regular estimates of employment, however, are not available. The National Income Committee Report estimated the total number of persons engaged in the industry in 1951 at 7.63 lakhs. The total earnings of the persons engaged in the industry amounted to Rs.60 crores per annum. The census for the same year showed the number employed at 5.78 lakhs. Compared with this the 1961 Census showed that employment in leather and leather products had increased to 8.09 lakhs.

21.4 Pattern of Employment: Most persons are self-employed and a high proportion of the workers belong to rural areas. Household industry provides employment to three-fourth of total persons employed; a majority of persons deriving income as employees are mainly in urban areas. Women employment in this industry is almost negligible, though for unskilled work in factories women are engaged. Child and adolescent labour is also negligible.

However, the role of women and children is important where production is carried on family basis. The essentially small scale nature of employment is reflected in the fact that of the total employment in 1966 in Government and private factories ^{which} ~~was~~ about 48 lakhs ~~only~~ 35,000 workers; 8,000 in footwear, 27,000 in leather and leather goods establishment ^{were} ~~to~~ the credit of this industry. Factory employment has shown a gradual increase.

Annexure-I
~~Appendix I~~ gives the increase in the levels of employment and the number of factories over the decade of 1957-66. Bulk of the labour force comes from the harijan community all over India. During the last 20 years social inhibitions are yielding place to a secular outlook but the source of employment has not yet materially changed.

21.5 Labour Cooperatives: In recent years leather workers have shown interest in organising themselves into cooperatives. In 1965 shoe-makers, cobblers, artistic leather workers and manufacturers of other leather products had 2628 cooperatives with a membership of 55000 and working capital of Rs.10.4 millions. Out of these 1177 undertook production and 350 supplied raw materials. Flayers and tanners had organised 1280 societies in different States with a membership of 37,000. Of these 766 societies undertook production and 238 provided supply, sale and other services.

21.6 Occupational Pattern: The 1958-59 Occupational Wage Survey of the Labour Bureau revealed 83 occupations in tanneries out of which 32 accounted for 96 per cent of total estimated employment. About 45% of the labour force was employed as

Mazdoor (unskilled worker), 10 per cent as fleshers (hand), 8 per cent as goat skin knifers, 7 per cent as setters (hand), 6 per cent as Scudders and another 6 per cent as Mistries. Male workers accounted for 98% of the labour force and women 1%. Child labour was negligible. In the footwear industry of the 77 occupations, 34 accounted for 92 per cent of the labour force. About 22 per cent of the workers were engaged in the occupations Pull over lastings, 16 per cent as Machine operators, 7 per cent as Mazdoors and 5 per cent as Assemblers. Practically, the entire working force consisted of men.

21.7 Contract Labour: Before Independence the system of contract labour in tanneries was common for its obvious advantages but gradually this method of getting work is yielding place to more regular arrangements. No contract labour is employed in tanneries in U.P. In Madras such labour is employed in small factories. Contract labour is employed mainly on jobs like salting, drying, packing and loading and unloading of hides.

21.8 Training:- The bulk of workers engaged in the unorganised sector seek no training. Their workmanship is the result of traditional family art. Experience is the only training they get and it ^{is} passed on to new comers on hereditary basis. Training in the modern sense is more relevant to improved indigenous or modern tanneries, with regard to their production process workers. There are about 40 occupations in the production process in the tanneries. For about 34 occupations no minimum educational qualification was necessary and these occupations account for about 26 per cent of the total employment. The other 6 need

literate workers. The experience is more valued than training and education in tanneries for getting into the jobs.

In only 8 occupations out of 29 which are open for direct

recruitment no previous experience is necessary for recruitment. The length of experience required for more skilled occupations is naturally more. According to Survey of Labour Conditions in the Industry

(1966) training and apprenticeship facilities were available only in two units surveyed in Madras. These two factories accounted for about 2 per cent of factories at the industry level.

In leather goods industry specially shoe and suitcase manufactures more literate persons are being employed. Increasing use of machines and popularity of chrome tanning will, it is expected, attract more literate persons as well as trained personnel.

Working Conditions

21.9 The requirements of leather making do not allow it to be a clean job. Manual operations, lack of proper tools coupled with poverty and ignorance of the worker make working conditions worse, and particularly so in small and cottage units. There are units in which there are no separate arrangements for residence and work place. The same place is used for cooking, sleeping and footwear making. It is rather difficult to induce workers to shift to some common premises since this will deny them family assistance. The disposal of effluents has always been a problem not only to small units but also to bigger ones. According to the 1965-66 Survey, nearly 96 per cent of the units (tanning and leather furnishing) worked one shift. The working hours were normally 8. Working conditions in big companies

are better but in small units manufacturing boots and shoes they are not satisfactory. Some of them are not able to provide necessary facilities. Working conditions in leather cooperatives are inferior to those in private enterprises.

21.10 Paid Leave and Holidays: According to the Survey about 83 per cent of the factories were granting earned leave with pay to their employees in accordance with the provisions of the Factories Act, 1948. The practice of granting casual and sick leave with pay existed in about 29 and 6 per cent of the factories surveyed. National and festival holidays were being allowed to workers in about 95 per cent of the factories.

21.11 Work injuries: The absolute number of injuries in leather and leather products industry (except footwear) has increased in ten years (1956-65). Number of injuries reported in 1956 was 159 which increased to 695 in 1965. An increasing trend is visible in case of footwear industry as well. However, the incidence of fatal injury has been negligible. The frequency rate of injuries (number per lakh mandays worked) has increased from 2.57 in 1956 to 9.66 in 1965 in case of leather and leather products; better reporting of injuries is stated to be the main reason for this increase.

Wages and Earnings

21.12 Prior to Independence, in Madras, the majority piece-rate workers earned on an average between Re.1 and Rs.1/4 as. per day and time workers from annas 12 to less

than Re.1/- per day. In Kanpur, owing to liberal scale of dearness allowance average net earnings of 75 per cent of workers were Rs.1/8 as. and above. 32.7 per cent of the workers earned, on an average, between Rs.2-4-0 and Rs.2-8-0^{per day}. Including allowances, time-workers in Calcutta earned from 14 annas to Rs.1-2-0 and piece rate workers who formed 85 per cent of total earned from Rs.1-8-0 to over Rs.2/- per day. Since then minimum wages were fixed for unskilled workers in most States under the Minimum Wages Act, 1948.[@] According to Occupational Wage Survey (1958-59) the average minimum and maximum wages taking all occupations together in the Tanneries worked out to Rs.2.12 and Rs.2.42 respectively. The wage rates in tanneries were the lowest among the 44 industries surveyed. About 77 per cent of the workers employed in 16 occupations were getting wage rates varying from Rs.2.01 to Rs.3.0 per day. The basic wage and dearness allowance constituted 95% of the earnings. Women's earnings were less than the earnings of men. Earnings of piece rate workers were higher than those of time-rate workers. In case of footwear industry the overall average daily minimum and maximum wage rate stood at Rs.2.88 and Rs.5.17 respectively in 1958-59. About 75% of workers received wages upto Rs.3.50 per day. In addition to basic wage separate dearness allowance was paid to 38% of workers in footwear industry. In case of

[@]The minimum wages are to be revised periodically but all States have not done so. The rates of minimum wages in case of those States which have revised the rates within last two years (1965-66) fall within the range of Rs.50 to Rs.80 per month.

66% of workers getting D.A., it was linked to Consumer Price Index Numbers. According to the returns under the Payment of Wages Act, average daily earning of all workers earning less than Rs.400 in Tanning and Leather Finishing Industry in March, 1965 was Rs.4.66 per day nearly 76 per cent of which comprised basic wages. The table below provides the statistics for some years since 1951.

Table 21.1
Per capita Average Annual Earnings of
Leather workers earning less than
Rs.200/- per month:

Years	Rupees		
	Footwear, other wearing apparel and made up textile goods	Leather and Leather Products except footwear (includes tanneries and leather finishings)	Tanneries and Leather finishing.
1	2	3	4
1951	989	752	749
1955	1101	837	716
1960	1425	944	771
1964	1541	1466	1142
1966*	1945	1603	2273

Source : Indian Labour Statistics 1960-1968

* Figures relate to employees earning less than Rs.400/- p.m.

21.13 Payment by results: A feature of industry is that quite a large number of workers are on piece rates. This According to Occupational Wage Survey in feature is common to all enterprises. In case of footwear industry percentage of piece rate workers was as high as 69, in tanneries the distribution was about even. Piece rate workers earned considerably higher than time rate workers in tanneries as well as in footwear.

Social Security

21.14 According to the 1966 Survey, provident fund schemes were in existence in about 66 per cent of Tanning and Leather Finishing factories in the country. Besides EPF Scheme some units provided CPF Schemes. On 30th September, 1967, EPF Act 1952 applied to 444 establishments in leather and leather products industry covering 24,221 workers with 19,154 subscribers. Pension and gratuity schemes were not common; only a few concerns provided such benefits. Maternity benefits were provided in all States under the respective Maternity Benefit Acts. However, the unorganised sector including self-employed persons which accounts for 90 per cent of footwear production is least protected by social security schemes.

Trade Unions

21.15 Trade unions operated in about three-fourths of the factories and nearly 60 per cent of the workers were members of these unions in tanning and leather finishing factories. The management of all the units having trade unions had recognised them.

Collective agreements, since 1956, had been concluded in about 53 per cent of the units more specially in small units. Several trade unions relating to Tanneries, Leather and Leather Goods Industries are affiliated to AITUC which claimed largest membership and important federating units. In recent years the membership of unions has been gradually increasing.

Industrial Disputes

Number of mandays lost in the industry due to industrial disputes during the last decade is given in ' ' .

~~Appendix II,~~
Annexure - II

It will be seen that the mandays lost in footwear industry had been within the range of 2 to 4 thousands per annum for most years. The trend is somewhat erratic. This is mainly due to wide fluctuations of mandays lost in Tanning and Leather finishing industries. The mandays lost in the Manufacture of Leather Products had been negligible.

Welfare Activities

21.17 According to Survey of Labour Conditions suitable arrangement for drinking water was made in all the factories (Tanning and Leather Finishing). Washing facility was provided in 86 per cent of units, however, bathing facility ^{available} was only in a quarter of units. Only about 5 per cent of factories in the industry were required to provide canteens and four out of five such factories had fulfilled this obligation. Only 15 per cent of factories provided residential accommodation to about 10 per cent of employees. Nearly three-fourths of the houses were one-room tenements and in about 87 per cent of cases, no rent was charged from allottees.

Estimated Average Daily Employment in Working Factories
1957-66.Employment in thousands.

	1957		1960		1964		1965		1966	
	Factories	Employment.	Factories	Employment.	Factories	Employment.	Factories	Employment.	Factories	Employment.
Manufactures of boots & shoes.	64	6	72	6	95	8	96	8	97	8
Repairs of Boots and shoes.	3	@	3	@	4	@	4	@	5	@
Leather and leather products except footwear)	<u>496</u>	<u>21</u>	<u>473</u>	<u>20</u>	<u>477</u>	<u>27</u>	<u>501</u>	<u>27</u>	<u>488</u>	<u>26</u>
Tanneries & Leather finishing.	445	17	425	16	418	17	436	18	422	17
Manufacture of Leather product except footwear and other wearing apparel.	51	4	48	4	59	10	65	9	66	9
<u>Total:</u>	<u>563</u>	<u>27</u>	<u>548</u>	<u>26</u>	<u>576</u>	<u>35</u>	<u>601</u>	<u>35</u>	<u>590</u>	<u>34</u>

@ Less than 500.

Source: Indian Labour Statistics (1968).

Mandays Lost in Leather and Leather Goods Industry.

In Thousands.

	<u>Footwear (except Rubber Footwear)</u>	<u>Leather and Leather Products</u>	<u>Tanning & Leather Finishing.</u>	<u>Manufacture of Leather Products.</u>
1956	-	5	-	-
1957	-	neg	-	-
1958	-	7	-	-
1959	-	32	32	-
1960	3	3	3	@
1961	2	22	22	-
1962	2	3	3	@
1963	4	4	4	-
1964	2	37	37	-
1965	-	7	7	-
1966	7	20	20	-

- Not available.

@ Less than 500.

Source:- Indian Labour Statistics 1960 to 1968.

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22. ROAD TRANSPORT

The 1961 Census shows that traditional modes of transport provide employment to about 8,56,000 persons (607,000 in urban areas alone). Non-mechanised transport in its various forms is almost wholly unorganised and very little information is available about its extent, numbers employed or other aspects of labour^{employed} in it; its importance is being reduced to local or regional use only. Self-employment predominates and employer-employee relationship is loose and ill-defined in such transportation. The problems of labour employed in these modes of road transport have not been studied in what follows. What has been stated is confined to labour employed in mechanised forms of road transport such as tramways, bus and lorry services for carrying passengers and goods.

22.1 Mechanised Transport: Since Independence road traffic has increased and as years go by it is sure to increase further. Between 1951-61 the number of buses increased by about 70% and trucks increased by over 100%. The Draft Outline of the Fourth Plan 1969-74 has set a target of one lakh buses^{in 1974} as compared to 0.7 lakh in 1965 and 4.25 lakh trucks^{in 1974} as compared to 2.5 lakhs in 1965. Over the period 1950-51 to 1964-65 carrying of freight traffic by railways increased nearly two and a half times while that by road^{by} about five and a half times. The increase in Railway passenger traffic has been of the order of two and half times and that by road about $\frac{3}{4}$ times.

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Most of the road transport operators in the case of goods transport work on a small scale. In March, 1965, 87 per cent of operators owned only one vehicle and those owning 2 to 5 vehicles were 11 per cent. The State-wise distribution of operators according to the size of fleet as on March, 1965 is given in ^{Annexure-I} ~~Appendix~~ I. Small operators do not have adequate resources or facilities for booking and delivering of goods. They are, therefore, handicapped in providing dependable organised services. The formation of cooperative of small operators as recommended by the Committee on Transport Policy and Coordination has been endorsed by the Fourth Plan-Draft Outline.

22.2 Nationalisation: No uniform policy has been followed by States in respect of nationalisation. In most of the States, both public and private sectors operate simultaneously—public sector has entered the field, by taking over many of the passenger routes while goods traffic is still confined to ^{the} private sector. Out of 26 units in the public sector, engaged in passenger transport, 9 are departmentally run, 4 are municipalised, 12 are run as Corporations and 1 as Joint Stock Company.

Employment, Recruitment and Training:

22.3 The Census of India 1961 placed the employment figure in motor transport industry at 7.1 lakhs. The table below gives an idea of the extent of employment in the industry based on the employment market information programme of DGR&T which covers the entire public sector and establishments employing more than 25 workers in private sector.

TABLE 22.1

Description of the Industry.	Employment		Percentage increase
	March 1963 (in 000's)	March 1966 (in 000's)	
<u>Motor Transport</u>			
(i) Public Sector	147.5	188.3	27.7
(ii) Private Sector	51.3	51.8	1.0
<u>Repairing and Servicing of Motor-Vehicles.</u>			
(i) Public Sector	52.4	62.8	10.9
(ii) Private Sector	21.6	24.1	11.7

Employment rate in the private sector is an incorrect indicator of growth on account of the fact that the establishments employing less than 25 workers in the private sector are not covered in the Employment Information Programme; and as pointed out earlier these predominate. The Annual Survey of Industries gives an account of conditions of employment of the persons engaged in repairs of motor vehicles, employing more than 50 workers. Because of variations in response from year to year it is difficult to study the trend over a period. Statement showing the number of units, capital employed, employment salaries, wages etc. in respect of such workers is at ~~Appendix II~~ ^{Annexure II}. Employment figures in respect of repairing and servicing of motor vehicles are published in the 'Indian Labour Statistics'. While these data leave out a sizeable number of units not covered by the Factories Act, 1948, they give an idea about the progressive increase in employment in ancillaries to road transport.

TABLE 22.2

Occupation	Average estimated employment in Repairing and Servicing of Motor Vehicles.						
	No. of Employees (in 000's) during						
	1957	1961	1962	1963	1964	1965	1966
Repair of Motor Vehicles.	65	89(R)	97	110(R)	115	119	122

R = Revised.

(Source: Indian Labour Statistics, 1966, 1967, 1968)

22.4 The practice of employing casual/temporary labour in the road transport industry is wide-spread. Evidence before the Commission points out that the percentage of casual/temporary labour

is high. The extent and terms of service of such labour differ from unit to unit. Casual/temporary workers are mainly employed on the operational side, workshop (mechanical and engineering) stores, as drivers, conductors, cleaners and mazdoors and a very few on clerical side. There is also the practice of appointing casual labour as retainers. They are brought on monthly rates of pay after 6 months subject to vacancies. The retainer allowance is only a rupee a day. Worker has to report for duty every day to claim it; the day he gets work he is brought on daily wages. The nature of industry may be such that a certain amount of casual labour is necessary but its incidence beyond a certain limit should not be permitted. Recruitment is generally direct in private sector. Sometimes employment exchanges also help. In many cases, it has also been noticed that the person, who is initially taken as a cleaner is gradually promoted as a driver. The general pattern of recruitment in the public sector is to select from the list sponsored by employment exchanges. In case of non-availability of suitable candidates the method of recruiting candidates through advertisement is resorted to. In most undertakings Selection Committees, Service Selection Boards have been constituted. In case of higher category of workers, Public Service Commission is consulted in some of the States. The Selection Boards recommend persons mainly for the skilled jobs. Most of the States do have set rules for promotion; workers are satisfied with rules except when ad hoc appointments are made and then regularised.

Training and Apprenticeship:

22.5 In most States, Apprenticeship Training Schemes were in existence even prior to the Apprenticeship Act, 1961. The training period

varied from State to State. Normally, the apprenticeship training was extended to conductors and drivers. Maharashtra State had elaborate facilities for training in technical trades as well as in driving. Many States have an elaborate scheme for training of motor mechanics, retraining of drivers and conductors.

22.6 A useful development in the public sector has been the formation of the Association of State Road Transport Undertakings. The Association provides facilities inter alia for instruction, training and research for the persons employed in these undertakings - encourages the adoption of modern tools of scientific management like work study, budgetary control; secures and provides technical consultancy service for the benefit of the State transport undertakings; undertakes and promotes research studies in transport economics and engineering and arranges seminars, inter-unit visits, dissemination of useful information.

22.7 However, there have been complaints about the recruitment of inadequately trained personnel in the road transport industry particularly as mechanics in private sector having small size repairing shops. Also cases are not wanting where cleaners who are not adequately trained as drivers take to steering and cause unnecessary hazards.

Wages, Earnings and Bonus:

22.8 Rates of minimum wages fixed or revised under the Minimum Wages Act, 1948, and the data furnished by the Annual Survey of Industries and Occupational Wage Survey (1958-59) covering persons employed in repairs of motor vehicles constitute the most important data on wages and earnings. Rates of Minimum Wages fixed under the Minimum Wages Act, 1948, for the lowest paid

unskilled workers upto the 30th September, 1967 are given in the ^{Annexure-III} ~~Appendix III~~. Though the Act stipulates that there should be revision after five years in actual practice the rates are revised after 8 to 10 years and in some the rates fixed prior to 1953 still prevail. The information furnished by the Survey of Labour Conditions (1959) bring out the existence of disparities in the pay scales, allowances etc. among the workers. There is no fixed system of dearness allowance. Available information is given in ^{Annexure-IV} ~~Appendix IV~~.

22.9 The table below gives the average daily wage rates of workers obtaining in selected occupations in the repairs of Motor Vehicles' industry during 1958-59.

TABLE 22.3

Average Daily Wage Rates of Workers obtaining in Selected Occupations in the Industry-Repair of Motor-Vehicles.

S.No.	Occupation	Estimated No. of Workers	Average Daily	
			Minimum Wage Rates (in Rs.)	Maximum Wage Rates (in Rs.)
1	2	3	4	5
1.	Head foreman	146	9.84	12.65
2.	Foreman	821	6.95	9.83
3.	Assistant Foreman	170	6.46	8.91
4.	Assembler Grade I	310	5.28	7.83
5.	Assembler Grade II	366	4.86	5.28
6.	Electrician Grade I	512	4.94	7.28
7.	Electrician Grade II	554	3.69	4.72
8.	Mechanic Grade I	3575	4.26	6.50
9.	Mechanic Grade II	2719	3.24	4.53
10.	Driver	784	3.82	5.00
11.	Mistry	310	3.57	4.47
12.	Tinsmith	1261	3.48	5.17
13.	Assistant Tinsmith	100	9.65	4.07
14.	Cleaner	5956	2.31	2.70
15.	Apprentice	746	1.28	1.99
All Occupations:		46263	3.21	4.30

(Source: Occupational Wage Survey (1958-59) Vol.V)

22.10 ~~Appendix V~~ ^{Annexure V} gives cost of operation in respect of public sector undertakings. The cost of personnel differs from State to State and ranges from 18.6 per cent to 47.1 per cent. Similar information is not available for private sector.

22.11 Bonus: Not much information is available about the system of payment of proficiency bonus in the private sector as well as in the public sector. Generally, four to five types of bonus besides annual profit bonus are prevalent; attendance bonus, good conduct bonus, good driving bonus are the more common forms of bonus but the most prevalent is the attendance bonus. The States of Maharashtra, Jammu and Kashmir, Punjab, Kerala, Madhya Pradesh, Mysore, Tamil Nadu, Uttar Pradesh and West Bengal have bonus schemes of one type or the other.

Working Conditions, Welfare Measures, etc.:

22.12 The Motor Transport Workers Act, 1961, applies to every motor transport undertaking employing five or more motor transport workers. The main provisions of the Act relate to welfare measures, rest rooms, hours and limitations of employment, daily intervals of rest, spread over of duty, employment of persons, wages and leave. A survey on labour conditions in public motor transport in India was conducted by the Labour Bureau, but it gives information on the situation that prevailed before the introduction of the Act. Some general information is available from the papers submitted by various workers organisations for consideration of the Industrial Committee on Road Transport (first session) held in February, 1966. The main points which emerge from these are in regard to (i) the breakdowns which cause inconvenience to the operating staff, (ii) non-compliance with overtime payment, (iii) night allowance,

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(iv) the non-applicability of the Act to a large number of small units in the private sector (v) the non-observance of weekly holidays provided in the Act and also the limitation on spread over/duty. The Industrial Committee agreed that Tripartite Standing Committees at the State levels should be set up to consider measures for more effective implementation of the Act and that the State Governments which have not framed rules under the Motor Transport Workers Act should do so speedily. The conditions of workers employed in the repairs of motor vehicles are regulated by the Factories Act, 1948. The complaints regarding inadequate implementation of the Factories Act which have been recorded in regard to other industries are also applicable to units which undertake repair works.

Provident Fund and Gratuity:

22.13 The Employees' Provident Fund Act, 1952, has been extended to this industry. But most of units are either exempted or are smaller units employing less number of workers than the minimum number fixed for its applicability. Therefore, many of the workers are denied the benefit. This is particularly true of the private sector. In the public sector, the provident fund facilities are available in almost all the States, but the conditions of eligibility for membership differ. Similar is the situation in the case of gratuity. The bigger units in the private sector have extended this facility and in the public sector pension and/or gratuity is provided for. At present, provision of gratuity is optional, but in one of the Tripartite Meetings convened by the Central Government, an agreement was reached to make it a statutory obligation.

Safety and Medical Care.

22.14 The Motor Transport Workers Act, 1961 prescribes certain measures to be taken to ensure relief in case of accidents. Most of the large units in private sector and all the public sector units have made adequate arrangements to ensure safety where needed. In public sector well-equipped dispensaries with one or more qualified medical attendants were maintained in the States of Maharashtra, Delhi, Jammu and Kashmir, Mysore and Tamil Nadu. Discussions with workers, ^{and} personal visits to some of the undertakings revealed that by and large there were no special complaints about the arrangements in these undertakings. Data regarding major and fatal accidents are available only in respect of public sector undertakings. In the year 1964-65, 1826 major accidents occurred, out of which 726 or about 40 per cent proved fatal. Accidents have a different meaning in this industry. They affect not only persons engaged in the industry but also the public whether travelling in these vehicles or not. Data on accidents are therefore mixed. On an average, 0.075 major accidents per vehicle were reported. There are numerous causes for the occurrence of any accident; not always or in every case a driver is at fault. At the same time he cannot be completely absolved of the responsibility for fatal accidents. The Workmen's Compensation Act provides for the amount of compensation that should be paid to a worker and third party insurance is intended to take care of the rest.

Trade Unions:

22.15 Labour in this industry barring those employed in public sector undertakings and in bigger units in private sector is not

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organised. In the year 1960-61, sixty unions were in existence which accounted for 26417 verified membership. The verified membership as on 31.3.1963 was about 37,000. These figures cannot be taken as complete because the response in regard to the submission of returns is not full; no study over a period is possible on the same account. There is evidence of the existence of category-wise unions of drivers, conductors, checking inspectors etc. Multiplicity of unions and inter-union and intra-union rivalry are also noticeable. However, in one of the units in the private sector in Madras State there has been only one union viz., T.V.S. employees' union and 90 per cent of the workers were members of the same. The activities of the union are not confined to the tradition one of protecting the workers' wages and allowances. The workers through the efforts of the union and cooperation of the management have been successful in having their own housing colony, besides a very spacious office building.

Industrial Relations :

22.16 The table below gives data in regard to industrial disputes for the period 1959-66.

Table 22.4

No. of Disputes resulting in Work-Stoppages,
Workers involved and Mandays lost in Motor
Transport Industry.*

Year	No. of disputes	No. of workers involved.	No. of Mandays lost ('000)
1959	17	20611	48
1960	9	21296	30
1961	10	1099	5
1962	12	5692	35
1963	8	2688	2
1964	26	15292	22
1965	18	4757	6
1966	23	5847	9

* Note:- Data in respect of repairing of Motor Vehicles are not available.

(Source:- Indian Labour Statistics, 1964, 66, 67 and 68)

22.17 On the whole because of the special nature of the industry work stoppages have been few. There is no break up of the data according to the size of the undertaking.

22.18 In the public sector undertakings, arrangements exist for redressal of individual grievances as well as disputes. Generally, the procedure for the settlement of individual grievances has been detailed in the Standing Orders. But instances are not wanting where no Standing Order or Grievance Procedure has been formulated and the workers are governed by Civil Service Rules. In such units the same set of rules is applicable as is available to the other Government servants.

22.19 Normally in public sector units, an individual grievance has to be put to the immediate superior and the final authority is the Works Manager/General Manager. The Labour Officers who have been appointed in almost all the public sector undertakings have been charged with the responsibility of removing individual complaints and they play a vital role in the settlement of the individual grievances. Some of the larger private sector units too have elaborate arrangements for redressal of grievances.

22.20 Instances of collective bargaining in the public sector are also noticed, though not on a large scale. In one of the units in Maharashtra, number of amicable agreements have been arrived at on wages, dearness allowance, other allowances etc. As on 1st January, 1968, ten major agreements were arrived at with the recognised unions and no dispute was ever referred to adjudication. In Punjab, during a period of 16 years, only once collective bargaining was resorted to. Most of the public sector units have the arrangement for Staff Councils/Works Committees wherein matters of common interest are thrashed out.

(i)

Distribution of Road Transport Operators in
different States according to size of fleet
(buses and trucks) as on 31.3.1965.

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State	Number of operators owning							Total
	One Vehicle	2 to 5 Vehicles	More than 5 but not more than 10 Vehicles	More than 10 but not more than 20 Vehicles	More than 20 but not more than 50 Vehicles	More than 50 but not more than 100 Vehicles	More than 100 Vehicles	
1	2	3	4	4	6	7	8	9
Andhra Pradesh	7,877	1,172	48	11	10	1	1	9,120
Assam(31.3.63- E)	1,700	136	9	2	1	1	1	1,850
Bihar(30.6.65)	11,500	979	173	63	21	5	5	12,746
Gujarat	12,108	957	28	12	7	5	3	13,120
Jammu & Kashmir (31.3.64)	3,500	140	40	18	1	-	1	3,700
Kerala	6,358	1,231	102	74	18	4	1	7,788
Madhya Pradesh (31.3.64)	7,747	634	182	40	13	3	6	8,625
Madras	13,218	1,601	222	81	42	9	2	15,175
Maharashtra	35,710	1,647	161	95	46	6	6	37,571
Mysore	7,537	1,705	182	78	28	3	4	9,537
Orissa (31.3.64)	7,976	1,204	210	74	67	1	2	9,534
Punjab	7,546	139	94	60	27	3	8	7,877
Rajasthan (31.3.64)	8,028	404	42	15	4	-	1	8,494
Uttar Pradesh (31.3.64)	17,489	780	51	15	2	-	1	18,338
West Bengal*	31,170	9,789	230	50	39	4	2	41,293

Contd....

(ii)

APPENDIX-I (Contd.)

1	2	3	4	5	6	7	8	9
Delhi (31.3.64)	2,697	374	32	19	5	-	1	3,128
Himachal Pradesh (31.3.64)	7	-	-	-	-	-	2	9
Manipur	529	51	2	-	-	-	1	583
Tripura	701	162	56	1	-	-	-	920
Andaman and Nicobar Islands	39	9	3	1	-	1	-	53
Goa, Daman & Diu	1,679	241	28	6	10	1	-	1,965
Pondicherry	62	25	-	-	-	-	-	87
TOTAL :	1,85,178	23,389	1,895	715	341	47	48	2,11,613
% to Total	87.51	11.05	0.90	0.34	0.16	0.02	0.02	100.00

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E - Estimated

*Excluding figures for Calcutta.

Source: Statistical Bulletin of State Transport Undertakings in India (1965-1966) Transport Research Division, Ministry of Transport & Shipping (p. 225).

MA/

STATEMENT SHOWING THE NUMBER OF FACTORIES, CAPITAL, EMPLOYMENT, SALARIES AND WAGES ETC. IN RESPECT OF REPAIRS OF MOTOR-VEHICLES INDUSTRY.

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YEAR	Number of factories			Production capital in lakhs.		No. of persons employed.		
	Registered	Return recd.	Coverage	fixed	Working	Total Workers	Other than workers.	
1	2	3	4	5	6	7	8	9
1959	255	234	92	737	637	32917	27834	4315
1960	248	236	95	1306	784	33687	29532	4155
1961	277	264	95	986	713	38919	34308	4611
1962	311	304	98	1183	966	45779	40615	5164
1963	349	333	95	1182	1013	48242	42695	5547

Salaries, wages & benefits in lakhs			Salaries & Wages per Worker		Money value of benefits or privileges per Worker		
Workers	Other than workers	Money value of benefits or privileges	Worker	Other than worker	Worker	Other than worker.	
10	11	12	13	14	15	16	
1959	350	115	30	1257.50	2665.00	81.00	171.94
1960	399	93	33	1351.00	2238.26	90.62	150.12
1961	482	114	45	1402.00	2472.35	108.43	187.67
1962	624	140	54	1536.37	2711.00	108.59	191.62
1963	674	146	67	1578.59	2632.00	128.98	215.00

Note:- Establishments employing 50 or more workers with the aid of power and 100 or more workers without the aid of power are covered.

(Source: Annual Survey of Industries).

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Rates of Minimum Wages fixed or revised under the Minimum Wages Act, 1948, for Lowest Paid Unskilled Male Workers in the Public Motor Transport upto 30th September, 1967.

State/Union Territory	Unit	Year of Fixation	Initial Wage Rates fixed.	Year of Revision	Revised Wage Rate if any.
1	2	3	4	5	6
Andhra Pradesh	Day	Prior to 1933	1.46	-	-
	Month	-do-	38.00	1961	52.00
Assam	Day	1956	1.81	-	-
Bihar	Day	Prior to 1953 (i)	1.75	-	-
	Month	-do-	45.00	-	-
	Month	1960 (ii)	35.00 to 45.00 (d)	-	-
		(iii)	30.00	1960 (iii)	40.00
Gujarat	Month	Prior to 1953	40.00 to 55.00	1964	90.00
	Day	-do-	1.81 to 2.00 (for Saurashtra area)		
	Month	-do-	47.06 to 52.00 (for Saurashtra area)		
Haryana	Day	Prior to 1953	0.78(s)	-	-
	Month	-	-	1966	75.00
Kerala	Month	Prior to 1953	28.00 (Malabar area)	1964	60.00
Madhya Pradesh	Day	Prior to 1953	1.25	-	-
	Month	-	-	1959	50.00
Madras	Month	Prior to 1953	38.00	1962	60.00

Contd....

(v)

Annexure - II
Appendix III Contd...

1	2	3	4	5	6
Maharashtra	Month	Prior to 1953	40.00 to 60.00	1964	85.00 to 95.00
	Day	-	-	1964	3.30 to 3.65
Mysore	Month	Prior to 1953	28.00 to 46.00	1962 & 1967	43.05 (0)
Orissa	Month	Prior to 1953	30.00	1965	45.00
	Day	-	-	1965	1.50
Punjab	Day	Prior to 1953	0.78 (s)		
	Month	-	-	1966	75.00
Rajasthan	Day	Prior to 1953	1.12	1959	1.50*
	Month	-do-	30.00	-do-	45.00@
Uttar Pradesh	Day	Prior to 1953	1.00	1965	2.00
	Month	-	-	-do-	52.00
West Bengal	Day	Prior to 1953	2.11		
	Month	-	-	1959	64.00 to 70.00
Delhi	Day	Prior to 1953	2.00	1965	2.88
	Month	-do-	60.00	1965	75.00
Himchal Pradesh	Day	(i) 1959	1.87		
	Month	-do-	60.00	1965	70.00
	Day	(ii) Prior to 1953	0.78 (s)		75.00 for erstwhile area of Punjab
	Month		erstwhile area of Punjab.	1966	

(d) Rs. 35.00 per month for unskilled workers, cleaners or Khelasi and Rs. 45.00 P.M. for Helpers, watchman or Darwan. Sweepers, Rs. 40.00 per month for

* Excluding Weekly day of rest.

@ Inclusive of weekly day of rest.

(r) Including Dearness Allowance but excluding other allowances.

(s) Excluding Dearness Allowance and other allowances.

(o) Excluding Cost of living allowance.

(Source: Indian Labour Statistics, 1968.)

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Annexure - IV
(Ref Para 22.8)
Appendix VPAY SCALE, D.A. & MODE OF D.A.
PAYMENT TO CONDUCTORS/DRIVERS.

S.No.	State	Present set up	Pay Scale	D.A.	Mode of D.A. Payment
1	2	3	4	5	6
1.	Maharashtra (December, 1967)	M	Conductor: Rs. 55-4-75-5-110	Apprex. Rs. 175/-	Employees draw basic pay up to Rs.275/- are paid D.A. base on C.L.I. comp by Millowners' Association. C eligible for f D.A. @ 175/- I
2.	(1967-1968)	C	Rs.90-3-120-5-150 (M)	Ranging between Rs.61/- to Rs.75/-.	D.A is based slab basis. It not linked with C.L.I.
3.	Madras (December, 1967)	D	(Lowest Paid) Rs. 70-2-90 (Highest Paid) Rs.80-3-110	Ranging between Rs.47/- to Rs.70 Rs. 70/-.	D.A. is based slab system as ordered by the Government periodically.
4.	(January, 1968)	P	No Scale Basic Wage:- (i) Lowest Paid = Rs.40/- (ii) Highest Paid = Rs.129/-	Rs.107.40 Rs.107.40	D.A. is linked with Madras City Cost of Living Index.
5.	Delhi (1967-68)	M	Rs.105-155	Ranging between Rs.47/- to Rs.70/-	Slab system.
6.	Andhra Pradesh (Jan.1967)	C	Rs. 80-3-110	Ranging between Rs. 49/- to Rs.67/-	Slab system State Government orders.
7.	West Bengal (1962)	C	(Conductor Gd.I & II) Rs.95-2-113-3-140(Revised)	Ranging between Rs.48/- to Rs. 63/-	Slab system.

Contd.....

1	2	3	4	5	6
<u>DRIVERS</u>					
1. Maharashtra (December, 1967)	M	Rs. 90-7-50-165	Approx. Rs. 175/-	Employees drawing basic pay upto Rs. 275/- are paid D.A. based on C.L. compiled by Millowners Association. Others eligible for fixed D.A. @ Rs. 175/- P.M.	
2. (1967-1968)	C	Rs. 100-4-120-5-160(M)	Ranging between Rs. 61/- to Rs. 75/-	Based on slab system. Not linked with C.L.I.	
3. Madras (December, 1967)	D	(i) Lowest Paid) Rs. 80-2-100 (ii) (Highest Paid) Rs. 90-3-105-4-125	Between Rs. 47/- to Rs. 70/- Between Rs. 47/- to Rs. 70/-	Based on slab system. -do-	
4. Madras (January, 1968)	P	No scale Basic Wage: (i) Lowest : Rs. 50/- (ii) Highest : Rs. 185/-	Rs. 107.40 Rs. 107.40	D.A. is linked to Madras City Cost of Living Index. Slab system.	
5. Delhi (1967)	M	110-180	Ranging between Rs. 70/- to Rs. 90/-		
6. Andhra Pradesh (Jan. 1967)	Gd. I. C	Rs. 110-4-122-6.50-128.50-4-152.50-5-157.50 Grade-II. Rs. 100-3-124-5.50-129.50-3-132.50	Between Rs. 67/- to Rs. 85/- Ranging between Rs. 67/- to Rs. 69/-	Slab system as per State Government.	
7. West Bengal (1962)	C	(i) Route Driver (Selection Gd.) Rs. 180-5-200-10-250. (Revised) (ii) Route Driver (Gd. I & Gd. II) formerly. Rs. 135-3-150-5-200 (Revised)	Ranging between Rs. 75/- to Rs. 80/- Ranging between Rs. 63/- to 75/-	Slab system.	

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 Note :- D= Departmental
 C= Corporation
 M= Municipal
 P= Private.

COST OF OPERATION - PERCENTAGE STRUCTURE

State	Name of the State Transport Undertaking	Cost of Personnel	Cost of Material	Depre- ciation	Over- head	Interest on Capital.
1	2	3	4	5	6	7
Andhra Pradesh	Andhra Pradesh State Road Transport Corporation, Hyderabad.	23.22	38.35	10.81	24.08	3.54
Assam	State Transport Assam, Shillong.	31.04	37.79	14.48	10.64	6.05
Bihar	Bihar State Road Transport Corpn., Patna.	22.44	34.84	17.00	18.23	7.49
Gujarat	1. Gujarat State Road Transport Corporation, Ahmedabad.	21.67	37.46	11.96	25.16	3.75
	2. Ahmedabad Municipal Transport Service, Ahmedabad.	36.03	32.48	11.99	12.33	7.17
Jammu & Kashmir	Jammu & Kashmir Govt. Transport Undertaking.	22.20	41.81	21.11	12.53	2.35
Kerala	Kerala State Road Transport Corpn., Trivandrum.	25.41	36.33	6.57	26.37	5.32
Madhya Pradesh	Madhya Pradesh State Road Transport Corporation, Bairagarh.	18.92	41.90	11.47	22.59	5.12
Madras	State Transport Department, Madras.	20.68	35.13	15.75	22.77	5.67
Maharashtra.	1. Maharashtra State Road Transport Corporation, Bombay.	21.06	35.76	11.91	28.74	2.53
	2. Bombay Electric Supply & Transport Undertaking, Bombay.	47.02	29.09	8.79	14.20	(A)
	3. Poona Municipal Transport Service, Poona.	36.75	34.18	10.61	9.43	9.03

Contd.....

1	2	3	4	5	6	7
Mysore	Mysore State Road Transport Corpn., Bangalore.	23.54	36.23	11.70	21.81	6.72
Orissa	1. State Transport Service Orissa, Cuttack.	18.46	31.29	28.09	16.60	5.56
	2. Orissa Road Transport Co.Ltd., Berhampur.	20.03	39.20	16.21	24.56	(B)
Punjab	1. Punjab Govt. Transport Services, Chandigarh.	18.79	56.80	14.34	5.53	4.54
	2. Pepsu Road Transport Corporation, Patiala.	16.28	49.14	12.97	10.67	10.94
Rajas- than	Rajasthan State Road Transport Corporation, Jaipur.	22.96	37.52	20.83	10.65	8.04
Uttar Pradesh	U.P. Government Roadways, Lucknow.	30.36	40.57	14.78	9.48	4.81
West Bengal	1. Calcutta State Transport Corporation, Calcutta-56.	38.74	36.05	10.21	9.78	5.22
	2. North Bengal State Transport Corporation, Cooch Behar.	26.55	42.36	8.50	16.86	5.73
Delhi	Delhi Transport Undertaking.	36.64	38.93	12.25	7.75	4.43
Himachal Pradesh	1. Himchal Govt. Transport, Simla-1.	17.85	56.15	14.46	8.14	3.40
	2. M.K. Road Transport Corporation Mandi.	19.91	39.41	14.42	15.04	11.22

Contd.....

(x.)

Appendix V Contd.....

1	2	3	4	5	6	7
Manipur	Manipur State Transport Department, Imphal.	20.85	37.50	18.04	18.42	5.19
	All India :	26.22	37.70	12.58	19.9	4.31

A - Included under depreciation.

B - Not reported separately.

(Source : Statistical Bulletin of State Road

Transport Undertakings in India, 1965-66
 Ministry of Transport and Shipping
 (p.59-60) Transport Research Division).

23. RAIL TRANSPORT

The Indian Railway net-work of 58,877 route kilometres is owned and managed by the Central Government with the exception of 461 route kilometres of narrow gauge branch lines owned and worked by non-government bodies. Throughout the history of railways in India, the Government played a leading part in their development, in the early period by giving financial guarantees to the companies ^{which} undertook construction of railway lines, thereafter by directly constructing and administering a part of the railway system and later by taking over under direct management almost the entire railway system. The Railways ^{are} the nation's largest undertaking with an investment of Rs.3,639 crores and employees numbering 13.6 lakhs in 1967-68. Besides being the country's largest public undertaking and a vital national asset, the railways are rightly regarded as the lifeline of the country. They provide a net-work of services which serve to unify the country and operate on considerations of wider commercial, political, economic and social interests. In 1967-68 the railways carried more than two times the freight traffic and about 75% more passenger traffic they carried in 1950-51. The development of basic industries has thrown on the railways the main responsibility for carrying raw materials and finished products. A large part of the investment on the railways under the five year plans is accounted for by the works designed to increase capacity on the existing railway

system so as to meet pressures of economic development. Schemes for electrification and dieselisation of the tracks have been introduced on Indian Railways. The route length electrified upto the end of 1967-68 aggregated to 2885 kilometres. By 31st March, 1968, about 12,000 route kilometres were dieselised. A summary of statistics showing development of rail transport during 1950-51 to 1967-68 is given in the following table:

Table 23.1

	<u>1950-51</u>	<u>1955-56</u>	<u>1960-61</u>	<u>1965-66</u>	<u>1966-67</u>	<u>1967-68</u>
1. Capital-at charge (million of Rupees)	8,270	9,690	15,209	26,803	28,416	29,780
2. Route Kilometres	53596	55,011	56,247	58,399	58,465	58,877
3. No. of Stations	5976	6,152	6,523	6,986	7,007	7,027
4. Rolling Stock:						
a) Locomotives	8,209	9,172	10,624	11,743	11,626	11,597
(i) Steam	8,120	9,026	10,312	10,613	10,428	10,226
(ii) Diesel	17	67	181	727	776	892
(iii) Electric	72	79	131	403	422	479
b) Coaching vehicles (units)	19,081	22,618	27,477	31,477	31,673	32,318
c) Electric multiple unit coaches	460	574	846	1,355	1,449	1,490
d) Wagons (units)	205596	240756	307907	370,019	375524	377,689
5. No. of employees ('000)	914	1,025	1,157	1,352	1,365	1,363
6. Volume of traffic (millions):						
a) Passengers Originating	1,284	1,275	1,594	2,082	2,192	2,257
b) Passenger kilometres	66,517	62,400	77,665	96,294	102,145	107,163
c) Tonnes originating	93.0	115.9	156.2	203.0	201.6	196.6
d) Net tonne kilometres	44,117	59,576	87,680	116936	116607	118860

Source: Indian Railways, 1967-68,
Ministry of Railways.

23.3

23.1 During the Third Plan, a provision of 15 per cent increase was made in the number of suburban passengers. The actual increase, however, exceeded the forecast.

23.2 Railway planning is proceeding on the assumption that the role of Railways will hereafter be confined to the carriage of bulk commodities over long distances, while small quantity or moderate distance traffic will be progressively taken over by motor transport. The estimates of traffic load in 1975-76 are about 250 billion tonne kilometres of goods traffic and 153 billion passenger kilometres of passenger traffic. A relatively higher ~~emphasis~~ will be on electrification and dieselisation.

Organisation

23.3 The responsibility for the administration and management of the Indian Government Railways rests with the Railway Board. The Board acts in consultation with other Ministries, ^{is} and in turn consulted, so as to achieve a planned development. The Railways are divided into nine zones. Each zonal railway is headed by a General Manager, who is responsible to the Railway Board for the operation, maintenance and financial position of his Railway. The General Managers are assisted by functional heads of departments. The General Managers have been delegated wide powers in matters relating to establishment works, contracts and procurement. Seven zonal railways, the Central, Eastern, Northern, South Central, South-Eastern, Southern and Western are organised on the

divisional pattern, under which adequate authority is delegated to the Divisional Superintendents for effective administration and inter-departmental coordination. The others: the North-Eastern and the Northeast Frontier Railways, are less extensive than the other Railways and are administered for the time being on the district pattern, in which District Officers are responsible direct to the heads of departments at the Railway's headquarters.

Employment, Recruitment and Training

23.4 Employment: Railways ^{are} the biggest employer in the country employing 13.6 lakhs regular staff (as at the end of March, 1968) forming about 55% of the employees in Central Government. Of the 13.6 lakh employees nearly 6.5 thousands are Gazetted officers and the rest are non-gazetted. A little over 87% of the total are permanent employees while the rest are temporary. The increase in the number of employees since 1950-51 would be seen from the following table:

Table 23.2: Number of employees on Indian Railways

<u>Year</u>	<u>No. of employees ('000)</u>
1950-51	914
1955-56	1025
1960-61	1157
1964-65	1319
1965-66	1352
1966-67	1365
1967-68	1363

Source: Indian Railways, 1967-68, Ministry of Railways

23.5

23.5 An occupational break-up of Railway employees is given in the following table:

Table 23.3 Occupational pattern of employees in Railways (1964)

<u>Occupational Category</u>	<u>Percentage</u>
1. Professional, technical and related workers (excluding primary and middle school teachers)	2.35
2. Primary and middle school teachers	0.06
3. Administrative, executive and managerial workers	0.36
4. Clerical and related workers (excluding unskilled office workers)	10.88
5. Sales workers	0.01
6. Farmers, fishermen, loggers, etc.	0.18
7. Miners, quarrymen and related workers	0.23
8. Transport and communication workers	23.95
9. Craftsmen, production process and related workers (except unskilled workers)	21.87
10. Service, sports and recreation workers (excluding unskilled workers)	3.53
11. Unskilled office workers	3.04
12. Other unskilled workers (including gangmen)	33.54
	<u>100.00</u>

Source: Occupational Pattern in India (Public Sector), 1964.
DG E&T, Ministry of Labour and Employment.

23.6 Casual Labour: Employment of casual labour has been a long standing practice on Railways; its volume fluctuates according to the need. On an average 3 to 4 lakh casual workers are employed on works of sporadic, seasonal and casual nature. Casual labour is also engaged on large-scale construction projects which are to be completed within a specified period. Some casual workers are absorbed in the regular cadres while the bulk is generally discharged after the completion of the project unless alternative employment could be found elsewhere on the Railways. All ^{such} ~~labour~~ ^{is} recruited locally in the area where the work is undertaken. For the first six months it is paid at market rate and afterwards like regular temporary railway employees. Cases where casual labour is retrenched for depriving it of more regular rights are not unknown.

23.7 Mazdoors and Vendors: Directly as a result of railway operations, nearly 40 thousand licensed porters, 15 thousand vendors and over 3 thousand commission agents earn their livelihood from works incidental to rail transport. They are not treated as employees of the railways.

23.8 Recruitment Practices: Recruitment to both technical and non-technical categories in Class III service is arranged partly by the four Railway Service Commissions at Allahabad, Bombay, Calcutta and Madras and partly by promotion. In certain cases recruitment committees have been authorised to make recruitments.

On receipt of indents from the Railways, employment notices with necessary details are issued by the Commission/Committee, published in newspapers ^{and} / Railway Gazettes, displayed on the notice boards in Railway offices ^{and} / sent to recognised Scheduled Caste and Scheduled Tribe Organisations, employment exchanges and technical institutes. Widest publicity is ensured to these employment notices. For the non-technical categories such as office clerks, guards, ticket collectors, mass examinations are held. Class IV staff and unskilled labour are recruited separately for a Division or District, workshops, more or less on the same basis. Local applicants and relatives of serving employees are also considered along with others and no discrimination is made in selection on this basis.

23.9 Training: The Railways provide varied training facilities for the staff in 40 basic training centres which train unskilled labour. In addition, 50 training schools give theoretical and practical training in railway operation and rules to the new recruits and refresher course to serving employees. The training covers fields such as mechanical maintenance of track for heavier loads and higher speed, working of mechanised yard and design and maintenance of diesel and electric locomotives.

Working Conditions

23.10 The conditions of work on the Railways are mainly regulated by the Hours of Employment Regulations which form part of the Indian Railways Act. Installations like mechanical workshops, electrical installations and printing presses are covered by the Factories Act. They employ about 2 lakh workers. All other workers i.e. those employed outside factories are governed by Hours of Employment Regulations.

23.11 Factory Workers: Railway workshop employees ^{work} for 48 hours per week. Enforcement of provisions of Factories Act in Railway workshops does not appear to be satisfactory; workers complain of too much leniency on the part of the Labour Department while dealing with departmentally run factories. The frequency rate of accidents in railway workshops is reported to have been higher than the overall frequency rate. While the Railway administration attribute accidents mainly to negligence on the part of workers to observe safety precautions the workers attribute it to poor working conditions. To generate safety consciousness amongst workers the railway administrations conduct training programmes and lectures on safety consciousness and methods of preventing accidents.

23.12 Leave rules are more liberal than the rules provided under the Factories Act. There are 15 holidays in a year for workshops. Out of these 3 are national holidays. There is no difference in the number of holidays from region to region but the holidays differ depending upon the local festivals. Workshop staff are not entitled to any casual leave.

28.13 Other workers not covered by the Factories Act, 1948: Loco running sheds have been exempted from the purview of the Factories Act. Railway Board interprets this exemption to cover carriage and wagon running sheds. The hours of work of railway employees not covered by the Factories Act are governed by the Hours of Employment Regulations. The present regulations which form part of the Indian Railways Act were framed as a result of one of the adjudication awards. Under these regulations the employees

23.9

are classified into 4 different groups mainly (i) intensive, (ii) continuous and (iii) essentially intermittent, (iv) excluded.

23.14 Intensive: A railway servant is classified as 'Intensive' when his duty is of a strenuous nature involving continuous concentration or hard manual labour with little or no period of relaxation. He is rostered for 6 hours duty per day or 45 hours a week on an average over a month.

23.15 Continuous: All other railway employees employed in continuous process are classified as continuous. In their case the daily duty extends to 8 hours per day or 54 hours a week on an average over a month.

23.16 Essentially Intermittent: The duty of essentially intermittent railway servant is not of a continuous nature and is interspersed with periods of inaction though he remains at the place of duty for a period of 12 hours or 75 hours a week. His daily duty of 12 hours should not have periods of inaction for less than 6 hours per day.

23.17 Excluded: Railway staff holding supervisory position, working in confidential capacity, doctors, matrons, and midwives in the medical department and those who have light nature of duty are classified as 'Excluded'. No fixed roster is applicable in their case.

23.18 The number of Class III and Class IV staff (excluding factory workers) as on 31.3.1967 under each of these classifications is indicated below:

Table ^{23.4} / Class III and Class IV staff by nature of duty

<u>Classification</u>	<u>No. of staff as on 31.3.67</u>
(a) Intensive	2467
(b) Continuous	909931
(c) Essentially Intermittent	146592
(d) Excluded	50527
	<hr/>
Total	1109517
	<hr/>

The Hours of Employment Regulations and the classification were determined nearly 38 years ago. Since then there has been tremendous increase in the volume and intensity of work of the various categories of employees governed by these regulations.

The Railway unions have urged a periodic review of these regulations.

23.19 Accidents and their Prevention: Accidents in railway workshops, are mainly attributable to lack of sufficient care and incorrect attitude towards safety on the part of individual workers. Safety in railway workshops is constantly engaging the attention of the administrations and sustained efforts are made to minimise accidents in railway workshops. The rates of accidents in railway workshops during 1952-53 to 1961-62 were higher as compared to those of the industrial injuries in factories. But from 1962-63 onwards the rates of accidents show downward trend. The rates of fatal accidents in railway workshops during all these years have been much lower as compared to those in the factories.

Welfare Measures

23.20 Medical facilities: The Railways provide comprehensive medical and health care services free of cost to all railway employees including factory/workshop labour, permanent or temporary and their families, as also to such dependants as are eligible for passes.

The health care services are both curative and preventive. Free outpatient medical attention is also available to licensed porters at stations where decasualisation scheme has been introduced.

At certain specified places it is also available to the retired employees. The curative services are carried on through hospitals, health units, chest clinics, dental clinics and maternity centres. Preventive services include control and eradication of communicable diseases, environmental sanitation, prevention of food adulteration, provision of health clinics, student health services, family planning and industrial health.

23.21 Educational facilities: Railways provide facilities for education to the children of their employees. These include two intermediate colleges, 47 higher secondary/high schools, 26 middle schools, and 671 primary schools during 1967-68. Reimbursement of tuition fees is allowed to the children of Railway employees drawing upto Rs.600/- per month. During 1966-67, 1150 new scholarships were awarded from railway revenues for the technical education of children of railway employees and 2044 scholarships continued from the preceding years.

23.22 Holiday Homes: As a measure of staff amenity, holiday homes have been set up on Railways for Class III and Class IV staff at hill stations, sea side resorts with pleasant surroundings. The charges are within the means of the employees for whom they are meant.

23.23 Travel Concessions: Free passes for travel as also privilege ticket orders at one-third of the public fare for the employees and their families are provided. It is regulated according to the length of service of the employees. It is these concessions which make holiday homes referred to above more attractive.

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Social Security

23.24 Social security covers two aspects:

- (i) Measures taken by the Government to protect the interest of the workers while in service; and
- (ii) Post-retirement benefits provided for by the Government in the interest of the welfare of the workers.

23.25 The existence of a number of social security schemes and their effective implementation on railways have substantially contributed both to stability of employment and maintenance of better industrial relations.

Trade Unions

23.26 Barring exceptions of white collar unions and certain industrial centres, the trade unions on the Indian Railways are by and large better organised than in any other industry. There are two recognised central trade unions, viz. National Federation of Indian Railwaymen and All India Railwaymen's Federation. The All India Railwaymen's Federation and erstwhile Indian National Railway Workers' Federation merged into the National Federation of Indian Railwaymen in 1953. But this unity could not be maintained and the organisations separated again into two distinct units viz. The All India Railwaymen's Federation and National Federation of Indian Railwaymen. Further efforts at unity did not bear fruit. Other trade unions which are not affiliated to these federations have also been formed. But they have yet to muster strength.

23.27 Each of these two federations has an affiliated union on each of the zonal railways as well as in the Chittaranjan Locomotive Works and Integral Coach Factory. All affiliated unions except the unions in the two manufacturing units are

recognised by railway administrations. At present, a zonal union ^{is} / ^{on} accorded recognition/satisfying certain prescribed conditions. Some of these are: (i) it must consist of distinct class of railway employees and must not be formed on the basis of caste, tribe, religion, etc.; (ii) all railway employees of the same class must be eligible for membership; (iii) it must have been registered under the Trade Unions Act; (iv) its membership should not be less than 15% of the total number of non-gazetted staff employed on the railway concerned; (v) it should not be sectional i.e. union composed either of one category or a limited categories of workers; and (vi) it should not be in the opinion of railway administration likely to engage itself in subversive activities. Several unions consider the last clause as giving a very wide latitude to the Railway authorities for refusing recognition.

23.28 The recognition of a union bestows on office bearers certain facilities like complimentary railway passes, special casual leave to attend union meetings, accommodation to house trade union offices and allowing workers in active service to take on trade union work. The structure of the trade unions on the zonal railways coincides with the administrative set up. Matters concerning wages, working conditions and other policy matters are decided by the Railway Board in consultation with the Federations. All the negotiations with organised labour are held under the Permanent Negotiating Machinery. Outsiders in unions have played a notable part for building the trade union movement on the Railways, though with the arrangement which permits seconding of railway staff for short periods for union work inside leadership is also developing.

Industrial Relations

23.29 Compared to any other industry the railways in spite of their size have enjoyed a fair measure of industrial harmony during the last fifteen years. Arrangements for dealing with individual and collective grievances of workers do exist on Railways. For this purpose Permanent Negotiating Machinery and Joint Consultative Machinery provide an effective line of communication between management and workers.

23.30 Procedure for the working of Permanent Negotiating Machinery on Railways: In January, 1952 a Permanent Negotiating Machinery was set up on Railways in agreement with organised labour viz. both the All-India Railwaymen's Federation and the Indian National Railway Workers' Federation for maintaining contact with labour and resolving disputes and differences which may arise between workers and the administration.

23.31 This machinery consists of three tiers; one at the Railway level, the recognised unions having access to District/Divisional officers and subsequently to officers at the headquarters including the General Managers; at the next tier, matters not settled at the Railway level are taken up by the respective Federations with the Railway Board and the third tier in which if agreement is not reached between the Federation and the Railway Board, and the matters are of sufficient importance, reference may be made to an Ad hoc Tribunal composed of representatives of the railway administration and labour presided over by a neutral Chairman.

23.32 The following detailed procedure is laid down for the working of the machinery:

- "i) At the district or divisional level, the District or Divisional Officers should meet the branches of the recognised unions at least once in two months and oftener if necessary, each workshop being considered as a district and the subjects for discussions being determined in advance.
- "ii) At the railway headquarters, the General Manager or the Chief Personnel Officer should meet the unions at least once a quarter and oftener, if necessary.
- "iii) Disciplinary matters and subjects like promotion, transfer etc. of individual members not involving general principle will be excluded from the scope of the discussions at all levels excepting where it was already given.
- "iv) At the district and railway levels, subjects will comprise those which are within the powers of the officers concerned.
- "v) Questions concerning pay scales, allowances will only be discussed between the Federations and the Railway Board and not at lower levels.
- "vi) At the Centre, negotiations will be between the Railway Board and the two Federations and for this purpose, there will be quarterly meetings between the Railway Board and the Federations.
- "vii) When a matter which is raised for discussion at the district level is not settled by agreement, it may be raised at the Railway level, for further negotiations. Similarly, a matter not settled at the Railway level may be brought up by the Federations to the Railway Board for discussion.
- "viii) All subjects brought up for discussion at the various levels should be disposed of as expeditiously as possible.
- "ix) If, after discussion between the Railway Board and the Federations, agreement is not reached between the two sides on any matters of importance, such matters may be referred to an ad hoc Railway Tribunal which will be set up for dealing with them at the Centre. This Tribunal will consist of an equal number of representatives of Railway labour and the Railway administration with a neutral Chairman. The Tribunal will be enabled to make investigations as it deems necessary before they give their decision. The detailed procedure which the Tribunal should adopt for conducting its proceedings and submitting its decisions may be drawn up as and when the occasion arises.

/such

"x) It will be open to Government to accept, reject or modify the decision of the Tribunal and where the matters in dispute affect the workers under Ministries other than the Railway Ministry, those Ministries will be consulted as to :

- a) whether they have any objection to the disputes being referred to the Railway Tribunal; or
- b) whether they would like the disputes to be referred to an ad hoc Tribunal on which they will also be represented.

"xi) On matters which have been settled by agreement or in which Government ultimately accept the decision of the Tribunal, it will not be open to the Federation to raise the same issues again for a period of two years. In those cases in which Government have rejected or modified the decision of the Tribunal, the issue may be raised at the end of one year."

23.33 Since the Permanent Negotiating Machinery was established, only one Ad hoc Tribunal was appointed in 1953. Out of the items originally referred to the 1953 Tribunal, quite a number of issues were later settled with labour by discussions across the table and deemed as withdrawn from the purview of the Tribunal.

23.34 Scheme for Joint Consultative Machinery and Compulsory Arbitration: With the object of promoting harmonious relations and of securing the greatest measure of cooperation between the Government, in its capacity as employer, and the general body of its employees in matters of common concern, and with the object, further, of increasing the efficiency of the public service, the Government of India have established a machinery for joint consultation and arbitration of unresolved differences.

23.35 The scheme visualises:

- i) Joint National Council;
- ii) Joint Departmental Council; and
- iii) Joint Regional/Office Council.

23.36 On the Railways the scheme is being implemented at the level of Departmental Council and above.

The National Council will deal with matters affecting all Central Government employees, such as dearness allowance, and pay of common categories like office clerks, while a departmental council will deal only with matters affecting the staff in a particular Ministry. Outsiders are not permitted to be included on the staff side under the Scheme of Joint Consultative Machinery. However, an honourably retired employee can be a member of a Joint Council (National or Departmental). As an exception, however, outsiders have been permitted in the Departmental Council on Railways. In the National Council, Cabinet Secretary will be the Chairman and in the Departmental Council, the official head of the Ministry will be the Chairman of the Council. The staff side in the Joint Councils forms one negotiating unit irrespective of the fact that they might be belonging to different Federations/Associations. In the JCM Scheme, matters are to be concluded at the meetings themselves and not reserved for later decision. If there is no agreement between the two sides and a final disagreement is recorded it will be referred to arbitration if it relates to one of the compulsorily arbitrable subjects if so desired by either side. The compulsory arbitration shall be limited to (a) Pay and Allowances; (b) Weekly Hours of Work; and (c) Leave.

23.37 In so far as the Railways are concerned, an understanding has been reached between the Railway Ministry and the Ministry of Labour who are responsible to check the implementation of the provisions of the Industrial Disputes Act, 1947 on the Railways and other Central Government Undertakings, that in view

354 the fact that Permanent Negotiating Machinery is functioning on Railways for settlement of grievances of Railway employees which may arise from time to time, the Ministry of Labour will not interfere in the industrial disputes on Railways unless the Permanent Negotiating Machinery has proved a failure. This is a point of complaint ^{from} several unions and perhaps inappropriate in the spirit in which the legislation has to be enforced.

Wages and Earnings

23.38 The existing wage structure on the railways is based on the recommendations of the Pay Commissions appointed by the Government from time to time. The pay structure of railway servants conforms broadly to the pattern obtaining in other Government departments. The classification and salary are as under:

Table - 23.5

<u>Classification</u>	<u>Monthly salary ranging between</u>
Administrative posts	Rs.1300 - 3500
Class I posts	Rs. 400 - 1250
Class II posts	Rs. 350 - 900
Class III posts	Rs. 110 - 575
Class IV posts	Rs. 70 - 110

Workshop staff generally belongs to Class III and Class IV. In addition to wages, workers are also entitled to certain allowances for to compensate ^{of living} the rise in the cost of living. The present procedure for compensating for costs ^{of living} in different areas and regions of the country is to allow for certain special allowances e.g. city compensatory allowance, house rent allowance and dearness allowance. The actual compensation need not be uniform for all labour or even for labour in the same categories of pay in different regions. At present the system of payment of dearness allowance is based on the All-India Consumer Price Index, as at present compiled.

23.19

23.39 Fringe Benefits: On Railways, the benefits accruing to a worker other than his wage and allowances include the following (1) provision of Government accommodation (rent free or otherwise), (2) City Compensatory and local allowance, (3) Children's education allowance, (4) Free uniforms to children in primary schools organised by Railway administration of railway employees drawing pay of Rs.228/- and below, (5) Reimbursement of tuition fee, (6) Free medical attendance and treatment, (7) Hill allowance, remote locality allowance, bad climate allowance, (8) travel concessions.

Incentive Schemes and Productivity

23.40 The incentive working has been introduced in the major railway mechanical workshops including electrical sections attached to these workshops, signal and civil engineering workshops. The reaction of the employees has been favourable as it increased their earnings. An assurance was also given to the employees that there would be no retrenchment on account of increase in productivity and additional work load has been procured to see that all staff/^{is}gainfully employed. The incentive schemes adopted on Railways are based on ^{Their} work study. ~~success~~ depends on the willing cooperation of labour and an agreement with the representatives of organised labour. Incentives are given only to those workers who directly contribute to the increases in productivity. Effort is made to try and measure the output of all workers with a view to ensuring that the largest possible numbers are brought within the scope of this scheme.

(i)

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24. PORTS AND DOCKS

India has eight major ports viz. Bombay, Calcutta, Madras, Visakhapatnam, Cochin, Kandla, Mormugao and Paradeep; the first five were so declared prior to 1947 and the remaining in 1955, 1964 and 1966 respectively. With the expansion of foreign trade in value, volume and tonnage, the capacity of each of these ports has been increasing. The traffic in major ports increased from 19.3 million tonnes in 1950-51 to 54.4 million tonnes in 1966-67. Simultaneously the revenue and expenditure of these ports have also gone up since 1950-51. The aggregate revenue and expenditure of the major ports in 1966-67 stood at Rs.61.04 crores and Rs.45.91 crores respectively.

Employment, Recruitment and Training

24.1 Labour employed in the Ports and Docks can be categorised into two according to the recruiting authority. Another distinction is as between the men who handle cargo on board the ship and those who work on shore and in the sheds. The former is known as stevedore labour and the latter are dockers. In 1944, Madras Port Trust initiated a scheme for decasualisation of shore labour. Because of the persistent demand for the security of jobs to the workers in the ports of Bombay and Calcutta, decasualisation of shore labour took place in 1948, and in other ports in 1959. The Dock Workers (Regulation of Employment) Act, 1948 was modelled by and large on the U.K. Dock Workers (Regulation of Employment) Scheme, 1946. However, the rules framed under this Act restricted benefits to stevedore labour only. The scheme seeks to regulate the employment of certain specified categories of stevedores. The result has been that for the recruitment of stevedore labour, separate Dock Labour Boards have been constituted in major ports consisting of equal

24.2

number of representatives of (i) Central Government; (ii) Dock Workers; and (iii) Employers of Dock workers and shipping companies. At present the Scheme is in operation in six major ports, viz. Bombay, Calcutta, Madras, Visakhapatnam, Cochin and Mormugao. In Bombay, Madras and Calcutta ports, the decasualisation schemes have been supplemented by listing schemes called the 'Unregistered Dock Workers (Regulation of Employment) Scheme'. Under the Dock Workers' Schemes, the workers are divided into two classes: monthly workers and daily workers called Reserve Pool Workers, the former enjoying security of employment. On January 1, 1967 out of 24081 registered workers with the six Dock Labour Boards, 22,156 were pool workers and 1,925 were monthly workers.

24.2 Decasualisation of Shore Labour: Under the decasualisation scheme two registers ^{are} maintained. The workers whose names were borne on 'A' category or primary registers got all benefits enjoyed by regular workers under Port authorities and those included in 'B' category were granted an attendance allowance. Practice of employing 'C' category workers, rank casuals, has also developed as Port authorities failed to meet their requirements from 'A' and 'B' registers.

24.3 In 1954, Vasist Committee was appointed mainly to assess the working of the Dock Workers (Regulation of Employment) Schemes framed for the ports of Bombay, Calcutta, and Madras under the Dock Workers (Regulation of Employment) Act, 1948 and suggest changes in the Schemes. The Committee observed that "the Government may review the situation and suggest to the Port authorities that a suitable decasualisation Scheme in respect of casual labour may be framed by them". In Bombay, the matter was considered in appeal by L.A.T. in 1955 which laid down a formula for determination of the proportions of workmen in these categories.

24.3

was required to

Later in 1957, Shri P.C. Chowdhary/examine the feasibility of casual reducing to the minimum the number of/shore workers employed in major Ports and workers employed through contractors and to suggest modifications in departmental schemes of decasualisation. He recommended a formula for determining the strength of various categories of workers. The formula was not given effect to. The Court of Enquiry under Salim Merchant finally fixed the complement of 'C' category workers at 15% of the regulars i.e. those in 'A' and 'B' categories. On 'completing 4 years of continuous service in 'C' category, , the 'C' category workmen will automatically be promoted to 'B' category and will start getting all the service benefits which the 'B' category workmen are entitled to.

24.4

In view of the fluctuating nature of Port work, the necessity of maintaining a pool of casual labour has been acknowledged by Industrial Tribunals/Committee. The Government of India has authorised the Port administration to retain casual labour in the Ports but casual labour may be engaged on works of purely casual nature and which are intermittent and also for project works which are not of a regular nature. To protect such labour from exploitation, in most of the contracts there is a fair wage clause which enjoins upon the contractors to pay a minimum wage to contract labour.

24.5

Table below gives the strength of labour in different major ports from 1955 to 1968.

Table 24.1

Port	1955-56			1.1.1967			1.1.1968			
	Port 'Labour	Port 'Labour	Dock 'Labour	Total '	Port 'Labour	Dock 'Labour	Total '	Port 'Labour	Dock 'Labour	Total '
Calcutta	32,091	41,492	11,026	52,518	40,050	17,891	57,9			
Bombay	21,439	27,210	4,254	31,464	27,000	9,697	36,6			
Madras	5,178	11,730	2,326	14,056	12,950	3,309	16,2			
Visakhapatnam	2,350	8,973	1,140	10,113	8,808	1,400	10,2			
Cochin	1,588	6,039	1,992	8,039	5,200	1,900	7,1			
Kandla	876	3,884	-	3,884	4,181	2,562+	6,7			
Paradeep	-	1,115	-	1,115	N.A.	-	-			
Mormugao	-	2,257	3,343	5,600	1,300	3,700	5,0			

+ Food Department.

24.6 In all the major ports, labour is generally recruited locally and not through jobbers or contractors or on recommendations made by existing employees. Recruitment to all Class IV categories, as also in Class III categories (non-technical) is made through Employment Exchanges. Recruitment to Class III technical posts, as also to higher posts is made directly through advertisement. Candidates nominated by the Employment Exchange are also considered along with direct applicants. Our Study Group while going into the present recruitment system has recommended:

"A man-power budget should be prepared for each port, particularly, for those categories of workers in short supply, keeping in view the future requirements of all Ports. A pool of all available technical staff including those in the categories in short supply should be maintained for all Ports so that any Port can draw upon the pool for filling its vacancies subject, however, to workers concerned agreeing to inter-port transfer".

24.7 Training: Programmes for 'on-the job' training of workers adopted by the Port administration consist of (i) running courses for Trade Apprentices of various technical categories, (ii) providing posts of basic trademen in the light of the observations made in the Second Pay Commission's Report, and (iii) encouraging unskilled workers to acquire skills while assisting semi-skilled and skilled

24.5

workers. The Trade Apprenticeship Scheme under the port administration is on the lines of the schemes approved by the Directorate of Apprenticeship Training and the curriculum of training in the Port Workshops as also theoretical training under a Technical School. Such training facilities do not exist for Dock labour. According to our Study Group

"Arrangements should also be made for training all existing personnel in technical jobs and those performed by the particular categories in short supply. The training should not be restricted to particular trades, but should encompass a broad and general knowledge of port working with a view to developing in the trainees a sense of belonging to the port and inculcating in them a pride for the port industry"

Wages and Earnings:

24.8 The association of the State Governments with the administration of ports before 1947, gave essentially local character to the scales and remuneration paid by the port administration to their employees. After 1947, the Central Pay Commission evolved the principle of a uniform pay structure for all Central Government servants irrespective of the place of their work and this was accepted by the Central Government. The administrations of the ports of Bombay, Calcutta and Madras were advised to implement the basic minimum wages prescribed by the Commission to Class IV staff; the determination of pay scales for other categories of employees, in the light of the recommendations of the Central Pay Commission, was left to the port administrations concerned.

24.9 As the conditions of work in the ports were not uniform and the decision of the Government in effect gave weightage to local factors, the application of the principle and standard pay scales laid by the Commission varied and the measure

of uniformity which could be expected as a result of the recommendations of the Commission was not achieved. Taking into account these factors Shri P.C. Chowdhry examined the disparities and anomalies in the pay scales and allowances of Class III and Class IV employees of the Major ports and recommended that the basic minimum scale for class IV staff should be revised to Rs.30-1-35 in all the Ports. Similarly the basic minimum for class III staff employed in clerical duties and for whom Matriculation or equivalent qualification is prescribed as the minimum qualification should be Rs.60-3-81-4-125-130..... As regards, other posts, fixation of pay scales was left to Port Administrations having regard to the maintenance of suitable inter-^{departmental} differentials and a general direction that while due weight has to be given to the last two factors, the port administration should seek to broaden the categories of staff.

24.10 Daily Wage Labour: To ensure a fair degree of stability in the wage earnings of port labour and dock labour certain types of wage guarantees were given to them: (i) attendance money, (ii) disappointment money, (iii) daily wage, and (iv) incentives (v) monthly minimum. The workmen, except 'C' category, who report for duty but are not provided with work, get guaranteed attendance money. These amounts vary from port to port for the same category of workers from Rs.4.57 for 'A' category port labour in Bombay to Rs.1.50 for 'A' Category labour in Madras Port. Dock Labour (reserve pool) in Bombay, Madras and Visakhapatnam ports get an attendance allowance of Rs.1-75 whereas those in Calcutta, Cochin and Mormugoa ports get Rs.1-50. In some ports where the monthly dearness allowance is divided by 30, the workers are paid alongwith the attendance money, the proportionate dearness allowance. This is the case in almost all ports except Bombay. This principle also applies for interim relief as recommended by the Central Wage Board for Port and Dock Workers. In Bombay for 'A' category port labour, attendance money

24.7

includes dearness allowance and interim relief. The same is the case with dock labour in Cochin, Visakhapatnam and Mormugao. For other categories of workers D.A. and interim relief are not paid on the days they are not engaged for work. Besides, the benefit of attendance money was restricted to the permanent and semi-permanent workers employed by the Port Trust and Dock Labour Boards.

24.11 (ii) Disappointment money: A provision has been made for dock labour, by which workers, even though engaged can be asked to go back within two hours of the commencement of the shift. Such workers are entitled to 'disappointment money' which is normally half the wage rate (In Cochin and Visakhapatnam port, D.A. and interim relief are also paid on disappointment money). In Calcutta, however, the rate of disappointment money, is Rs.3/- per day and it bears no relationship to the daily wages paid there.

24.12 (iii) Daily Wage: The time rates paid varied from port to port. For example wages of a permanent Mazdoor varied from Rs.4.53 in Cochin Port to Rs.6.13 in Bombay Port during 1965-66. Port Labour in Bombay, Calcutta, Madras and Cochin are graded employees of the port; data regarding other ports are not available. The grade of shore labour in Bombay port is Rs.77.50-1-86.50-2-92.50. and in Calcutta, Madras and Cochin Rs.70-1-85-EB-2-89. Except in Calcutta in other ports, these grades are being used for deriving daily wage of a worker. The daily wage so derived is then applicable to all the categories of workers - A, B and C of port labour.

24.13 (iv) Incentives: Cargo handling in all the major ports of India, has generally been brought under incentive schemes. When workers are so employed, they are assured of a "fall back" wage under

the incentive scheme. This is also referred to as "minimum guarantees" under the scheme. In the five ports for which data are available, viz. Bombay, Calcutta, Madras, Cochin and Visakhapatnam, it varied between Rs.4.59 and 5.65 for port labour and Rs.4.41 and 6.33 in respect of dock labour. There is an understanding between the unions and the management of the Port that if the daily piece-rate earnings consistently fall below a particular level, the incentive scheme will be suitably revised.

24.14 (v) Monthly Guarantee: The pool workers of the Dock Labour Boards are guaranteed minimum wages for 12 days in a month. The Board has now been given powers to increase it progressively to 21 days wages in a month. The Dock Labour Boards of Bombay, Calcutta, Madras and Cochin have increased the period to 21 days, and the Mormugao Board to 18 days in a month. This is in addition to paid weekly offs that these workers are entitled to. Such monthly guarantee, however, does not exist for any permanent port labour except in Calcutta, where ~~workers~~ enjoy a monthly guarantee of Rs.169.50.

24.15 The average monthly earnings of gang workers during 1966-67 under the different Dock Labour Boards were as follows:-

Table 24.2

		Average monthly earnings per worker during 1966-67
		Rs.
Bombay Dock Labour Board.	..	304.04
Calcutta Dock Labour Board.	..	255.14
Madras Dock Labour Board.	..	227.24
Cochin Dock Labour Board.	..	294.41 (General Cargo)
		265.79 (Bulk Cargo)
Vizagapatam Dock Labour Board.	..	176.96
Mormugao Dock Labour Board.	..	208.66

Source: Annual Report of Department of Labour and Employment 1967-68. p. 31

24.9

24.16 Central Wage Board for Ports and Docks was set up in November, 1964 to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages. The recommendations of the Wage Board are awaited.

Mechanisation

24.17

Our Study Group considered the question of mechanisation in ports in some of its aspects. Both the independent members and the representatives of employers were of the view that mechanisation ^{will} not prove worthwhile unless labour co-operated by giving higher production; the cost of mechanisation cannot be subsidised by the industry unless it was off-set by higher output. It was necessary to decide the extent to which mechanisation was possible in the ports and also the types of cargo and of the cargo handling processes ^{which could be mechanised with advantage.} The labour ^{were} representatives on the study group of the view that the port and dock workers will not oppose mechanisation, such as palletisation or containerisation, in the ports provided the existing level of their employment was not adversely affected and their earnings were progressively improved as also the employment potential of the future was adequately safeguarded keeping in view the overall unemployment and economic conditions of the working class generally in the country. There can therefore be only an inadequate basis for mechanisation, if at all.

Trade Unions:

24.18 Trade unionism in Ports and Docks dates back to the 1920s when the workers in Bombay Port Trust organised the Bombay Port Trust Employees' Union and Calcutta Port Trust workers into Calcutta Port Trust Employees' Union. In Visakhapatnam, Madras and

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Cochin, the unions were established in 1936, 1942 and 1945 respectively. Since Independence there has been considerable growth of the trade unions in the Ports and Docks. ^{Annexure-I} ~~Appendix-I~~ gives the names of some of the important unions in the five major Ports of India. There is no uniform policy in regard to recognition of unions. The sole explanation generally given for not recognising a bargaining agent is that by dealing with different unions the strikes can be reduced to the minimum level. In some Ports, particularly, in Calcutta and Cochin, recognition has conferred certain special privileges like the right to negotiate. Our Study Group observed that "The Indian Trade Unions (Amendment) Act, 1947 should be enforced with such modifications as might be deemed expedient for recognition of representative unions, and rules under the amended Act for the recognition of unions should be properly framed".

24.19 Federations of Workers: There are three important Federations of the various unions in Ports and Docks. They are (i) the All India Port and Dock Workers' Federation; (ii) the Indian National Port and Dock Workers' Federation; and (iii) the Port, Dock and Waterfront Workers' Federation of India. By the end of 1967 there were 18 unions in all affiliated to ^{AIPDWF} in the major Ports (4 in Bombay, 3 each in Calcutta and Cochin, 2 each in Madras, Visakhapatnam and Mormugao, and 1 each in Kandla and Paradeep). The Indian National Port and Dock Workers' Federation (INPDWF), formed in 1955 is formally affiliated to INTUC and its influence is prominent in Calcutta. and formally affiliated to it. The third Federation PDWFWFI, formed in 1965 is sponsored by AITUC. Many of the AITUC unions, affiliated to the AIPDWF disassociated themselves from it and formed PDWFWFI. It is prominent in Calcutta Madras. ^{Annexure-II} ~~Appendix-II~~ gives unions affiliated to four central organisations and their claimed membership.

24.20 For the employing interests there is a Federation of Associations of Stevedores which is an All-India Body on behalf of all the stevedore employers. Government of India has also set up an Inter-Port Consultations Committee (IPCC). According to the evidence before the Commission on behalf of the Ministry of Transport while some issues about coordination of labour policies in different ports are within the purview of the IPCC, for important issues/demands of the workers, it is the Ministry which decides the issue. Our Study Group has recommended that "there should be, in all major ports, a joint consultation between the various employers organisations and the labour federations, without prejudice to the right of labour to have bipartite consultation at each Port.

Industrial Relations:

24.21 ~~Appendix III~~ ^{Annexure III} gives number of disputes, workers involved and man-days lost during the period 1951-66. The data reveal that the industrial relations by and large have been cordial except in certain years (1952-56, 1964 and 1966). A significant fact about industrial relations in the Ports and Docks has been the absence of involvement simultaneously of all major Ports in strikes except in the year 1958. One can conveniently co-relate the high intensity of man-days lost with subsequent appointment of some Committee/Board of Enquiry. The agitation, either preceded the appointment of Committees for increase of the wages and allowances of different categories of labour and the decasualisation of labour or the implementation of awards/recommendations.

24.22 The particulars of important strikes in major Ports that took place during the year 1967 are given at ~~Appendix IV~~ ^{Annexure IV}. Of the

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40 important strikes that took place during 1967, 12 were in Bombay Port, 6 in Calcutta, 17 in Visakhapatnam, 9 in Madras, 2 in Kandla and one each in Cochin and Mormugao. 22 of these strikes were of short duration (only for 2 days) and 15 strikes were for durations of 7 days or above. From the point of view of number of strikes, the data show that the Visakhapatnam Port was the most disturbed. This was due to the demand for the settlement of bonus issue which at present is pending with the Industrial Tribunal. Taking an overall picture one finds that about 30 per cent of the disputes were on the issue of wages, allowances and bonus and the remaining were the result of administrative procedures, conditions of employment, etc.

24.23 Every Port has well-defined Standing Orders. Rules framed under the Standing Orders have been published by the different Ports in the regional languages which can be easily understood by majority of the workmen and a copy of such rules is supplied to workers. Our Study Group has, however, recommended that "The Port employers should adopt, in principle, the Model Standing Orders suggested in the Industrial Employment (Standing Orders) Act, 1946".

Staff Welfare & Social Security:

24.24 Housing: Housing schemes for dock workers have been drawn up by each of the Dock Labour Boards, in consultation with the various interests concerned. According to the scheme the Government will give assistance in the shape of subsidy of about 15 per cent to 20 per cent and loan of about 35 per cent of the cost of construction. The Bombay Board has constructed 566 tenements for workers and 1024 more are proposed to be constructed during the Fourth Plan. The Madras Board

has taken up construction of 60 tenements during 1966-67. The
and
Calcutta/Cochin Boards have made a start.

24.25 P.T.O. facilities: By the end of 1966-67 the Dock Labour Boards of Bombay, Calcutta and Madras have extended the P.T.O. facilities to their workers. While the Madras Board has extended the facilities to the wife of a worker also, the Bombay Board extended leave travel concession to the registered workers' family.

24.26 Medical facilities: All the six Dock Labour Boards are extending medical facilities to its workers. While in some it is limited to ^a particular category of workers (e.g. registered and casual workers in Visakhapatnam) only in others the facilities are extended even to workers' family members.

24.27 Educational facilities: There is an arrangement in some ports to award scholarships to the children of staff and workers to cover educational expenses other than tuition fees. The Calcutta Board sanctions Rs.12000 per annum to the Waterfront Workers' Educational Association, Calcutta for adult education. The Bombay Board extended the benefits of children education allowance and reimbursement of tuition fees (on the basis of the scheme applicable to Central Government Employees) to the children of the workers and employees of the Board from August 1, 1966. The Visakhapatnam and Cochin Boards have adopted a scheme regarding reimbursement of tuition fees and the grant of children education allowance in respect of children of employees of the Board.

24.28 Canteens: The Dock Labour Boards of Bombay and Visakhapatnam are subsidising the canteens run in their Ports. The Calcutta Board has started canteen for its registered workers and in Madras, the

Board has taken over the canteen run privately for dock workers. In Cochin, canteens ^{in the} wharf area are run either by staff cooperatives or by the union.

24.29 Fair Price Shops: Facilities have been extended by the Bombay Board to open fair price shops in the Board Housing Colony. The Boards of Cochin and Visakhapatnam are running fair price shops. In Madras and Mormugao Dock Labour Boards, workers' unions are running cooperative societies and fair price shops.

24.30 Social Security: The workers of Dock Boards of Bombay, Calcutta, Madras, Cochin and Visakhapatnam have been given the benefits of contributory provident fund and gratuity at a substantial liberalised rate.

...

(i)

Annexure-I
 (Ref. Para. 24.18)
~~Appendix-I~~

Some Important Unions in the Major Ports of India*

<u>Port</u>	<u>Name of the Union</u>	<u>Categories of workers covered.</u>
Bombay	1. Transport & Dock Workers' Union.	Shore and stevedore workers and workers in road transport connected with the docks.
	2. Bombay Port Trust Employees' Union.£	Engineering, Port, Railway and Stores Departments of the Port Trust.
	3. Bombay Stevedores and Dock Labourers' Union.£.	Mainly stevedore and some shore workers.
Calcutta.	1. Calcutta Port Shramik Union*.	Shore workers and other employees of the Port Commissioners.
	2. Calcutta Port and Dock Workers' Union.	Shore workers and other employees of the Port Commissioners' and some stevedore workers.
	3. National Union of Waterfront Workers.£	Shore and stevedore workers.@
	4. Calcutta Dock Workers' Union.@	Stevedore workers.
	5. West Bengal Dock Mazdoor Union.@	Stevedore Workers.
Madras +	1. Madras Port Trust Employees' Union.	Port Trust Employees including shore labourers.
	2. Madras, Harbour Workers' Union.	Stevedore workers and mineral handling workers.
	3. Madras Port and Dock Workers' Union.	Stevedore Workers.

<u>Port</u>	<u>Name of the Union</u>	<u>Categories of workers covered.</u>
Cochin.	1. Cochin Turamugha Tozilali Union.£@	Shore and stevedore labourers, lightmen road transport workers connected with docks and watchman.
	2. Cochin Port Tozilali Union.£@	-do-
	3. Cochin Port Staff Association.£	All categories of Port Trust Employees.
	4. Cochin Harbour Workers' Union.£	Employees Port Trust other than shore labourers.
	5. Cochin Dock Labour Board Staff Association.@	Clerical staff of the Dock Labour Board.
Visakha- patnam.	1. Dock Workers' Union.	Shore and stevedore labourers.
	2. Port Khalasis' Union.	-do-

* Data pertaining to remaining three ports viz. Paradeep, Kandla and Mormugao are not readily available.

£-Recognised by Port authorities.

@-Recognised by the Dock Labour Board.

+ Data about recognised Unions is not available.

STATEMENT SHOWING CLAIMED/VERIFIED MEMBERSHIP OF UNIONS
AFFILIATED TO FOUR CENTRAL TRADE UNION ORGANISATIONS AND
FUNCTIONING IN PORTS AND DOCKS, AS ON 31.12.1966.

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Name of the Port.	I.N.T.U.C.		A.I.T.U.C.		H.M.S.		U.T.U.C.	
	No. of Unions/ Claimed Member-ship.	No. of Unions/ Verified Member-ship.	No. of Unions/ Claimed Member-ship.	No. of Unions/ Verified Member-ship.	No. of Unions/ Claimed Member-ship.	No. of Unions/ Verified Member-ship.	No. of Unions/ Claimed Member-ship.	No. of Unions/ Verified Member-ship.
1. Bombay	1/5183	1/3623	2/1253	0(NA&RNP)	2/21186	2/18612	-	-
2. Calcutta	2/19922	2/14025	1/22525	1/6156	2/32775	2/16798	1/9145	1/3174
3. Madras	1/3886	1/2906	3/6472	3/4415	2/4947	2/4411		
4. Cochin	4/6898	3/4962	6/3435	4/1262	-	-		
5. Visakha- patnam.	2/2541	2/3843	1/3100	1/2268				
6. Kandla	2/1733	2/929	1/2123	1/2030	1/3500	1/1761		
7. Paradeep	-	-	1/186	RNP	1/963	1/930		
8. Mormugao	1/3380	1/4169	2/1882	2/1457	1/1425	1/549		

Source: Office of the Chief Labour
Commissioner, New Delhi.

N.A. Not affiliated.

RNP. Records not produced.

NUMBER OF INDUSTRIAL DISPUTES RESULTING IN
WORK-STOPPAGES, WORKERS INVOLVED AND MAN-DAYS
LOST DURING 1951-66.PORTS & DOCKS

Y e a r	Number of disputes.	Number of workers involved.	Number of man-days lost (000's)
1951	35	28,142	36
1952	31	13,210	41
1953	22	20,568	100
1954	33	17,182	26
1955	24	19,635	59
1956	35	34,949	112
1957	48	22,324	51
1958	37	1,14,232	792
1959	51	23,945	26
1960	34	10,300	30
1961	42	21,892	39
1962	53	24,455	86
1963	58	16,634	52
1964	90	46,769	213
1965	55	24,136	96
1966	97	57,122	279

Source: Indian Labour Statistics, Labour Bureau,
Ministry of Labour & Employment.

STRIKES AT MAJOR PORTS DURING THE YEAR 1967Annexure-IV
(Ref. Para 24.22)
APPENDIX IV

Date of strike	Period of strike	Category of labour involved	Demand/grievance, if any.	How called off
(1)	(2)	(3)	(4) CALCUTTA	(5)
1. 29-3-67 to 7.4.67	10 days	Crane drivers & other Port employees	Suspension of a crane driver for having beaten up the Engineer-in-charge of a floating crane.	Following decision to appoint an Enquiry Officer to examine the question whether sus- pension was justified or not.
2. 21.4.67 to 30.4.67	10 days	'A' Category gangs	Double payment for unloading iron ore wagons.	Following agreement to refer the demand to R.L.C. (C) for arbitration.
3. 16.8.67 to 18.8.67	3 days	Loco Staff	Reversion of firemen who were officiating as loco drivers	Agreement signed by the parties before the R.L.C.(C)
4. 18.8.67 to 20.8.67	3 days	Chipping, Painting workers, baggers, stitchers, and salt workers	Registration of listed categories and proper implementation of the Wage Board's recommen- dations.	Following persuasion by the union leaders.
5. 10.11.67	1 day	Crews of launches, heave up boats, hawser boats, anchor vessels etc.	Non-transfer of three mooring crew lascars.	Following promise made by the Director of Marine Department to take nec- essary action.
6. 15.11.67 to 25.11.67	11 days	Dock Workers	Grant of house rent allo- wance, Registration of listed workers, change in the administrative set up of the Dock Labour Board.	Following acceptance of some of the demands.

1	2	3	4	5
<u>BOMBAY</u>				
7.	10.1.67 to 21.1.67	12 days	Shore crew	Grant of overtime allowance for 4 hours instead of 3 hours Through intervention by Shri Asoka Mehta and Transport Secretary
8.	30.1.67 to 6.2.67	8 days	Dredging crew	Transfer of one Shri M.C.Rao
9.	1.3.67 to 9.3.67	9 days	Employees of the Port Trust Railways	Reinstatement of a train clerk Settlement reached.
10.	1.3.67 to 14.3.67	14 days	Time keepers of Engineering Dept.	Dispute regarding working hours. Settlement reached through the intervention of RLC(C), Bombay
11.	11.4.67	1 day (taken strike)	Dock Shed clerical & Supervisory staff	Local and Sectional demands.
12.	18.5.67	1 day (taken strike)	Electrical staff at M.O.T.	Certain administrative matters.
13.	16.5.67	1 day (taken strike)	Watchmen	Integration of watchmen working under various Departments, provision of family quarters etc.
14.	6.6.67	1 day	Crew of Pilot vessel	Scale of supply of ration and postings of Engine drivers.
15.	28.6.67 to 12.7.67	15 days	Flotilla crew	Grant of overtime allowance when ships are laid up for survey/repairs, provision of family quarters etc. Following agreement to refer the main demand to adjudication.
16.	12.7.67	1 day	Hydraulic Establishment employees	Protest against formation of shifting gangs.
17.	29.7.67 to 4.8.67	7 days	Shore crew Stevedore labour	Grant of overtime and provision of family quarters Extra payment for half an Agreement reached.

3	1	2	3	4	5
<u>MADRAS</u>					
19.	30.3.67 to 1.4.67	2 days	Stevedore workers	Payment of bonus for the year 1966-67.	Settlement reached.
20.	17.4.67 to 18.4.67	2 days	Mineral Handling labour	Dispute regarding payment of bonus	Settlement reached.
21.	29.5.67 to 30.5.67	2 days	Food department labour	Dispute over wages.	
22.	31.5.67 to 1.6.67	2 days	Mineral Handling labour	Demand for permanency and payment of wages.	
23.	7.7.67 to 8.7.67	2 days	Labour employed by Mineral Handling Employers' Association	Listing of casual labour by the Dock Labour Board.	Following negotiations between the parties.
24.	2.9.67 to 5.9.67	4 days	Listed workers employed by Mineral Handling Employers' Association.	Protest against use of pay loaders instead of manual labour.	
25.	16.10.67	a few hours only	-do-	Payment of wages	
26.	27.10.67 to 28.10.67	2 days	-do-	In sympathy with the staff of the Association who stopped work claiming increase in wages.	
27.	12.12.67 to 13.12.67	2 days	Casual labourers of the Dock Labour Board	Dispute over the date of payment of wages.	
<u>MORMUGAO</u>					
28.	31.10.67 to 16.11.67	17 days	Paargemen	Grant of interim relief as recommended by the Wage Board	Settlement reached.
<u>COCHIN</u>					
	6.11.67 to	2 days	Winch drivers	Payment at piece rates when	

1	2	3	4	5
<u>VISAKHA PATNAM</u>				
0. 10.1.67	One hour for each shift	Dock Labour Board workers	Ex-gratia payment	Workers resumed duty of their own.
1. 11.1.67 to 12.1.67	2 days	Stitchers	Registration	Through the Intervention of the R.L.C.(C) Vizag.
2. 31.12.66 to 1.1.67	2 days	Labour engaged by the Food Department	Weekly day of rest, increase in Wages etc.	Workers resumed duty of their own.
3. 6.1.67 to 11.1.67	6 days	wagon unloading labour	Payment of arrears of D.A. and interim relief	-do-
4. 17.1.67 to 19.1.67	3 days	Railway Khalasis, Shuntmen etc.	Extra wages/overtime to staff working at North Cabin about by A.L.C.(C) for work beyond 48 hours a week, supply of winter clothing, uniforms etc.	Settlement brought about by A.L.C.(C).
35. 17.1.67 to 5.2.67	20 days	Mineral wagon unloading workers	Formation of labour pool.	As a result of conciliation proceedings.
36. 25.2.67 to 27.2.67	3 days	Tally clerks employed by private employers	Posting for tallying export scrap ingot moulds.	
37. 8.3.67 to 12.3.67	5 days	Stitchers	Registration.	Workers resumed duty themselves.
38. 17.3.67 to 21.3.67	5 days	Workers of sampler firms.	Enhancement of wages	Settlement reached as a result of conciliation proceedings.
39. 10.4.67 to 29.4.67	20 days	Stevedors workers	Payment of bonus	Settlement reached.
40. 14.4.67 to 22.4.67	9 days	Labour of Food Corporation	-do-	-do-

Sl. No.	1	2	3	4	5
41.	3.5.67 to 5.5.67	3 days	Ore handling workers	Protest against suspension of some workers	Unconditionally
42.	2.7.67 to 3.7.67	1 day	Regular workers (due to interference by casual workers).	Demand of casual workers for being treated at par with regular workers.	
43.	2.8.67 to 29.8.67	28 days	Labour Handling Rock Phosphate, Sulphur.	Stoppage of work by labour Handling Rock Phosphate, Sulphur etc. due to obstruction by casual workers in the wagon unloading pool, who wanted that they should be allowed to handle Rock Phosphate	As a result of understanding reached between the two sets of workers.
44.	8.8.67 to 12.8.67	5 days	Clearance labour engaged by Food Deptt.	Minimum wages for 12 days.	
45.	14.9.67 to 1.10.67	17 days	Iron and Steel Workers employed by private employers.	Payment of bonus	
46.	23.8.67 (pen down strike)	1 day	Office staff of the Marine Department of the Port Trust.	Protest against filling up of the post of Office Assistance in the Department on whole-port basis.	
<u>KANDLA</u>					
47.	16.8.67 to 17.8.67	1 day	Stevedore labour	Payment of "Stream allowance."	Following a settlement
48.	13.9.67 to 15/16.9.67	3 days	Labour working for Food Department.	Employment by Stevedores of additional ganges not taken through the Union.	Following a settlement reached with the Union and Stevedores.

(Source: Memorandum submitted by the Ministry of Transport and Shipping to the National Commission on Labour.)

25. AIR TRANSPORT

Air Transport had its early beginnings in the country in the thirties. Its growth during the forties was uneven for obvious reasons. In the early years of Independence the operations were in the hands of private parties. The Air Transport Enquiry Committee (1950) recommended the modernisation of the then existing fleet for which private operators did not have adequate finance.

Nationalisation was the result. The passing of the Air Corporations Act in May, 1953, resulted in setting up of two autonomous Corporations: (i) Indian Airlines Corporation, and (ii) Air India Corporation - to provide safe, efficient, adequate, economical and properly coordinated air transport service. The Corporations came into being in June 1953, and August 1953 respectively. The Air-India Corporation¹ was intended for the operation of all long range international services and the Indian Airlines Corporation for the operation of domestic and short range international services.

Since nationalisation, the industry has grown steadily in several directions - the capital invested in the industry has gone up, its fleet of air-craft has undergone considerable changes both in type and in capacity, the range and direction of operations have been extended, the volume of traffic handled and the number of persons employed have increased. At the end of 1966-67, the capital invested in the two Corporations was of the order of about Rs.49 crores - Rs.26.82 crores in Air India (AI) and Rs.21.94 crores in Indian Airlines. (IA). During the 12 years from 1954-55 to 1966-67 the available Tonne Kilometres increased 10 times in Air India and about 2.2 times in the I.A.; the increase in passengers carried

1. Names of these Corporations were later changed as Air-India and Indian Airlines.

was 532 per cent and 195 per cent respectively over the same period. The operating revenue earned by AI registered an increase from Rs.4.83 crores in 1954-55 to Rs.45.90 crores in 1966-67. The I.A. had an increase of about 300% during the same period. A.I. has been making profits but in some year I.A. has shown losses. It has shown profits again in the last year.

Employment, Recruitment and Training:

25.2 The average employment in AI increased from 2,666 in 1954-55 to 7,560 in 1966-67 (184 per cent) while that in IA increased from 7107 to 12,349 (74 per cent) during the same period.

25.3 Both the Corporations have laid down recruitment rules under which the proportion of posts in the various grades/categories to be filled by promotion and direct recruitment has been stipulated. The departmental promotions take place on merit-cum-seniority basis. The Corporations have been experiencing difficulties in getting qualified personnel in the skilled and technical grades in adequate numbers in respect of a few trades, like Electronics and Instrument/mechanics. Provision exists for on-the-job training for new entrants to the industry though on a limited scale. For technical categories of staff, such as Pilots, and Engineers, very intensive on-the-job training is imparted by I.A. The managements also conduct company information courses for supervisory staff and management development courses for junior management level. Both the Corporations have also made provision for the grant of study leave to permanent employees.

Pay and Allowances:

25.4 The pay scales of the employees in both the Corporations compare favourably with those obtaining in other industries. They have undergone periodic revision through fresh agreements entered

into with the unions from time to time or through tribunal awards. The scales of wages and dearness allowance in force in the two Corporations are given below. In all, there are four revisions of pay in AI and three revisions in I.

Table 25.1
Air India

Category.	1957-58		1963-64		At at present	
	B.P.	Total	B.P.	Total	B.P.	Total
1	2	3	4	5	6	7
1. Peon. *						
Min.	39	92	50	123	100	165
Max.	73	136	90	179	190	260
2. Junior Clerk/Typist.*						
Min.	80	145	90	179	150	220
Max.	210	310	240	371	345	425
3. Asstt. Cabin Supervisor.*						
Min.	165	255	180	293	285	360
Max.	370	502	420	581	560	650
4. A.M.E. III/IV.						
Min.	275	393	350	518	400	557
Max.	375	508	600	802	800	992

Indian Airlines.

Category.	1957-58		1963-64		As at present	
	B.P.	Total	(upto 30.9.63)	Total	B.P.	Total
1	2	3	4	5	6	7
1. Peon *						
Min.	50	106	50	123	100	168
Max.	80	146	90	176	190	263
2. Junior Clerk/Typist*						
Min.	70	124	80	159	150@	220
Max.	172	251	350	473	510@	600
3. Flight Steward*						
Min.	140	212	220	348	385	523
Max.	300	397	430	561	770	923
4. A.M.E. IV€						
Min. (Gr. 10/12)	250	369	440	577	750	1087
Max.	550	673	720	872	1200	1587

* Cols. 3 and 5 include other allowances.

€ w.e.f. 1.4.66 A.M.E. IV have been designated as A.M.E. II.

B.P. = Basic Pay.

@ 20% employees are in the scale of Rs.325-640. As such the total of the emoluments on minimum comes to Rs.405/- and on maximum Rs.750.

Source: (i) Air-India Office
(ii) Indian Airlines Office.

25.5 Dearness Allowance: Dearness allowance is paid at rates based on salary slabs. The present rates of dearness allowance payable to employees under N.I.T. (National Industrial Tribunal) award in the AI are as follows:

Table 25.2

<u>Basic Pay</u> (Rs)	<u>Dearness Allowance</u> (Rs)
100-149	65
150-199	70
200-299	75
300-399	80
400-499	85
500-649	90
650-899	100

25.6 Except in the case of a few categories of staff (e.g. Air Craft Maintenance Engineers) who continued to receive D.A. on pre-N.I.T. rates, the revised rates of D.A. came into force from 25.7.1964 and are not linked with cost of living index. At present in I.A. the rates of D.A. are the same as obtain for similar categories in Air-India, except the last category (650-899) for which ^{the} rate is Rs.95/- in I.A.

25.7 Other allowances: In both the Corporations, Flight Crew, are given substantial allowances over and above their basic pay and dearness allowance. These allowances amount to about as much as the basic pay of these employees and constitute about 40 per cent of the total emoluments in AI and about 50 per cent in I.A.

25.8 Bonus: A.I. paid an ad-hoc bonus equal to one month's salary subject to a maximum of Rs.1,000/- to staff for the year 1962-63 and 1963-64. In the subsequent years also viz. 1964-65, 1965-66 and 1966-67 bonus has been paid as per terms of the Bonus Act. The I.A. made ex-gratia payments to all staff in 1965, subject to a minimum of 15 days' salary and a maximum of Rs.1000. Although the Bonus Act does not cover Indian Airlines, it has made payments

25.5

for the subsequent years of an amount equal to 4 per cent of salaries the minimum laid down under the Act.

25.9 Workers are also given certain other benefits such as free concessional passes, uniforms, etc. The uniforms are given to certain categories only e.g. flying crew, traffic staff etc. The proportion of staff expenditure to total expenditure was higher in the IA as compared to AI. In the former, it was about 31 to 38 per cent during the years since 1961-62, while in the latter it varied from 20 to 27 per cent.*

25.10 Apart from 15 holidays with pay in addition to weekly holidays, liberal leave facilities are extended to the employees of both the Corporations. They are as follows:

Privilege Leave	:	30 days per annum.
Sick Leave	:	10 days per annum.
Casual Leave	:	10 days per annum.

Provision also exists for the grant of special sick leave, ex-gratia sick leave, sports leave, maternity leave etc.

* The higher proportion of staff expenditure to total expenditure in IA is reported to be due to the fact that Indian Airlines has to employ larger number of staff than Air-India for the following reasons:

- i) larger number of services.
- ii) larger number of stations to which it operates.
- iii) short haul operations.
- iv) multiplicity of aircraft.
- v) four major bases (whereas Air-India has only one)
- vi) Indian Airlines handled 14,09,503 passengers in 1966-67 (Air-India handled 2,52,091 passengers during the same period).

Trade Unions

25.11 The Air Transport Industry has well organised unions covering nearly 70 per cent of the employees in the industry. The names of the recognised trade unions/associations of employees together with their membership at the end of 1967 are given below:-

Table 25.3Indian Airlines

Name of the Union/ Association	Claimed Membership	Rate of subscription (Rupees)
1	2	3
1. Air Corporation Employees' Union* (A.C.E.U.)	9,000	0.50 p.m.
2. Indian Commercial Pilots Association.	342	15.00 p.m.
3. All India Aircraft Engineers' Association* (A.I.A.E.A)	654	5.00 p.m.
4. Airlines Radio Officers' and Flight Operation Officers' Association.	111	30.00 per annum
5. Indian Flight Engineers' Association* (A (I.F.E.A.))	77	15.00 p.m.
6. Airlines Ground Instructors' Association	17	0.50 p.m.
7. I.A.C. Officers' Association (not registered as a trade union).	400	1.00 p.m.

In addition one more new union viz. Indian Aircraft Technicians' Association (I.A.T.A.) was also formed and registered. This association was accorded recognition by the management of I.A. under the code of discipline in industry.

* The Union is common to both the Corporations - Membership indicated against I.A. includes for Air India also.

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Air-India

Name of the Union/ Association.	Claimed Membership	Rate of Subscription (Rupees)
1	2	3
1. Air Corporation* Employees' Union.		0.50 p.m.
2. Indian Pilots' Guild.	80	25.00 p.m.
3. Indian Flight Navigators' Guild.	40	_____
4. Indian Flight Engineers' Association.*		15.00 p.m.
5. Indian Flight Operations Officers' Association.	24	_____
6. All India Aircraft Engineers' Association*		5.00 p.m.
7. Air India Officers' Association (not registered as a trade union)	N.A.	1.00 p.m.

25.12 In August, 1955, the Management of AI had declared their policy in regard to recognition of unions in the Corporation. According to this policy statement the union or association seeking recognition should satisfy the following requirements: (i) it should be a registered union with its membership confined to the employees of the Corporation (ii) its constitution should provide inter-alia for regular collection of membership fees; the maintenance of internal democracy, holding of regular elections, exclusion of outsiders from union executives and for prescribed procedure for embarking on strike (iii) the union should accept the principle of settling disputes by negotiation and failing which, by conciliation, arbitration and adjudication as may be provided by agreement or by law and (iv) not countenance strikes as a method of settling disputes except as a last resort. In I... ..

* The Union is common to both the Corporations-Membership indicated against I... includes for Air India also.

although there has been no written policy-statement on the subject, the Management has accepted the Code of Discipline in Industry and its policy for recognition is governed by the Code.

25.13 The recognised unions in both the Corporations enjoy the right to negotiate with the management and of representation on various bipartite bodies. The unions are extended certain facilities like the facility to collect subscriptions on the premises, the facility to use notice boards, and the provision of office accommodation and telephone connections by the Management. They are also granted free passages and special leave to enable their representatives to attend the General Council and Executive Committee meetings. Besides, the representatives of the unions/associations are granted free passage, special leave and daily allowance for attending meetings with the Management.

Compared to the general run of unions, trade unions in the industry are affluent. One of the special features of trade union organisation in this industry has been craft/category-wise unions as against unions prevailing in most of other industries. This is particularly so in the case of the technical personnel. The absence of outsiders as the office-bearers of unions is another feature. None of the unions in the air transport industry is affiliated to central trade union organisation. (Some of them are, however, affiliated to International Federation of Airlines Pilots' Association and the International Transport Workers' Federation). Our Study Group has pointed out that "while accepting the existence of craft unions in the air transport industry as a historical fact, it is necessary to take steps to

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ensure that craft-unionism does not degenerate into fragmentation of unions". "To arrest the growth of multiple craft unions" the Group recommended that "it would be desirable for all the existing unions in the Air Transport Industry to come together into Federation".

Industrial Relations:

25.15 Work Stoppages: Till 1964-65 industrial relations were peaceful in both the Corporations. During the year 1965 and 1967 in Air-India and in 1966 and 1967 in Indian Airlines the number of disputes resulting in strikes went up. Seven strikes took place in AI since 1965 and 70% of work stoppages in IA since 1961 took place during 1966 and 1967. Strikes in both the Corporations were of short duration, generally lasting for a day or even less. Only ^{each} 3 strikes in AI and 6 in IA continued for more than 5 days. Details of work stoppages in both the corporations since 1961 are given in ~~Appendix I.~~ ^{in the Annexure}

25.16 In most of the cases, the number of employees involved in strikes was small. Though the numbers involved in work-stoppages are small, their ability to bring operations to a standstill is high because of the strength of their organisation and the skills they possess. An examination of the causes/demands responsible for strikes, shows that a large number related to personnel matters, changes in the conditions of work and protest against ill-treatment. Wage disputes accounted for few work stoppages. Union rivalries also had contributed in causing work-stoppages. Protest action has led to some strikes.

25.17 Machinery/Procedure for Prevention and Settlement of Disputes:

The procedures and practices adopted in the two Corporations at present for the consideration of demands and settlement of industrial disputes are on the lines provided for under the Industrial Disputes Act. The Managements have recognised the unions with which negotiations are carried on and collective agreements concluded from time to time. Whenever collective bargaining has failed the statutory machinery provided for under the Industrial Disputes Act in the form of conciliation, arbitration or adjudication has been resorted to.

25.18 Grievance Procedure: In A.I. there is a formal grievance procedure for the redressal of grievances of the employees. It has three stages with prescribed time-limits, the decision of the Chief Administrative Officer being final. However, few grievances are taken through the formal procedure. Most of the grievances are settled by direct approach to the management or by the unions taking up the grievances as disputes with the management. In the I.A., on the other hand, there is no written grievance procedure. The procedure which had been adopted earlier is now defunct. Even small grievances are often taken up by unions with the Management as if they are disputes. Our Study Group emphasised that there is a "need for an effective formal grievance procedure in both the Corporations".

25.19 Joint Consultation: Realising the importance of joint consultation for the successful working of the nationalised air corporations, Government introduced a specific provision in the Air Corporation Act, 1953, which stipulates the setting up of a Labour Relations Committee in each of the Corporations. The function of the Labour Relations Committee is "to advise the

25.11

Corporation in all matters which relate to the welfare of the employees and which are likely to secure and promote amity and good relations between the two". The functions of these Committees are similar to those of Works Committee under the I.D. Act. In the AI, the Labour Relations Committee appears to have done good work in the field of labour welfare. Among some of the important welfare measures for which the Labour Relations Committee has been responsible are: expanded medical benefit scheme, creation of the staff-welfare fund, provision of holiday homes, loans to cooperative housing societies, provision of staff quarters at Bombay and other places, etc. In the IA on the other hand, both the Labour Relations Committee and Works Committee have been functioning. In view of the organisational structure of the IA which has several bases and workshops at different places, the constitution of Works Committee at the unit level in addition to the Labour Relations Committee at headquarters, was considered desirable. While the Labour Relations Committee has not functioned as expected, the Works Committees at certain centres have shown results. Our Study Group is of the opinion that "where Works Committees have to be constituted in addition to Labour Relations Committee, care should be taken to ensure that there is no duplication of their functions". The Group also recommended that "it should be ensured that the advisory joint consultation bodies are not burdened with the functions of redress of grievances or negotiations with the employers - functions which fall in the sphere of the grievance machinery and the recognised unions respectively."

Among other recommendations of the Study Group are: (a) Setting up of a joint body representing both the Corporations to deal with major issues affecting industrial relations in general (b) a clear cut policy and procedure for dealing with disputes of the area level and at the undertaking level and (c) formulation of personnel policy in clear terms and also creation of the necessary machinery to implement it.

Social Security:

25.21 In both the Corporations Contributory Provident Fund Schemes are in operation. Employees on confirmation and temporary employees who have completed one year of continuous service are required to subscribe to the Provident Fund at the rate of $8\frac{1}{3}\%$ of the basic pay and dearness allowance with a matching contribution by the employers. In the AI there is a gratuity scheme effective from 1st April, 1962 for all categories of workmen under M.I.T. award. The gratuity is payable at the rate of one month's basic pay for every one year's completed service subject to a maximum of 15 months basic pay or Rs.30,000 whichever is less. Employees will be eligible for gratuity (i) on reaching the age of superannuation or on voluntary retirement on completion of 15 years continuous service, (ii) in case of termination of service on medical grounds or abolition of post provided a minimum of 5 years continuous service had been rendered, and (iii) in case of death while in service or termination of service on account of permanent incapacity. Recently a gratuity scheme has been introduced in I.L. and this is applicable to employees who retired or died in service on or after 1.4.1962.

Staff Welfare:

25.22 Welfare amenities such as medical facilities canteens, rest shelters, cooperative societies, holiday homes, etc. have been provided by both the Corporations for the benefits of their employees.

The expenditure on staff welfare is about 1 per cent of the total operating costs in IA and 0.5 per cent in AI. In the case of the latter, a welfare fund has been set up with the main object of financing the activities for the benefit of the employees and their families from June, 1967.

25.23 Both the Corporations are extending medical care including hospitalisation, specialist treatment, etc. to their employees. Full time and part time medical officers are posted at all the stations. The two Corporations have also introduced group-medical scheme for members of the families of the employees not covered byESIS at a cost of Rs.3.91 lakhs annually.

25.24 Canteens: Both AI and IA have established fully equipped and modern canteens which operate round the clock and supply meals, refreshments, etc., to the employees. The canteens are heavily subsidised. These canteens are run through Joint Management Committees or by Cooperative Committees.

25.25 Holiday Homes: The Management of the AI has set up holiday homes for its employees at Mahabaleshwar and Mussoorie. The IA has set up holiday homes at Mussoorie and Darjeeling. A holiday home at Matheran is being run by the IA on a cost sharing basis with AI for the employees of both Corporations.

25.14

25.26 Education: The welfare fund of AI runs a Scheme for granting scholarships to the deserving children of its employees on the basis of merit-cum-means test. In IA there are two scholarship schemes - one for the children of employees in Grade I and II and the other for children of employees whose basic pay does not exceed Rs.1,000 p.m. In the latter, scholarship is given only to children studying middle standard and above.

25.27 Co-operation: Apart from co-operative housing of employees in which large funds are being invested, the Managements of both the Corporations have taken special steps to encourage consumers' co-operative and cooperative credit amongst the employees. The Air Corporation Employees' Co-operative Bank Ltd., Bombay, and the Consumers' Cooperative Society in Bombay are doing good business since their inception. In the IA besides consumer stores and fair price shops functioning at Calcutta and Delhi, a number of co-operative societies have been functioning with considerable assistance from the Corporation, by way of free accommodation, interest free loans etc.

...

(i)

(Annexure)

APPENDIX 'I'

Ref. Para. 25.15) 394

WORK STOPPAGES IN THE AIR CORPORATIONS
(1961-67)AIR INDIA

S.No.	Period	Union concerned	Cause/Demand
1.	1.5.65	Indian Flight Navigators' Guild	Ranking of Navigators vis-a-vis Flight Engineers.
2.	3.11.65	A.C.E.U.	Alleged man-handling of 2 canteen staff.
3.	24.12.65 to 25.12.65	I.F.E.A.	Protest against taking off one of the Flight Engineers detailed for a Bombay-New York flight.
4.	27.6.67 to 30.6.67	Indian Pilots Guild.	Demands : (i) Retrospective effect to be given to Part-II of NIT Award; (ii) Enquiry into the working of the operations department.
5.	29.7.67	I.F.E.A.	Demand for immediate implementation of revised grade of Executive Flight Engineers.
6.	11.8.67 to 19.8.67	I.A.T.A.	Demanding withdrawal of charge-sheet against Regional Secretary of the Union.
7.	6.11.67 to 23.11.67	A.I.A.E.A.	Demands : (i) Only AMEs should be allowed to inspect or certify an air-craft or equipment; (ii) No non-AMEs to be posted as Inspectors etc.

INDIAN AIRLINES CORPORATION

1.	2.12.61	A..E.U, Hyderabad	Assault on an employee by the Medical Officer.
2.	Feb., 63	Stiff at Karachi	Non-payment of arrears arising out of Karachi Award.
3.	8.5.63 to 11.5.63	Plots at Calcutta	Refusal of pilots to taxi the air-craft from Hangar No. 15 & 16 to the parking Bay-Demarcation of operational and maintenance areas.
4.	June, 63	Pilots at Bombay.	Refusal of pilots to fly air-craft not fitted with Rader.

S.No.	Period	Union concerned	Cause/Demand
5.	26.9.63	Mechanics at Safdarjung.	For not allowing a mechanic charged with misbehaviour inside the Shop.
6.	11.2.64	A.C.E.U., Delhi & Bombay.	Due to some misunderstanding on the part of union leaders during negotiations.
7.	28.6.66 to 29.6.66	I.C.F.A. & A.C.E.U., Bombay region.	Inclusion of an Administrative Pilot in the flying crew detailed to ferry an air-craft from abroad. The ACEU had listed a number of demands.
8.	27.7.66 to 28.7.66	Mechanics of Maintenance Section at Santacruz.	For revision of pay-scales outside NIT award.
9.	28.9.66	Mechanics at Palam	Demanding withdrawal of a letter of warning issued to one of the Mechanics, alleged to have committed a theft.
10.	22.1.67	Members of IATA Delhi.	To restrain the Management from signing an agreement with the ACEU.
11.	7.3.67 to 11.3.67	Pilots at Bombay (IPA)	In protest against the appointment of some executive pilots.
12.	17.5.67	A.C.E.U., Calcutta	Due to some misunderstanding on the part of the union officials during their discussion with the Chief Engineer on certain issues.
13.	9.6.67	A.C.E.U., Calcutta	Due to misunderstanding of the explanation given by the personnel officer regarding the non-availability of snacks in the canteen.
14.	3.7.67	A.C.E.U., Calcutta	Appointment of 6 cleaners on casual basis which will deprive the regular staff of their over-time work.
15.	1.8.67	A.C.E.U., Delhi.	As a protest against the introduction of new roster.
16.	5.8.67	I.A.C. Workers at Dum-Dum	Hartal in sympathy of a worker who died in police firing on 3.8.67 at Dum-Dum.

(iii)

S.No.	Period	Union concerned	Cause/Demand
17.	11.8.67 to 19.8.67	I.A.T.A. (in both I.A.C. & Air - India)	As a protest against the chargesheet made against the Regional Secretary of Bombay for holding a meeting inside the premises of the establishment without previous permission of the competent authority.
18.	9.11.67	A.C.E.U., Bombay	In protest against insult to one of the office-bearers and high-handed behaviour of some officers.
19.	16.11.67	A.I.A.F.A., Calcutta & Madras.	In support of AME belonging to Air-India who were on strike.
20.	2.12.67	Shift staff in Maintenance Hangar, Bombay.	Alleged illtreatment given to a foreman by the Shift Incharge.
21.	19.1.68	A.C.E.U., Bombay Region.	24 hours token strike in sympathy with the striking employees in Delhi Region.
22.	19.1.68	A.C.E.U., Calcutta.	Token strike in sympathy with the striking employees in Delhi Region.
23.	15.1.68 to 20.1.68	A.C.E.U., Delhi.	In protest against the refusal by the Area Authority to allow the Union to hold mass-meetings during working hours.
24.	20.1.68	A.C.E.U., Madras.	Token strike in sympathy with the striking employees in Delhi Area.
25.	16.4.68	Drivers at Calcutta (A.C.E.U.)	Concerted absenteeism to protest against deprivation of 12 hours rest between two fortnightly rosters.

S.No.	Period	Union concerned.	Cause/Demand
26	16.3.68 7.4.68 10.4.68 16.4.68	Employees at Colombo.	In response to the call given by Ceylon Mercantile Union.
27	26.7.68	Staff of Engg.Deptt. at Calcutta.	Staff of Engg.Deptt. of Maintenance Division stopped work in protest against the personal search of a sweeper by the Security Officer on duty in connection with loss of a purse by one of the passengers.
28.	12.8.68	Catering staff at Bombay(A.C.F.U.)	Two of the Catering Assistants on duty reported sick. The Catering Assistant scheduled for the night as well as the Catering Supdt. and three Catering Assistants in the morning shift did not report for duty presumably in protest against the Management's efforts to curtail overtime.
29.	4.9.68	Loaders at Bombay (A.C.F.U.)	Loaders at Bombay stopped work intimating the Management that they were not prepared to work overtime unless minimum strength for each shift was laid down.
30.	8.10.68	Loaders at Bombay(A.C.F.U.)	Mass absenteeism by Loaders in protest against the transfer of one of the porters from S'Cruz Airport to the City Booking Office.
31.	14.11.68	Mechanics at Calcutta(I.A.T.A.)	30 Mechanics stopped work in protest against delay in supply of jerseys.
32.	17.1.69 to 8.2.69	Loaders at Bombay.	Work-stoppage by Porters in protest against employment of casual Porters.

(v)

S.No.	Period	Union concerned.	Causes /Demand
33	21.1.69	Pilots at Bombay (ICPA)	Refusal by Pilots to operate Night air mail services on the ground that Crash fire tenders at Nagpur Airport were un-serviceable.
34.	7.2.69	Mechanics at Calcutta(I.A.T.A.)	Approximately 61 staff of Maint. Div. stopped work to protest against the issue of arrest warrant to one of the Mechanics who allegedly hit a canteen employee who, in turn, lodged a complaint with the Police.

26. BANKING

Banking industry has made significant strides since Independence. The number of scheduled bank offices increased from 2,647 at the end of 1951 to 6,816 at the end of 1967. During the same period bank deposits increased from about Rs.800 crores to about Rs.3,750 crores and deposit accounts from 32 lakhs to 140 lakhs. Credit created by banks expanded from Rs.581 crores in 1951 to Rs.2,727 crores in 1967. It has played a useful role in fostering industrial growth. The expansion in banking industry has generated additional employment as shown in Annexure-I Appendix I.

26.1 Despite this growth banking facilities still fall short of requirements both geographical and sectoral. On an average, an Indian bank caters to 75,000 of the population as against 7,000 in the USA and 4,000 in the UK. Bank deposits form less than 15 per cent of national income as against 47 per cent and 32 per cent in USA and UK respectively. Important sectors of the economy such as agriculture and small scale industry do not yet get the benefits of bank credit. To channelise bank credit in accordance with socio-economic objectives a National Credit Council was recently set up and a system of social control over banks was introduced through the Banking Laws (Amendment) Bill, 1967. 14 leading commercial banks in the country have now been nationalised. This would imply added responsibilities for the industry. Extension of banking institutions to semi-urban and small areas for resource mobilisation will initially entail higher costs. Better cooperation between the staff and management will be indispensable for realisation of the goals set before the industry.

Bank Employees - A Historical Background

26.2 Employees in banks can be grouped in two broad categories: clerical and subordinate apart from senior staff. The former being the educated category pose some special problems of white collar labour. They form a more articulate group able to organise themselves. Their continued association has not left the subordinate employees in banks unaffected. Confronted with the rise in cost of living caused by the Second World War industrial labour in certain centres launched an agitation soon after the War to voice its demands for higher earnings and better service conditions. Bank employees, whose plight was no better started organising themselves with the same ends in view.* The All India Bank Employees' Association was formed. Labour unrest in banks was particularly pronounced in Bombay, Bengal and U.P. Strike notices were served in many banks, calling for Government intervention. The Government of India took over the responsibility of dealing with disputes in the industry on an all-India basis.

26.3 The first all-India Tribunal headed by Shri K.C.Sen made its award in 1950 covering various items of dispute relating to terms and conditions of employment in banks. The award was, however, declared void by the Supreme Court. The second all-India award, the Sastry award, covering 129 banks in respect of 34 different issues of dispute was appealed against before the Labour Appellate Tribunal both by labour and management. The LAT decision aroused serious opposition in the bank managements on ground of their low paying capacity to implement the award. The Government modified the decision by its order dated 24th August, 1954 leading to appointment of the Bank Award Commission which reported in July, 1955. The terms awarded by the Commission were operative till March, 1959.

*Details about the present position have been given in paras 26.10 to 26.1

26.4 Even as the award was running its course, bank workers renewed their demands in the light of the need-based minimum wage, rise in cost of living and the amended definition of workman under the Industrial Disputes Act covering supervisory workmen drawing a wage/salary of Rs.500 per month. On the expiry of the term of the award, notices of termination were served by the all-India Bank Employees' Association and the newly formed all-India Bank Employees' Federation both of which presented their fresh charter of demands. With the initiative taken by the All-India State Bank of India Staff Federation in February, 1960, a general strike was launched in all banks. A National Tribunal was constituted with Shri K.T. Desai as Chairman to adjudicate in the dispute covering 89 banks and ^{with} 22 different issues at dispute. The award announced in June, 1962 was kept in force till July, 1965 despite the bank employees opposition to its extension. In the midst of these protests, the Chief Labour Commissioner initiated talks both tripartite and bipartite which resulted in an extensive settlement covering all the issues in dispute on 19th October, 1966 and bank managements. between the two principal all-India employees organisations. The settlement was binding on the parties for three years from 1st January, 1966 to 31st December, 1968.

26.5 The settlement provides for a wage increase of 10% to 15% for the clerical staff and 15% to 25% for subordinate staff. Special allowances for clerical and subordinate staff have also been increased. The workers' demand for provident fund and gratuity on the basis of full pay is conceded. The age of retirement is raised

to 60 years. Cities and towns are upgraded to entitle workers to higher emoluments. Daily working hours for subordinate staff are reduced by half an hour. The settlement covers about 80,000 workmen employed in almost all commercial and foreign exchange banks and the subsidiaries of the State Bank of India. Part-time workmen are given a graduated incremental pay scale, in addition to special allowances. Other allowances and house rent allowance are also increased.

26.6 The implementation of the agreement has not been without its problems. Since two big banks having 'house unions' were not direct parties to the bipartite talks and the national organisation of bank workers came on the scene at a very late stage, difficulties were encountered in making the settlement acceptable to all the parties. Thus while the industrial relations in banking industry reached a new milestone with bipartite agreement, implementational difficulties have cropped up in the meanwhile.

Structure of the Industry and Disparity in Service Conditions :

26.7 With the exception of banks localised in one State all are governed by the all-India awards described earlier. The Reserve Bank of India, State Bank of India and subsidiaries of the State Bank constituted the public sector in the industry till recently.*

negotiations in the

26.8 Public Sector Banks: The record of mutual/Reserve Bank which existed for a long time was broken in December, 1959, when the Reserve Bank Employees Association gave an ultimatum to the Bank to consider its charter of demands and settle all outstanding disputes. This was followed up with demonstrations, processions

* The position has changed since. But for a major portion of the period covered by our inquiry it would be useful to treat the Reserve Bank of India and the State Bank of India separately from the rest.

and meetings. The dispute was referred to the Desai Tribunal which made separate award for the Reserve Bank in September, 1962. This award remained in force till October, 1965. On its expiry, the bank entered ^{into} negotiations with its unions to settle their fresh demands. An agreement was reached with the Class IV employees union but negotiations with the Class III employees union (clerical staff) were infructuous. The dispute between the management and the clerical staff became the subject matter of arbitration.

26.9 The State Bank of India was covered under the Desai Award, though subsequently it unilaterally granted additional benefits to its employees. The State Bank of India granted increases in the medical benefits awarded by the Desai Tribunal and this gave rise to demands for similar benefits in other banks after the expiry of the Desai Award.

Trade Unions:

26.10 There are at present three all-India trade union organisations ^{the} in/industry: (i) The All-India Bank Employees' Association (AIBEA) formed in 1946, (ii) The All-India Bank Employees' Federation (AIBEF) formed in 1958, (iii) National Organisation of Bank Workers (NOBW). Independent of the all-India organisations, there are some bank-wise unions. The All-India Bank of Baroda Employees Federation, and the All-India Overseas Bank Employees Union are the more active unions.

26.11 Reserve Bank and State Bank Employees are organised among

- (i) All-India Reserve Bank Workers' Federation which is the recognised union of Class IV employees;
- (ii) All-India Reserve Bank Employees' Association which organises the Class III clerical staff and also enjoys recognition.

- (iii) All-India Reserve Bank Karamchhari Federation which is an affiliate of the INTUC,
- (iv) All-India Reserve Bank Workers' Organisation which is said to be a branch of the Bhartiya Mazdoor Sangh,
- (v) All-India State Bank of India Staff Federation which claims larger membership in the State Bank as against the other organisation,
- (vi) The State Bank of India Employees' Association which is an affiliate of the INTUC.

Employers' Organisations

26.12 An all-India organisation of bankers viz. Indian Banks Association has its following in the commercial banks and subsidiaries the of State Bank. As could be expected the Reserve Bank and the State Bank of India (and not its subsidiaries) are outside the pale of influence of the association. Independent regional banks associations have also been formed. Some of the Chambers of Commerce take interest in other banking problems of the industry. As is natural, there can be some banks who have no affiliation.

Industrial Committee for Banks

26.13 The structure of organisation of both bank employees and banking companies has presented difficulties in holding industry level bipartite talks which are desirable to promote uniformity in terms and conditions of service all over the industry. The rivalry and competition among the unions have complicated the task. The Industrial Committee on Banks constituted recently, it is expected, would provide a forum for discussing and resolving some of the unsolved labour problems of the industry so far. The Committee would bring together all the central organisations of bank employees and some of the major independent banks and trade unions to a common forum.

Industrial Disputes

26.14 Strikes: ^{Annexure-I} Appendix II records the number of work stoppages and mandays lost in recent years.

The operation of all-India awards in banking industry has had a good effect on industrial peace. Strikes have generally taken place towards the expiry of the awards or at the time when the awards are due for extension. Strikes in banks are of short duration. The bulk of the strikes are of not more than a day's duration (^{Annexure-II} Appendix III). But this is not the full story.

New forms of labour protest such as 'go-slow', 'work-to-rule', 'mass deputation', 'mass leave', 'collective lunch hour' and 'few minutes absence', have been developing in the industry ^{are reported to} and they have had their effect on the running of banks.

26.15 Settlement of disputes: The frequency of disputes has remained disturbing despite a declining trend noticeable in ^{Annexure-IV} Appendix IV. It is significant that a large number of disputes are settled informally with the assistance of conciliation officers. Of the rest dealt at the formal conciliation proceedings about 40% to 50% of disputes reach settlements. The nature of issues involved in many disputes that remain unresolved at conciliation is revealed by the larger number of disputes which are not pursued after conciliation as against those which are referred for adjudication on failure of conciliation (^{Annexure-V} Appendix V).

Wages

26.16 Wages in banking industry have improved during the post-Independence period. Bank employees succeeded in securing wage increases each time a new all-India tribunal was appointed

to consider their claims. ~~Appendix VI~~ ^{Annexure - vi} shows an increase of 60% to 81% under the recent bipartite settlement. (1966) in the minimum wages of clerical staff in Banks classified in different categories and areas, and of 59% to 62% in the maxima of their pay scales over the amounts awarded in 1950 by the Sen Tribunal. Similarly the minima and maxima of pay scales of the subordinate staff show an increase of 53% to 94%, and 63% to 123% respectively ~~(Appendix VII)~~ ^{Annexure - vii}. Disputes, however, often arise over grant of certain ad hoc allowances, fixation of employees in their respective pay scales at the time of recruitment or promotion and grant of additional increments.

26.17 Dearness Allowance: The Sastry award and subsequent modifications in it besides linking the dearness allowance to wages provided for adjustment on the rise or fall in cost of living beyond certain limits. The Desai Tribunal fixed dearness allowance to neutralise the rise in cost of living to the extent of 100 per cent for the subordinate staff and 75 per cent for the clerical. The Tribunal linked dearness allowance to cost of living index and fixed the rate of payment in terms of a salary percentage. In the absence of a ceiling on the dearness allowance, its quantum has been increasing with rise in prices. The following statement* of the Labour Secretariat of Banks shows the rise in dearness allowance for clerical and subordinate staff members in an 'A' Class bank in area I:

* Replies of the Labour Secretariat of Banks in India on behalf of the affiliated banks to the Questionnaire issued by the National Commission on Labour, pp.56-57 (Labour Secretariat of Banks in India).

	<u>Minimum</u>		<u>Maximum</u>	
	<u>Jan'62</u>	<u>Sept'67</u>	<u>Jan'62</u>	<u>Sept'67</u>
<u>Clerical</u>				
Basic	Rs.140	Rs.154	Rs.405	Rs.460
D.A.	<u>Rs. 25</u>	<u>Rs.120</u>	<u>Rs. 72</u>	<u>Rs.358</u>
Total	Rs.165	Rs.274	Rs.477	Rs.818

	<u>Minimum</u>		<u>Maximum</u>	
	<u>Jan'62</u>	<u>Sept'67</u>	<u>Jan'62</u>	<u>Sept'67</u>
<u>Subordinate</u>				
Basic	Rs. 86	Rs. 92	Rs.112	Rs.145
D.A.	<u>Rs. 20</u>	<u>Rs. 95</u>	<u>Rs. 26</u>	<u>Rs.150</u>
Total	Rs.106	Rs.187	Rs.138	Rs.295

26.18 Designations: Job standardisation has been wanting in all the banks. Workers have resented to do the tasks which are not their's according to designation. They have also protested against the practice of combined designations such as:

1. Clerk-cum-cashier-cum-godown keeper-cum-typist,
2. Clerk-cum-shroff-cum-godown keeper,
3. Peon-cum-daftry,
4. Driver-cum-peon.

Besides the interests of workmen, job standardisation is also necessary for achieving better work organisation and efficiency.

26.19 Hours of Work and Overtime Payment: In the absence of a central legislation to regulate the hours of work in non-manufacturing industries the working hours in banks have been a recurring item of dispute to be determined under the awards.

The matter could not be left to be settled under the Shops and Establishments Act which has been so far a State legislation. The working hours fixed under the different awards have been shorter than those prescribed under the Shops and Establishments Act.

26.20 The nature of work in banking industry is understood to be such that a day's work has to be finished in a day's time. Besides there is a seasonal rush of work. Overtime is very much a part of bank employee's life. Payment for overtime^{work}/is made on graduated scale subject to a maximum of twice the normal rate. The bank managements have often complained that overtime payment has been misused by the employees. To put a check on overtime work the awards fixed the maximum number of hours of overtime work to be permitted to each worker during a year. The recent bipartite settlement has further raised the ceiling on overtime work to 175 hours per annum. Despite this increase, difficulties are being experienced in restricting the overtime work within the prescribed limits. The problem has been complicated^{due} to the nature of work which does not yield to precise yardsticks. None-theless there is scope for fixing work norms on the basis of scientific work study methods. This may go a long way in increasing efficiency in the working^{of Banks} and restricting the need of overtime work. Apart from hours of work and overtime there appear to be no special problems regarding working conditions in the industry.

Recruitment and Promotion Policy

26.21 The recruitment and promotion policies of banks seem to have failed to inspire confidence in the workmen. The trade unions in banks have been demanding that preference should be given to the relatives of employees in recruiting new hands. They are opposed to

direct recruitment in higher positions in order to give an opportunity to employees already in the service. They have insisted that seniority should be the sole criterion for promotions. The managements on the other hand have resented any interference from labour in such matters. They consider merit has to be the chief criterion in granting promotions.

Mechanisation

26.22 Management's plans to introduce machines for calculations and data processing work have been opposed by the workmen for fear of retrenchment and employment shrinkage. Only few banks seem to have introduced machines so far. While mechanisation would certainly introduce the much desired precision and efficiency in Banks' work, the workers' interests are also to be given due consideration. With due response from both sides, this is not a matter which is beyond mutual negotiations and settlement.

Annexure I
(Ref. Para 26.0)
APPENDIX-I

NUMBER OF PERSONS EMPLOYED IN BANKS

Year	COMMERCIAL BANKS				RESERVE BANK			
	Subordi- nates	Clerks	Officers and Others	TOTAL	Subord- inates	Clerks	Officers and Others	TOTAL
1	2	3	4	5	6	7	8	9
1961	34,150	66,756	16,463	1,17,369	2,555	7,014	1,236	10,805
1962	36,571	72,444	18,189	1,27,204	3,058	7,418	1,469	11,945
1963	39,066	77,214	19,676	1,35,956	3,278	8,096	1,683	13,057
1964	41,730	83,383	21,442	1,46,555	3,241	8,732	1,882	13,855
1965	44,915	90,018	23,682	1,58,615	3,562	9,851	2,289	15,702
1966	47,850	98,154	26,091	1,72,095	3,812	10,445	2,365	16,622

Source: Report of the Study Group for Banking Industry, P. 6.

VA/-

Number of Work Stoppages and man-days lost in Banks

Year	No. of Work Stoppages	Man-days lost due to strikes
1	2	3
1957-58	225	1,69,362
1958-59	129	20,794
1959-60	225	2,92,209
1960-61	36	186
1961	2	356
1962	4	287
1963	18	13,409
1964	38	9,011
1965	8	4,684

N.A. = Not available.

Source:- Annual General Report
on the working of the
Central Industrial Relations
Machinery.

Annexure - III
(Ref. para 26.14)
APPENDIX-III

Number of strikes, their durations and man-days lost.

Year	Total No. of strikes reported to during the year (including those continuing from the previous year).	D U R A T I O N					No. of man-days lost.
		Up to 24 hrs	One day to one week	One to two weeks	Two Weeks to one month	More than one month	
1	2	3	4	5	6	7	8
1959-60	225	154	20	1	50	-	2,92,209
1960-61	36	4	32	-	-	-	186
1961	2	1	1	-	-	-	356
1962	4	3	1	-	-	-	287
1963	18	14	3	1	-	-	13,409
1964	38	30	3	4	-	1	9,011
1965	8	6	-	1	1	-	4,684

VA/-

Disputes handled by the Central Industrial Relations Machinery in
Banks during the period 1959-65.

Year	No. of disputes referred to the I.R.M. during the year (including those pending at the close of the preceding year).	No. of disputes considered unfit for intervention by the I.R.M.	No. of disputes settled without holding formal conciliation proceedings.	No. of disputes in which formal conciliation proceedings were held.	No. of disputes in which conciliation proceedings settled.	No. of disputes in which conciliation proceedings ended in failure.	No. of disputes pending with the I.R.M. on the close of the year.
1	2	3	4	5	6	7	8
1959-60	866	334	225	241	144	97	66
1960-61	610	87	290	218	135	83	15
1961	427	16	196	184	94	90	31
1962	431	9	238	149	89	60	35
1963	636	10	380	200	118	82	46
1964	491	2	294	163	72	91	32
1965	445	3	263	152	86	66	27

Source:- Annual General Report on the working of
C.I.R.M.

Annexure V
(Ref. para 26.15)

Action taken with respect to bank disputes
in which there was failure of conciliation.

Year	No. of disputes in which conciliation proceeding ended in failure.	No. of disputes referred to adjudication on failure of conciliation.	No. of disputes considered unfit for adjudication after failure of conciliation.	No. of cases awaiting the decision of the Government after failure of conciliation.
1.	2.	3.	4.	5.
1959-60	97	10(4)	64(4)	23
1960-61	83	4	57	22
1961	90	9	62	19
1962	60	10	41	9
1963	82	27	33	22
1964	91	37	27	27
1965	66	15	37	14

N.B. : Figures given in brackets show the number of adjudications ordered in respect of disputes which occurred during the previous year.

Source:- Annual General Report
on the working of
C.I.R.M.

.....

Minima and maxima of pay-scales for clerical staff in Banks under some of the awards and settlements.CLERICAL STAFF

	<u>Sen Award</u> 1950 (in rupees)	<u>Desai Award</u> 1962	<u>Bipartite</u> <u>settlement</u> 1966	<u>Percent</u> <u>increase</u>
A class Banks Area I	Min. 96	140	154	60%
	Max. 290	405	460	59%
C class Banks Area III	Min. 62	104	112	81%
	Max. 191	281	309	62%

Source:- Sen Tribunal Award, PP, 36-
Desai Tribunal Award, P.12
Settlement arrived at betw
the Bank Managements and
their Workmen, P.7.

APPENDIX VII

*Amendment - VII
(ref. Para 26.16)*

Minima and maxima of pay-scales for the subordinate staff in Banks under some of the awards and settlements.

SUBORDINATE STAFF

	<u>Sen Award</u>		<u>Desai Award</u>	<u>Bipartite</u>	<u>Percentage</u>
	1950	(in rupees)	1962	Settlement 1966	Increase
A class Banks Area I	Min.	60	86	92	53%
	Max.	89	112	145	63%
C class Banks Area III	Min.	35	62	68	94%
	Max.	52	98	116	123%

Source:-Sen Tribunal Award, P.42
Desai Tribunal Award, P.121
Settlement arrived at between
the Bank Managements and
their Workmen, P.8.

M/S

Prior to Independence, the majority of Indian Newspapers were a part of nationalist movement. Journalism, in those days was more a mission with risks than a profession with security. The British policy towards nationalist newspapers alternated between tolerance and repression.

27.1 According to Press Registrar's 1968 report 9,315 newspapers were in existence in the country at the end of 1967 as against 8,640 in 1966. Taking into account the publication of periodicals numbering 2,363, which are not newspapers in the full sense of the term, the total number of newspapers and periodicals in the country during the year 1967 was 11,678. The total combined circulation of newspapers has improved from 232 lakhs in 1962 to 252 lakhs in 1966. Circulation of dailies improved from 59.3 lakhs to 67.5 lakhs, that of weeklies from 68.5 lakhs to 69.5 lakhs and other periodicals from 10.4 lakhs to 11.5 lakhs. Some basic statistics about the Indian Press have been summarised at Appendix I. *Annexure I*

2. Employment, Recruitment and Training.

27.2 It is difficult to assess correctly the level of employment provided by the newspaper industry. The total

employment occurring as at the end of 1967, based on the data collected by the National Employment Service of the Directorate General of Employment and Training, was as follows:

<u>Male</u>	<u>Female</u>	<u>Total</u>
32,577	282	32,859

The Office of the Registrar of Newspapers for India also collects the employment data and according to its report for 1968, dailies numbering 122 had 2,115 correspondents, including 32 stationed abroad.

2,520 journalists were employed by 256 dailies. Among these were 403 sub-editors, including 14 women. The number of journalists engaged as comment /feature writers was 528 in 183 dailies. The total staff employed in house-keeping jobs in 236 dailies. was 23,353.

27.3 A feature of newspaper industry in India is the absence of a scientific system of recruitment, especially in respect of professional journalists whose work requires high standards of mental equipment. Recruitment of non-journalist staff is better, except perhaps in the case of specialised jobs like handling of advertisements and circulation. Recruitment follows the pattern in other industries, mainly the printing industry. The Press Commission had examined this point and had suggested that "The senior members of the staff should, as far as possible, be appointed from the existing members of the staff in consultation with the heads of the managerial/ editorial sections, as the case may be". There are, however, certain specialised jobs which need to be advertised and best men available appointed.

27.4 The newspapers are appointing apprentices in ^{both} the journalist and non-journalist categories. Even so the need for providing basic professional training has long been felt. The Aligarh University was the first to start a course in journalism in 1938 but it was later discontinued in 1940. Diploma course in journalism was started in the Punjab at Lahore in 1941. With these early beginnings, journalism, as a subject, is being currently taught in as many as ten Universities in India. The Government of India has shown keen interest in the subject by accepting the relevant recommendations of the Press Commission. The

Indian Association for Education in Journalism and the Inter-University Board Committee on Professional Training in Journalism have been taking steps to standardise courses and promote training. The Press Commission which also studied the problem, recommended a two-year post-graduate degree course in journalism. The principal handicap is, however, the lack of opportunities for practical training. Our Study Group for Newspaper Industry has suggested "It should be made compulsory for newspapers and news agencies to extend practical training facilities to a fixed number of students every year". The setting up of the Press Institute of India will go a long way towards meeting the needs for facilities of practical training. The Institute has been able to provide refresher courses and workshop for various categories of journalists. The facilities for training of technical and administrative staff of newspapers are virtually non-existent. Our Study Group suggested: "There is a need for a properly constituted Central Institute for training of journalists as well as other staff, with branches in all the States. Its independence from newspaper owners, the Government as well as foreign foundations has to be ensured."*

Working Conditions

27.5 The employees in the newspaper industry fall into three distinct groups. Working journalists are governed by Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1956. Non-journalists employees working in the printing presses are subject to the provisions of the Factories Act, 1948,

*This is not a unanimous suggestion.

if the printing press is a factory within the meaning of section 2 of that Act. Otherwise, they are governed by the Shops and Establishments Act. The administrative staff are regulated by the Shops and Establishments Act. The Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, the Factories Act and the Minimum Wages Act are the Central enactments, whereas the Shops and Establishments Act has been enacted by States. While there can certainly be some amount of uniformity guaranteed under the Central legislation for its beneficiaries, the same cannot be said about the States laws.

Working Journalists

27.6 The / Act lays down a six-hour day or 144 hours in four weeks for the working journalists, the Factories Act provides 8 hours a day or 48 hours a week, the Shops and Establishments Act prescribes maximum 10 hours a day and 48 hours a week and the Minimum Wages Act provides 9 hours a day without specifying the weekly hours of work. The Working Journalists Act does not provide for spreadover. The Factories Act provides for $10\frac{1}{2}$ hours as the maximum permissible period of spreadover. Again, under the Factories Act, it is necessary to provide rest interval for half an hour after 5 hours of work at a stretch, the Working Journalists Act lays down that a working journalist will not be required to work at a stretch for more than 4 hours in the day shift and three hours in the night shift without a rest interval of one hour in the day shift and half an hour in the night shift.

27.7 There is a lot of overlapping provisions in the laws.

Employees belonging to one industry being governed by four or five different enactments on the subject of conditions of work is a peculiarity of this industry. Not only in respect of hours of work

27.5

and overtime, but also in respect of leave, medical facilities, etc. different sections of newspaper employees are treated differently because of the application of different laws. Our Study Group has noted "While certain differences in the conditions of work may be unavoidable because of the differing nature of works, we think that a certain measure of uniformity is desirable".

Association of Employers

27.8 Newspaper establishments were not organised in any form until the late thirties. In 1939, 14 leading newspaper establishments came together and formed an association named the Indian and Eastern Newspaper Society (IENS). It is registered under the Indian Companies Act. Its principal objects are to act as a central organisation primarily of the Press in India, and of any other country in Asia which desires to associate itself with the society, and to promote and safeguard the business interests of its members incidental to the production of their publications and take suitable steps in respect of such business as are affected by the action of Legislature, Governments, Law Courts, Municipal and Local Bodies and Associations of Organisations, commercial or formed for any other purpose. It had a membership of 214 at the end of 1967, according to our Study Group..

27.9 On the eve of the introduction of newsprint control, the Indian Languages Newspaper Association (ILNA) was formed mainly "to promote and safeguard the business interest of newspapers and periodicals published in Indian languages" and

27.6

"to consider all questions of interest connected with the management of Indian languages newspapers."/ According to our Study Group the membership of the Association was 214 on March 31, 1968.

27.10 There has been an element of overlapping of membership; some newspapers are members of both the associations. Both the associations are of proprietors and have been formed on the lines of Chambers of Commerce and Industry for promoting and safeguarding their business interests. Neither has an organised Labour Advisory Service or Industrial Relations Cell.

Association of Employees

27.11 Organisation of newspaper employees was somehow slow in taking roots. Even now it is confined, as in case of trade union activity in other industries, to papers in the metropolitan cities and major towns. As for the non-journalists, the limited protection statutorily provided for all industrial workers has been available to them for a long time but the unions were organised only in stray establishments. There are at present three all-India organisations of newspapers and news agency employees.* The first is the All-India Newspaper Employees Federation (AINEF) which was established in 1960 and claims a membership of 10,750. The second is the Indian Federation of Working Journalists (IFWJ) established in 1950 and having a membership of about 2200. The third is the PTI Employees Federation, which has 98% membership of a staff of 900 PTI employees spread all over India. Recently 40 journalist members of the PTI Employees Federation left the organisation and formed a Delhi PTI

* There is also an association of the editors viz. All India Newspaper Editors' Conference. But it has different lines of activity including the safeguarding of interest of its members.

27.7

Journalists Union in protest against the PTI Federation's agreement with the management about the implementation of Wage Board Awards. The IFWJ works as a central trade union organisation for journalists; the AINEF as a central body of non-journalists and the PTI Federation has an organisation for both types of staff in the particular agency. In practice, there is some overlapping in the sense that many journalists are members of the staff unions.

27.12 The objectives of IFWJ were not only to form a federation of trade unions but to have a central organisation of working ^{the} journalists. After/passing of the Working Journalists Act and the setting up of the Wage Boards, the attention of the Federation has been mainly directed to the presentation of cases before the Wage Boards and for implementation of the decisions, fighting cases in the Supreme Court and High Courts and conducting labour disputes in the States. A significant characteristic of the IFWJ is that there are no outsiders in it. It is not affiliated to any Central Trade Union Organisation. It is reported to have no set office-bearers or wholetime workers, nor an organisation at plant level.

27.13 The AINEF is a federation of 47 affiliated bodies of plant and city level organisations. Its objectives are similar to those of trade unions in other industries and its composition is also similar. The pattern of membership of AINEF unions differs from State to State and union to union. The Hindustan Times, the Times of India and UNI unions, for example, include journalists and non-journalists. In some places, there are both vertical

and horizontal unions. In Calcutta there are two unions in the "Statesman" both affiliated to the AINEF. Some of these unions have a State federation but those federations are not affiliated to the AINEF.

27.14 The PTI Federation is a federation of unions registered at various places. It has a plant level unit and an all-India set up.

27.15 On important matters, the three organisations come together. The decision for the all-India strike of 23rd April, 1968 was made by the coordination committee consisting of representatives of the IFWJ, the AINEF, the PTI Employees Federation and UNI Employees Union.

27.16 Excepting the PTI Employees Federation, none of the all-India organisations has been recognised by the employers. The Government have, however, recognised the IFWJ and AINEF as being the only all-India organisations for the purposes of nomination to Wage Boards and Tripartite Meetings. Employers have, therefore, also recognised their de-facto status.

27.17 There are no inter-union rivalries in most of the places but there was a phase when employers encouraged rival unions at some places. There is no rival organisation among journalists except in U.P. The leadership in all the three all-India organisations is mostly in the hands of journalists, The finances of the organisations of the newspaper employees are generally in a weak state, a failing common with other unions in the country.

Industrial Relations

27.18 The usual machinery provided under the Industrial Disputes Act for settlement of disputes does not seem to have worked satisfactorily for the newspaper industry. Our Study Group has

27.9

recommended "the all-India organisations of both Working Journalists and non-journalists employees may be given recognition as also the associated organisations or unions at State and Plant levels. This can flow only from agreements between the national organisations representing the two sides". "A permanent tripartite machinery for settlement of disputes in the industry may be set up at both national and State levels. This will make acceptance of the value of bilateral negotiations and settlements easier and speedier".

27.19 Works Committees have not been successful in any establishment. Wherever they have been tried, neither side takes them seriously. The trade unions feel that given encouragement, the works committee may reduce their importance. The managements are generally unwilling to take the workers' representatives of such committees into confidence about working of the institution. This again has a familiar ring. Newspapers have accepted in principle the need to establish a machinery for grievance procedure but in practice nothing has been done.

27.20 The industry witnessed one of the biggest strikes in its history when the AINEF gave a call for an indefinite strike on the issue of the non-implementation by employers of the recommendations of the wage Board for working non-journalists. The strike commenced from 23rd July, 1968 and was withdrawn after about two months, only when the dispute was referred to a National Tribunal. Although the strike call was given by the AINEF as the issue involved its members only, it was supported by all the remaining unions. Pending adjudication, the employers have agreed to pay to the employees, in addition to their existing

emoluments, 75 per cent of the difference between the existing emoluments and the emoluments payable under the Wage Board recommendations. The employers have also agreed to protect the total emoluments so payable in fixing the pay of workmen in the pay scales that may be determined by the Award of the National Tribunal.

Wages

27.21 Barring exceptions, regulation of wage structure in the newspaper industry has only a recent history. For instance, The Times of India had a union-management agreement in 1948. The Press Commission, which took note of the situation observed "except in the case of some of bigger papers, the emoluments received by the working journalists are on the whole unsatisfactory". In the vast majority of the newspapers, the wage structure was arbitrary and unscientific. It felt that matters could be improved if at least a minimum wage was fixed, especially in the case of working journalists who at that time did not enjoy any legal protection unlike the other sections of newspaper employees who were covered by the Industrial Disputes Act, the Factories Act, Shops Act, the Minimum Wages Act, etc. It was only in 1956 that the "Working Journalists (Conditions of Service and Miscellaneous Provisions) Act" was passed providing inter alia the fixation of rates of wages by a Wage Board. The First Wage Board under the Act was set up but when the Board completed its work and the Government notified the relevant Wage Order, the leading employers moved the Supreme Court and the order was set aside on the ground that the Board had not paid due consideration ^{to} the capacity of the industry to pay. The resultant unrest in the industry led the Government to

27:11

constitute a wage committee by an Ordinance. The wage scales and the allowances it recommended ^{by the said Committee} were ~~though~~ lower than those contained in the first Wage Order. The second Wage order was notified in May, 1959. It was not challenged though in some cases it was not implemented.

27.22 There was a general satisfaction about the wage scales fixed by the Committee; the feeling was that at least some kind of rationalisation had been achieved on a national scale. The second Wage Board for Working Journalists was appointed at the end of 1963. Its composition was different from that of the first; it was made up of two representatives each of the employers and working journalists, two independent members and a Chairman. In February, 1964 the Central Government for the first time constituted a Wage Board for non-journalist employees of the newspapers. While the Wage Board for Working Journalists was statutory, the Wage Board for working non-journalists was not. The Government, however, decided that it should be advantageous for the two Boards to have a common Chairman. The two Wage Boards took about four years to complete their work. The wages awarded for working journalists were notified by the Union Government on October 27, 1967 and the non-statutory award for the non-journalist employees on November 18, 1967. While the IENS complained about the high burden cast on all categories of newspapers, the employees' organisations consistently offered to consider individual cases facing extreme difficulties provided the employers' association agreed in principle to the implementation of the two awards simultaneously. This may be taken as acknowledgement of the fact that there are small newspapers which, for various reasons,

27.12

might find the burden beyond their capacity. The Wage Boards themselves suggested that in some cases, tightening of the administration and minimising costs would help newspapers to overcome the difficulty.

But neither of the two Wage Boards has outlined specific measures in that direction.

27.23 A summary of the wage structure recommended by the First Wage Board, the Wage Committee, and the Second Wage Board is given at Appendix II. Annexure II

A P P E N D I X IINDIAN PRESS AT A GLANCE (1967)

<u>Number of</u>		<u>1967</u>	<u>1966</u>
Dailies	..	588	549
Tri-weeklies & bi-weeklies	..	58	52
Weeklies	..	2,697	2,403
Others	..	5,972	5,636
	TOTAL :-	<u>9,315</u>	<u>8,640</u>
Non-included category papers.	..	2,363	2,337
	Total on record	<u>11,678</u>	<u>10,977</u>
<u>*Circulation</u> ('000)		<u>1967</u>	<u>1966</u>
		(Prel.)	(Revised)
Dailies	..	65,93	66,55
Tri-weeklies & Bi-weeklies	..	94	97
Weeklies	..	59,73	69,48
Others	..	92,27	1,15,36
		<u>2,18,87</u>	<u>2,52,36</u>
1966 (Preliminary Circulation	..		2,16,87
<u>Percentage increase</u> <u>in circulation of</u> <u>common papers.</u>			
		<u>1967</u>	<u>1966</u>
Dailies	..	5.0	1.8
All Papers	..	3.1	2.7

* Figures refer to the number of papers for which circulation data are available.

Contd.....

(ii)

Classification
of Periodicals

Category	Number	Circulation (1966 (Rev.) ('000)	Highest Circulation attained
News & Current Affairs ..	2,883	46,55	2,01,116
Literary & Cultural ..	1,399	46,35	1,49,314
Religion & Philosophy ..	1,041	17,81	3,20,658
Commerce & Industry ..	422	5,83	25,159
Others ..	2,924	68,30	
TOTAL: ..	8,669	1,84,84	

Longevity of
newspaper at the
end of 1966

	(i) Over 100 years	(ii) Between 50 & 100 years
Dailies ..	4	17
Periodicals ..	7	145

Newsprint
1967-68

Indigenous .. 31,563 metric tonnes
Imported .. 1,20,000 metric tonnes

Number of papers to which newsprint allocated 1,364

Total Qty. allotted 1,70,972.45 metric tonnes

Percentage of total

	Number	Quantity allocated
Newsprint to dailies	23.6	87.8

Contd....

Oldest Existing Newspapers

Daily : ' Bombay Samachar ', Gujarati, Bombay (1822)

Periodical : ' Calcutta Review ', English Monthly, Calcutta. (1844)

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(iv)

A P P E N D I X II

WAGLS, SCALES AND GRADLS (DAILY NEWSPAPERS)

Class of Newspaper (As recommended for Working Journalists)*	Type of Employees	Scales as recommended (Rs.)				
		WORKING JOURNALISTS			NON-JOURNALIST EMPLOYEES	
		Wage Committee 1958	Second Wage Board 1964	Central Wage Board 1967		
1	2	3	4	5		
I (Rs. 200 Lakhs and above)	I	-	400 - 1250	275-685		
	II	-	190 - 400	125-175/ 110-160		
II (Rs. 100 Lakhs and above and less than Rs. 200 lakhs)	I	-	375 - 1200	240-620		
	II	-	175 - 365	115-165/ 100-150		
III (Rs. 50 lakhs and above and less than Rs. 100 lakhs)	I	250 - 800	315 - 1000	225-575		
	II	125 - 300	160 - 350	105-155/ 90-140		
IV (Rs. 25 Lakhs and above and less than Rs. 50 Lakhs)	I	175 - 600	215 - 725	165-320		
	II	100 - 260	140 - 300	80-100		
V (Rs. 12½ Lakhs and above and less than Rs. 50 Lakhs)	I	150 - 500	175 - 575	150-310		
	II	80 - 200	120 - 240	70- 85		
VII (Rs. 5 Lakhs and above and less than Rs. 12½ Lakhs)	I	125 - 300	150 - 325	140-280		
	II	75 - 170	110 - 220	60- 70		

Contd.....

(v)

VII (Less than Rs.5 Lakhs)	I	100 - 225/80-150	130- 260	125-255
	II	70 - 140/65-120	105- 210	50- 60

* The classification of Newspapers for the Non-Journalist employees is based on the recommendations of the Central Wage Board for Non-Working Journalists and is as follows :-

- IV - Rs. 30 lakhs and above and less than Rs. 50 lakhs
- V - Rs. 15 lakhs and above and less than Rs. 30 lakhs
- VI - Rs. 5 lakhs and above and less than Rs. 15 lakhs
- VII - Less than Rs. 5 lakhs

- Types of employees :- (a) For Wage Committee 1958 and Second Wage Board 1964
- I - Reporter, Sub-editor, Correspondent, Newsphotographer etc.
 - II - Proof-Reader
- (b) For Central Wage Board (Non-Journalist Employees)
- I - Cashier, Asst. Accountant, Commercial Asst. Stores Asstt.
 - II - Havildars, Peons, Hammals, Sweeper, etc.

R E F E R E N C E S

1. S. Chalapathi Rau - Press in India
2. J. Natarejan - History of Press in India
3. Registrar, Newspapers - Press in India, 1968.
4. Press Commission Report, 1954.
5. Report of the Newspaper Industry Enquiry Committee, 1950 - U.P.
6. Report of the Small Newspaper Enquiry Committee.
7. Recommendations of the Wage Board for Working Journalists 1967.
8. Recommendations of the Wage Board for non-Working Journalists 1967.
9. A.I.N.L.F. Annual Reports.
10. I.F.W.J. Annual Reports.
11. I.F.W.J. Souvenir for the 10th annual session.
12. Report of the Study Group for Newspaper Industry. set-up by the National Commission on Labour.
13. I.L.N.S. Annual reports.
14. Replies to the questionnaire issued by the National Commission on Labour.
15. Monthly News Bulletins of the Research and Reference Division of P.I.B.
16. Factories Act.
17. Payment of Wages Act.
18. Shops & Commercial Establishments Act.
19. Working Journalists (Conditions of Service) and Miscellaneous Provisions)Act.
20. Indian Languages Newspaper Association (I.L.N.A.) - Annual Reports.