

COPY NO. 1

INTERNATIONAL LABOUR OFFICE
BRANCH OFFICE, NEW DELHI

Fig.

Industrial and Labour Development in
January-February 1968

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

<u>Contents</u>	<u>Pages</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION</u>	
11. <u>Political Situation and Administrative action</u>	1
71st Session of All India Congress held at Hyderabad, 10 January 1968	1
Joint Session of two Houses of Parliament Addressed by the President of India, 12 February 1968	2
12. <u>Activities of External Services</u>	3
13. <u>Press and Opinion</u>	4-5
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS</u>	
21. <u>United Nations and Specialised Agencies</u>	
Ninth Commonwealth Forestry Conference held at New Delhi, 3 January 1968	6
Second Session of the United Nations Conference on Trade and Development (UNCTAD - II) held at New Delhi, 1 February-29 March 1968	7-9
24. <u>Non-Governmental Organisations (International, Regional and National) Other than Employers' and Workers' Trade Organisations</u>	
ICFTU Asian Trade Union Economic Conference held at New Delhi, 24 January 1968	10

<u>Contents</u>	<u>Pages</u>
25. <u>Wage Earners' Organisations</u>	
Tenth Convention of All India Defence Employees held at Jabalpur, 24 February 1968	11
<u>CHAPTER 3. ECONOMIC QUESTIONS</u>	
32. <u>Public Finance and Fiscal Policy</u>	
Rs.30,270 million Budget for 1968-69 Presented to Parliament on 31 February 1968: New Taxes levied to raise Rs.660 million: Deficit of Rs.2,900 million left uncovered	12-15
Railway Budget for 1968-69 Presented to Parliament on 19 February 1968: Railway fare and Freight raised to meet Rs.270 million deficit	16-17
34. <u>Economic Planning Control and Development</u>	
Economic Survey for 1967-68 Presented to Parliament on 23 February 1968	18-19
Family Budget Enquiries and Consumer Price Index Numbers for Industrial Workers	20
Seminar on Taxation and National Development held at New Delhi, 13 January 1968: Tax on Higher income groups not heavy	21
Symposium on Jute Industry held at New Delhi, 22 January 1968	22-23
Board of Trade Reconstituted: Advisory Council on Trade set up	24
36. <u>Wages</u>	
Seminar on Employer-Employee Relationship held at New Delhi, 4 February 1968: Abolition of Wage Board suggested	25-26
Minimum Wage to be linked to Cost of Living: Labour Minister's Statement in Rajya Sabha	27

<u>Contents</u>	<u>Pages</u>
Miners Not benefited by Wage Board Awards: Results of Investigation	28
Cement Industry: Wage Boards' Recommendations accepted	29-31
Road Transport Industry: Government Accept Wage Boards' Recommendations for Interim Wage Increase for Workmen	32-35
 <u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS</u>	
50. <u>General</u>	
Conditions of Work of Staff on Indian Railways: Railways Board's Annual Report for 1966-67	36-43
Work attitudes of Office Staff: Results of a study undertaken in the Department of Commercial Intelligence and Statistics in Calcutta.	44
Labour Conditions in Mica Mines: Report Published by Labour Bureau	45-46
52. <u>Workers' Welfare, Recreation and Workers Education</u>	
Meeting of Central Advisory Board for Iron Ores Mines Labour Welfare Funds, Panaji, 21 January 1968.	47
56. <u>Labour Administration</u>	
Annual Report on the Working of the Indian Dock Labourers Regulations 1948 and the Dock Workers (Safety, Health and Welfare) Scheme, 1961	48-52
 <u>CHAPTER 6. GENERAL RIGHTS OF WORKERS</u>	
61(a) <u>Discrimination in Employment and Occupation</u>	
Selection of Candidates on district-wise basis for MBBS Course held unconstitutional: Judgement of Supreme Court	53

<u>Contents</u>	<u>Pages</u>
67. <u>Conciliation and Arbitration</u>	
Industrial Disputes in India during 1966	54-55
Standing Orders of a Company to be Observed in a dispute: Allahabad High Court Ruling	56
Meeting of the National Arbitration Promotion Board, New Delhi, 19 February 1968: Voluntary arbitration Recommended for solving disputes	57
Industrial Disputes (Amendment) Bill, 1967	58
68. <u>Labour Courts</u>	
Auditors' Firm held to be not an Industry: Madras High Court Judgement	59
Reversion of a Temporary Employee is not Punishment: Supreme Court Ruling	60
<u>CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS</u>	
71. <u>Employees and Salaried Intellectual workers</u>	
Seventh Delhi Printers' Conference held at New Delhi, 18 January 1968	61-62
Fair Wage Recommended for Policemen by Delhi Police Commission	63
Number of Central Government Employees Estimated at 2.63 million	64
Auditors' Firm Held to be not an Industry: Madras High Court Judgement	65
Reversion of a Temporary Employee is not Punishment: Supreme Court Ruling	66

<u>Contents</u>	<u>Pages</u>
<u>CHAPTER 8. MANPOWER PROBLEMS</u>	
81. <u>Employment Situation</u>	
Employment Exchanges: Working during December 1967	67-68
83 <u>Vocational Training</u>	
Technical Brain drain continues: Results of a Survey by the Institute of Applied Manpower Research	69
Labour Ministry Training Schemes: Working During December 1967	70
<u>CHAPTER 9. SOCIAL SECURITY</u>	
92. <u>Legislation</u>	
Report of the Employees Provident Funds Scheme for the year 1966-67	71-76
<u>CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH</u>	
111. <u>General</u>	
Central Coal Mines Rescue Station Committee: A summary of the Report for the year 1966-67	77
BIBLIOGRAPHY - JANUARY-FEBRUARY 1968	78-80
LIST OF ARTICLES	81-82

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - JANUARY-FEBRUARY 1968

11. Political Situation and Administrative ction

71st Session of All India Congress held at Hyderabad, 10 January 1968

The 71st session of the All India Congress was held at Hyderabad on 10 January 1968. In his the presidential address Shri S. Nijalingappa, dealing with various problems said agricultural breakthrough should facilitate new activities, especially the setting up of agro-industries. He advocated cheap credit at comparatively low rates of interest and treatment of agriculture as industry for purposes of credit. Banks should give more credits in rural areas. Steps should be taken to encourage savings in rural areas. There should be vigorous implementation of land reforms. More area should be brought under irrigation and afforestation. He was against gigantic industries. Industrial projects should be located without concentration.

Mr. Nijalingappa said that instead of States being asked to find substantial resources for implementing medium and big irrigation schemes, the Planning Commission and the Central Government should give attention to the question of construction of big reservoirs as national projects and find funds. He was inclined to suggest that even deficit financing might be resorted to for bringing these projects into being as irrigation resulted in producing twice or thrice as much of food and cash crops as was being produced now.

(The STATESMAN, 11 January 1968)

Joint Session of two Houses of Parliament
Addressed by the President of India,
12 February 1968

The President of India, Dr. Zakir Husain, addressed on 12 February 1968, the joint sitting of the two Houses of Parliament marking the beginning of its budget session. Among other things the President in his address, said that he was proud at the manner in which the entire nation rose to meet the food crisis which posed a threat to the very lives of millions of people.

The increased agricultural production had resulted in a substantial increase in national income, which was expected to be about 10.8 per cent. higher in the current year than in 1966-67. Improved agricultural performance has also reduced the upward pressure on prices. Over the year as a whole, the increase in whole - sale prices was 5.7 per cent. as against 16 per cent. during 1966. Speaking about the problem of unemployment he said that there were certain aspects of our national life which were a source of constant concern to Government. Unemployment, specially amongst educated and technically qualified youth was naturally a matter of disquiet. However, there were no easy, short-term solutions. These problems could only be solved in the measure that economic growth provided increasing employment opportunities which would absorb the output of educational and technical institutions as well as take care of population increases.

(The HINDUSTAN TIMES, 13 February 1968).

12. Activities of External Services

India - January-February 1968

Meetings

An Asian Trade Union Economic Conference organised by the I.C.F.T.U.-A.R.O. was held at New Delhi from 24-29 January 1968. Mr. R. Ramamurthi of this Office represented the I.L.O. at the Conference.

2. On the occasion of the visit to Delhi of Dr. Mauritz Bonow and Mr. W.C. Alexander, President and Director respectively of the International Co-operative Alliance, the Director of this Office attended a meeting called by the Regional Office of I.C.A. to informally discuss some problems of technical assistance with representatives of U.N. Agencies based in Delhi.

3. On 5.1.1968 the Director of this Office attended a meeting of the Delhi Chapter of the Society for International Development and addressed the participants on the contribution of the ILO in the promotion of social justice, improvement of working conditions and living standards and development of human resources.

4

13. Press and Opinion

India- January-February 1968.

In addition to the attached clippings, the following references to the work of the ILO appeared in Indian Journals received in this Office:

1. The Annual number 1967 of 'COMMERCE' Bombay (Vol.115) contains an article on 'Rural Employment' by B.N. Datar, Member-Secretary of the National Commission on Labour. There is an incidental reference to an ILO Report.
2. The December 1967 issue of 'Bombay Labour Journal', published an article on "Democratic Selection Technique D.S.T." by Steve Dembicki, ILO Chief of Project, NITIE.
3. The January 1968 issue of the Journal of the Indian Merchants' Chamber publishes an article on 'Job Security - Myth or reality', by Naval H. Tata. There is a reference to the ILO's Recommendation No.119 on termination of employment.
4. The February 1968 issue of 'Hind Mazdoor' publishes extracts from statement adopted by the First Asian Trade Union Economic Conference held in Delhi during January 1968. There is an incidental reference to the ILO.
5. The same issue publishes a news item about the release from prison of the General-Secretary of the All Nepal Trade Union Organisation. It says the ICFTU took up the issue of restoration of full trade union rights and the release of the Nepali trade union leaders immediately but could not do much except expressing ~~of~~ its concern and anxiety time and again, ~~as~~ until August 1966 when Nepal joined the ILO, and formally accepted the obligations of its constitution. As trade union rights were not restored by the Government during the period following ILO membership, the ICFTU appealed to the King of Nepal in February 1967 and again when Koirana started hunger strike against his detention without trial in January 1968.

6. The 20th February 1968 issue of the 'Trade Union Record' under the heading 'News from WFTU', reports about two 'important international trade union meetings' held in Turin during February 1968 - the International Trade Union Day for Functional Literacy and the World Trade Union Conference on Vocational Training. Mention is made of ILO's participation.
7. Industrial Bulletin, dated 15.2.1968 (issued by the Employers' Federation of India) under the heading 'non-inflationary wage payments' discusses an article on the subject published in a recent issue of the International Labour Review.
8. The February 1968 issue of 'AIOIE Labour News' under the heading 'Curbing Brain-drain' reviews the recommendations of the ILO Advisory Committee on Salaried Employees and Professional Workers, held in 1967.

6

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

India - January-February 1968

21 - United Nations and Specialised Agencies

Ninth Commonwealth Forestry Conference held
at New Delhi, 3 January 1968.

The 9th Commonwealth Forestry Conference was held at New Delhi on 3 January 1968. The Conference was inaugurated by Shri V.V. Giri, the Vice-President of India. Shri Hari Singh, Inspector-General of Forestry was elected chairman. Among others, the Conference was addressed by Shri Jagjivan Ram, Union Minister for Food and Agriculture. About 75 delegates from 16 Commonwealth countries attended the Conference.

Addressing the Conference Shri Jagjivan Ram said forestry was one area of economic development where perspective planning was necessary. The Government had, therefore, undertaken a comprehensive programme of afforestation, soil and moisture conservation. Recognizing the importance of forestry to the economy, the Indian Forest Service was revived in October 1966.

He said it was estimated that India's need for industrial wood, building material, wood working industry, packaging, pulp and paper and match industry would be about 16 million tons in 1975 while the production rate was only 8 million tons. "In the context of the rapid industrial development of the country, our problem is to increase the productivity of the forests without impairing the fertility of the sites or interfering with their protective role," he said.

(The HINDUSTAN TIMES, 4 January 1968)

7

CHAPTER 2. INTERNATIONAL AND NATIONAL
ORGANISATIONS

India - January-February 1968

Second Session of the United Nations
Conference on Trade and Development
(UNCTAD - II) held at New Delhi,
1 February - 29 March 1968.

The Second Session of the United Nations Conference on Trade and Development (UNCTAD -II) was held at New Delhi from 1 February to 29 March 1968. The Conference was inaugurated on 1 February 1968 by the Prime Minister of India, Mrs. Indira Gandhi. A message from U Thant, U.N. Secretary General was read by Mr. Phillipe de Seynes, Under Secretary for Economic and Social Affairs Department of the U.N. Mr. Dinesh Singh, Union Minister for Commerce and leader of India's delegation was elected President of the Conference. The Conference was attended by 1,600 delegates from 121 Member States and 44 international organisations. Mr. P.M. Menon, Director of the I.L.O. New Delhi Branch Office and Mr. R. Ramamurthi also of this Office attended the meeting on behalf of the I.L.O.

Most of the items on the Conference agenda were assigned, for detailed consideration, to five main Committees and three working groups.

Among other matters the Conference recommended that "each economically advanced country should endeavour to provide annually to developing countries financial resource transfers of a minimum net amount of 1 per cent. of its GNP at market prices in terms of actual disbursements, having regard to the special position of those countries which are not importers of capital". The target should be regarded as "an incentive to greater efforts rather than as a ceiling", the Conference indicated.

The Conference adopted a resolution citing "the unanimous agreement in favour of the early establishment of a mutually acceptable system of generalized non-reciprocal and non-discriminatory preferences which would be beneficial to the developing countries", and the need for further intensive work to formulate such a system.

The Conference also agreed that the objectives of such a system in favour of the developing countries, including special measures favouring the least advanced among them, should be: "(i) to increase their export earnings; (ii) to promote their industrialisation; (iii) to accelerate their rates of economic growth".

In one of 10 resolutions relating to shipping and other "invisibles" such as freight rates and insurance, the Conference expressed belief that the establishment and expansion of merchant marines in many developing countries could make a substantial contribution to their economic growth and, especially, their balance of payments. It therefore invited developed countries to consider sympathetically requests from developing countries for aid in setting up or expanding merchant marines as part of over-all development plans; and invited consideration of proposals for sales of ships to developing countries on deferred-payment terms at low interest rates. Developing countries, for their part, are asked to consider the feasibility of regional or sub-regional merchant fleets.

The Conference unanimously called for a series of measures aimed at expansion of East-West trade, on one hand, and trade between developing countries and Socialist countries on the other.

Countries participating in East-West trade are asked to continue efforts towards the expansion of their trade and, at the same time, to ensure that this expansion does not unfavourably affect the trading possibilities of the developing countries. The Socialist countries of Eastern Europe are asked to expand and diversify their trade with developing countries and to grant preferential conditions for their products. For their part, developing countries are asked to grant to Socialist countries participating in East-West trade "conditions for trade not inferior to those normally granted to the developed market-economy countries".

9

sent / Documents of the Conference together with
detailed reports were ~~re~~to Headquarters during
the month of February-March 1968.

(Documents of the UNCTAD - II received
in the office during March.1968)

10

24. Non-Governmental Organisations (Inter-national, Regional and National) other than Employers' and Workers' Trade Organisations

India - January-February 1968

ICFTU Asian Trade Union Economic Conference held at New Delhi, 24 January 1968.

The first Asian Trade Union Economic Conference organised by the Asian Regional Organisation of the ICFTU was inaugurated by Shri Morarji Desai, Deputy Prime Minister and Finance Minister of India. Workers' delegates from Australia, Ceylon, Republic of China, Fiji Islands, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines and Singapore and observer delegates from Australia, Federal Republic of Germany and Japan attended the Conference. The ILO was represented by Mr. R. Ramamurthi of New Delhi Branch Office.

A copy of the statement made on behalf of the ILO and the documents circulated in the Conference were sent to Headquarters on 2 February 1968.

(The Office minute F.6(a)/480/68 of 2 February 1968).

25. Wage Earners' Organisations

India - January-February 1968.

Tenth Convention of All India Defence
Employees held at Jabalpur,
24 February 1968.

The 10th Convention of the All India Defence Employees was held at Jabalpur on 24 February 1968. Among others the Convention was addressed by Shri S.M. Joshi, the President of the Federation and Shri L.N. Mishra, Union Minister for Defence Production.

Inaugurating the AIDEF Convention, Shri Mishra called upon all political parties to keep aloof from the trade union movement and the labour class and pave the way for bringing about real socialism in the country. Mr. Mishra referred to the defence employees' demand for revival of the permanent negotiating machinery and said the Central Government was proceeding in this matter "in an informal manner" as there were some impediments to its revival. He sympathized with the unemployed trained apprentices here numbering 7,000 and said when the expansion and development programmes were taken up, it might be possible to provide work for more of them.

(The HINDUSTAN TIMES, 26 February 1968)

Chapter 3. Economic Questions

32. Public Finance and Fiscal Policy

Rs.30,270 million Budget for 1968-69
Presented to Parliament on 31 February
1968: New taxes levied to raise Rs.660
million: Deficit of Rs.2,900 million
left uncovered

The Union Finance Minister, Shri Morarji Desai, presented to Parliament on 31 February 1968, Rs.30,270 million budget for 1968-69. The following is a summary of estimates of the budget proposals for 1968-1969:

Summary of Estimates

(In lakhs of Rupees)

	Accounts 1966-67	Budget Estimate 1967-68	Revised Estimates 1967-68	Budget Estimate 1968-69
<u>TAX REVENUE</u>				
Customs	5,85,37	6,40,13	5,22,69	5,19,97 +19,30*
Union Excise duties	10,33,78	11,87,32	11,63,48	12,49,65 +36,43* - 6,84!
Corporation Tax	3,28,90	3,50,00	3,19,65	3,05,65 +14,00*
Estate Duty	6,26	7,25	7,25	7,50
Taxes on Wealth	10,58	12,50	11,00	11,00
Expenditure Tax	7	9	3	3
Gift Tax	1,75	1,50	1,50	1,75
Other Heads	31,13	32,00	35.51	38,91
Total	23,06,52	25,20,79	23,61,46	24,58,81 + 58,89*
<u>NON-TAX REVENUE</u>				
Debt Services	3,77,48	4,09,00	4,17,32	4,49,19
Administrative Services	10,64	9,30	10,05	10,00
Social and Developmental Services	22,53	22,87	26,22	25,95
Multi-purpose River Schemes, etc.	29	15	90	1,97
Public Works, etc.	5,62	4,60	5,44	5,87
Transport and Communications	9,14	10,95	11,12	11,38
Currency and Mint	68,30	78,02	78,55	86,05

	Accounts	Budget Estimate	Revised Estimate	Budget Estimate
Miscellaneous	25,54	21,42	27,41	22,49
Contributions and Miscellaneous				
Adjustments	38,62	41,51	46,82	44,47
Extraordinary Items	8,22	9,48	8,35	15,54
Total	5,66,18	6,07,30	6,32,18	6,72,91
Total-Gross Revenue	28,72,70	31,28,09	29,93,64	31,31,72 +58,89*
Deduct-States Share - Income Tax	- 1,37,10	- 1,31,58	- 1,74,52	-1,48,34 - 8,16*
Estate Duty	- 4.54	-6,94	-6,58	- 6,81
Total	- 1,41,64	- 1,38,52	- 1,81,10	-1,55,15 - 8,16*
Total Net Revenue	27,31,06	29,89,57	28,12,54	29,76,57 + 50,73*

EXPENDITURE

Collection of Taxes and Duties	32,20	34,53	36,14	39,90
Debt Services	4,63,45	5,09,97	5,08,29	5,50,32
Administrative Services	1,22,96	1,23,77	1,36,67	1,40,41
Social and Developmental Services	1,93,10	2,40,02	2,27,82	2,52,17
Multi-purpose River Schemes, etc.	2,04	3,16	4,04	3,55
Public Works, etc	26,51	28,39	27,72	32,09
Transport and Communications	12,29	14,12	15,28	12,82
Currency and Mint	20,22	21,45	23,43	24,45
Miscellaneous	1,75,08	1,67,18	1,71,63	1,82,37
Contributions and Miscella- neous Adjustments	6,42,58	6,90,49	7,08,33	7,52,37
Extraordinary Items	14,07	10,48	9,28	11,47
Defence Services (Net)	7,97,80	8,42,50	8,56,82	8,94,46
Total Expenditure	25,02,30	26,86,06	27,25,45	28,96,38
Surplus on Revenue Account	2,28,76	3,03,51	87,09	80,19 + 50,73*
Total	27,31,06	29,89,57	28,12,54	30,27,30

*Effect of Budget proposals

Share of Union Excise Duties payable to States which has been taken in reduction of revenue.

Giving reasons for leaving an uncovered gap of Rs.290 crores in his Rs.3,027 crore Budget. Mr. Desai said that the alternatives could only be either a massive tax-raising effort or slowing down of development. Both would be harmful to the economy. He had not given up his basic opposition to deficit budgets but "if I have reconciled to a deficit next year, it is in the expectation that by assisting the revival of the economy at this stage, we shall be able to achieve a more satisfactory budgetary balance before long", he said.

Highlights of budget proposals

- Annuity deposit scheme abolished
- Basic rates of income-tax over Rs.1 lakh increased from 65% to 70% in the case of incomes up to Rs.2.5 lakhs and 75% above that level.
- Where both husband and wife have taxable incomes the spouse allowance will not be given to either of them.
- The wealth tax has been raised from 2% to 2.5% for assessed wealth of over Rs.10 lakhs and from 2.5% to 3% for over Rs.20 lakhs. The proposed increased levy will be from 1969-70.
- Discontinuance of the dividend tax on excessive distribution of equity dividend and reduction in surtax on company profits from 35% to 25%.
- Excise duty on unmanufactured tobacco increased by about 10%, yielding Rs.6.36 crores.
- Duty on chocolate and confectionery at 80 paise per kg.
- Rs.150 per ton reduction in effective duty on aluminium for smaller producers.
- Increase in basic excise duty on refrigerators and airconditioners from 20% to 30% advalorem and from 30% to 40% on their components.
- Import duty on whisky, brandy and a few other imported liquors would be increased by Rs.9 a bottle.
- The duty on chemical synthetics and plastics has been raised from the present rate of 50% to 60%. It will fetch Rs.12 crores.

- Duty on some iron and steel products to be raised from 15% ad valorem to 27.5%. This will yield Rs.1.15 crores more.
- The rate of basic duty on hessian increased from Rs.375 to Rs.450 per tonne.
- Excise duty on embroidery products, wireless receiving sets like vales and transistor radios.
- Expenditure incurred by companies in providing agricultural inputs, such as fertilizers, seeds, implements and pesticides and extension services is to be allowed to be deducted from business profits to the extent of 1-1/5th of such expenditure.
- Seed processing industry is to be accorded priority industry treatment.

(The STATESMAN, 1 March 1968)

Railway Budget for 1968-69 Presented to
Parliament on 19 February 1968: Railway
fare and Freight raised to meet Rs.270
million Deficit

Shri C.M. Poonacha, Railway Minister, presented to Parliament on 19 February 1968, the Railway budget for 1968-1969. He announced increases in the fares and freights to yield Rs.280 million and to end the year with a nominal surplus of Rs.10 million.

With the prospect of good agricultural year, passenger traffic is expected to increase by 3.5% and passenger earnings have been estimated at Rs.263 crores, about Rs.13 crores more than the revised estimates for 1967-68. The following table summarises the estimated figures of the budget under various heads:

	(Rupees in crores)			
	Actuals 1966-67	Budget estimates 1967-68	Revised estimates 1967-68	Budget estimates 1968-69
Passenger Traffic Receipts	768.78	847.00	829.55	864.50 + 28.00*
Primary Revenue Working expenses (Net) i.e., after charging credit for overies	525.61	567.21	589.74	614.01
Appropriation to depreciation reserve fund from revenue	100.00	105.00	95.00	100.00
Appropriation to Pension and	13.60	15.05	10.00	10.00
Net miscellaneous expenditure (including cost of works charged to revenue)	15.45	16.90	16.32	15.49
Total	654.66	704.16	711.06	739.50
Net Railway revenue	114.12	142.84	118.49	153.00
Dividend to general revenues	132.39	141.56	141.08	152.00
Net Supplus (+)/ Deficit (-)	(-) 18.27 (+)	1.28	(-) 22.59	(+) 1.00

*Effect of Budget proposals for 1968-69

Speaking about the relations between labour and administration the Railway Minister said that the relations were generally cordial during the year under review and that the permanent negotiating machinery continued to function usefully.

(The STATESMAN, 20 February 1968)

34. Economic Planning Control and
Development

India - January-February 1968.

Economic Survey for 1967-68 Presented to
Parliament on 23 February 1968

On the eve of the presentation of the Central Budget, Shri Morarji Desai, Deputy Prime Minister, placed before the Parliament on 23 February 1968 the Economic Survey for 1967-68 which gives the Government's assessment of the economic climate of India. The most striking development during 1967-68 was the response of agricultural output to the new development strategy for agriculture in the year of favourable rainfall; production had not reacted to larger supplies of inputs in previous years because of adverse weather conditions. National income rose by about 11 per cent. over the year as a whole. During most of the year, however, a major objective of policy was to ensure adequate supplies of foodgrains and to restore purchasing power in areas particularly affected by scarcity, such as Bihar, and to continue the equitable distribution of large quantities of foodgrains in the country as a whole through public channels. The major administrative task of averting famine was successfully accomplished. Fiscal and monetary policies were deployed to hold in check the rise in prices resulting from shortages of foodgrains and agricultural commodities in general.

Towards the end of the year, prices of foodgrains fell because substantially large crops began to arrive in the markets. The rate of growth of industrial production had slackened because of shortage of agricultural raw materials and in part due to lack of demand. Selective measures were adopted to stimulate production while adhering to the overall policy of restraining inflation. In the latter part of the year, industrial production showed some response to higher outputs in agriculture. The balance of payments continued to be under pressure because of the burdens of debt servicing and import requirements which could not be financed from

foreign assistance. Some progress was made with regard to the re-financing of debt service payments. While shortage of supplies impeded export performance, a number of measures were taken to promote export earnings, including downward adjustments in certain export duties.

Altogether, the short-term economic outlook is one of easing of the economic strain of the last two years. Continued attention to raising productivity, particularly in agriculture, will be necessary in order that these gains are consolidated. Promotion of exports is a major task facing the economy. Capacity available in the capital goods industries will need to be deployed to contribute to industrial expansion while avoiding undue imports. With a sustained tempo of agricultural production, the stage will be set for the Fourth Five-year Plan and significant progress in the coming years towards raising national income, improving the prospects for further growth and strengthening the balance of payments.

(COMMERCE, 2 March 1968)

34. Economic Planning, Control and
Development.

India - January-February 1968.

Family Budget Enquiries and Consumer
Price Index Numbers for Industrial Workers

An article on the Family Budget Enquiries and Consumer Price Index Numbers for Industrial Workers has been published in January 1968 issue of the Indian Labour Journal. From the latter half of 1963 onwards there has been considerable agitation in some quarters specially the trade unions regarding the reliability of the consumer price index numbers for industrial workers compiled by the State Governments as also the Central Government (in the Labour Bureau). The author of this article points out that defects in these indices have already been or are being removed by Government. He feels that many of the allegations regarding these indices are by and large due to lack of adequate appreciation of what these indices really are, how these are compiled and what they are designed to measure. The article describes how the data are collected and processed from families. The main object of Family Budget Enquiries is to provide detailed data on consumer expenditure on commodities and services which are needed for drawing up a weighting diagram for the construction (or revision) of consumer price index numbers. The article also describes the procedure for collection of retail prices, and the functions and the working of the Technical Advisory Committee on Statistics of Prices and Cost of Living set up by the Government.

The Indian Labour Journal, Vol IX, No.1,
January 1968, pp. 1-23

Seminar on Taxation and National
Development held at New Delhi,
13 January 1968: Tax on Higher
Income Groups Not Heavy:

A three-day seminar on Taxation and National Development was held at New Delhi under the auspices of the Institute of Chartered Accountants of India. The seminar was inaugurated by Shri Morarji Desai, Union Finance Minister and Deputy Prime Minister. The presidential address of Mr. G.P. Kapadia was read in his absence. Inaugurating the seminar Shri Morarji Desai said deficit financing placed a burden greater than taxation on the average section of the people.

Mr. Desai did not feel that the tax burden on the higher income groups was heavy. "When a person drawing Rs.10,000 per year pays Rs.5,000 - he does not pay that now - he is still left with Rs.5,000 to meet his needs, but when a person who draws Rs.100 per month pays Rs.15 as tax, his burden would be greater." He felt that there was no justification to demand that the rate of tax on higher income groups should be reduced and the burden on lower income groups increased.

(The HINDU, 14 January 1968)

22

Symposium on Jute Industry held at New Delhi,
22 January 1968

A two-day symposium on Jute Industry was held at New Delhi on 22 January 1968. Shri Morarji Desai, Deputy Prime Minister inaugurated the symposium. Shri H.S. Singhanian, Chairman of the Indian Jute Mills Association presided. Among others, the symposium was addressed by Shri Jagjivan Ram, Union Food Minister, Shri M.P. Birla, Shri R.P. Goenka, Vice-Chairman of the Association, Shri R.H. Morrison, Overseas Advisor of IJMA, Shri K.B. Lall, Secretary of the Union Ministry of Commerce and Shri P.C. Bhagat, Jute Commissioner.

Inaugural speech.- In his inaugural address, Shri Morarji Desai, Deputy Prime Minister, assured the industry that the Government was vitally interested in its development. He said the Government would not lag behind in helping the industry grow.

The jute industry was an important foreign exchange earner. It was important that it should hold its own and develop according to the requirements of the present time, so that it remained a profitable industry for the manufacturers, labour and the people. The Deputy Prime Minister urged manufacturers to ensure a steady price to the growers if they wanted steady supplies. "Unless you assure a steady price to the grower which is remunerative, you cannot have steady production", he said.

Mr. Desai also advised the industry to act in concert and speak with one voice and put an end to the present practice of "hitting one another behind the back." Only then could the Government know the correct position of the industry, he said.

IJMA Chairman's address: In his opening address Shri H.S. Singhanian, Chairman of the Indian Jute Mills Association said though India was still the largest single producer of jute goods in the world, her share in world output has declined from 49% to 40% and in world exports from 83% to 61%. This decline has occurred while Pakistan has increased her output and exports from seven per cent. to 13 per cent. and 28 per cent. respectively.

Mr. Singhanian said that whereas Indian Jute goods exports rose from 689,000 tonnes in 1950 to 929,000 tonnes in 1965, they dropped to 746,000 tonnes in 1966 and were only 773,000 tonnes last year. The principal reasons for this declining trend, Mr. Singhanian added were the stiffening competition from other countries and the technological displacement of jute by other packing materials.

Main Conclusions.- It was felt that the industry could expand substantially and regain the lost ground in export markets provided assistance was forthcoming from the Government in certain directions.

From the discussions at the seminar, it was amply clear that Indian prices were not competitive. India was beginning to fill a "residual role" in world markets. Prices had to be brought down and the immediate effective way in which this could be achieved was by a reduction in export duties. The seminar unanimously felt that export duties were harmful to the industry and jute goods could not bear a mark-up of over 30 per cent. on the final Calcutta price in the export markets.

The industry recognised its increasing responsibility for the growing of raw jute and appreciated that "not enough has been done in the past in this direction." The cultivator was a partner in the industry and must have an adequate return, for his labours and the chances to increase his standards.

(The HINDUSTAN TIMES, 23 and 24 January 1968
the STATESMAN, 23 January 1968)

Board of Trade Reconstituted: Advisory
Council on Trade Set up

The Union Government announced on 14 January 1968 its decision to reconstitute the Board of Trade and form an Advisory Council on Trade replacing the Export-Import Advisory Council. The reconstituted 30-member board will deal with policy questions and provide the guidelines for the country's export and import programmes. The Advisory Council on Trade will only advise the Government on the policies to be pursued.

Both the board and the council will be presided over by the Commerce Minister, with the Deputy Minister as their deputy chairman. The Commerce Secretary will be the executive vice-chairman of the Board of Trade.

(The TIMES OF INDIA, 15 January 1968)

36. WAGES

India - January-February 1968

Seminar on Employer-Employee Relationship
held at New Delhi, 4 February 1968: Aboli-
tion of Wage Boards suggested.

A seminar on employer-employee relationship was held at New Delhi on 4 February 1968. The seminar was presided over by Shri S.K. Hedge, Supreme Court Judge. Among others, Shri Jaisukhlal Hathi, Union Minister for Labour and Employment, Shri R. Venkataraman, member of the Planning Commission, Shri Bharat Ram, industrialist and Shri N.K. Bhatt, INTUC leader addressed the seminar. The seminar was organised to focus the attention of the public on the obligations of both the employers and the employees to maintain relationship on an even keel.

Initiating discussions at the seminar, Mr. Hathi expressed concern over what was happening in West Bengal. He said, "if people feel that they can get all they demand by coercion, then an atmosphere will develop where indiscipline and general lawlessness prevail. If such a situation is allowed to continue, the atmosphere will spread to many fields, - educational, domestic life and ultimately the root of democratic way of life."

Mr. Hathi urged both sides - the management and the trade unions - to condemn such action. But he added, such condemnation should be followed by the management by meeting the legitimate demands of the workers. Otherwise there would be frustration.

Mr. Hathi asked trade union leaders to see that they were not unreasonable in their demands for wage increases. It was their responsibility to tell the workers how far their demand was justified and beyond which they should not go.

Addressing management representatives, he said that it was their duty to meet all reasonable needs of workers. "Needs, if not satisfied, result in strikes, strikes if not averted result in higher prices, and higher prices result in demand for yet higher wages," he said.

On the question of settlement of disputes between the management and trade unions, the Minister wanted full efforts to be made to settle them through direct negotiations between the two parties, failing which they should be referred to third parties.

Shri Venkataraman bluntly said that the wage boards and the adjudication machinery, instead of strengthening had weakened the trade union movement. He commended abolition of all wage boards in the country. Instead of working as negotiating bodies, they had been equated to tribunals in the country, he added.

In the adjudication procedure also, there was no real discussion between the labour and management, he observed. He said that negotiations between the labour and management should be on the basis of productivity increase and incentives. Wages should be linked with productivity.

Mr. Bharat Ram fully supported Mr. Venkataraman in demanding abolition of wage boards. On the main issue of employer-employee relationship, he agreed that there was a good deal to be done by employers. There were many who kept temporary labour for years and who adopted measures to weaken the trade union movement.

(The HINDU, 5 February 1968)

Minimum Wage to be linked to Cost of Living:
Labour Minister's Statement in Rajya Sabha

Replying to a question in the Rajya Sabha on 9 February 1968 on the concept of "Compromise minimum wage", the Union Minister for Labour and Employment, Shri Jaisukhlal Hathi said that the Central Advisory Board for Minimum Wages was trying to evolve a minimum wage linked with the cost of living reports. Mr. Hathi said that the 1957 Indian Labour Conference formula provided for a need-based minimum wage assuring certain facilities such as education, health and housing for the workers but its acceptance was conditional on the paying capacity of the industry concerned.

"If we cannot reach that level of a need-based minimum, let us at least reach a level of minimum wage with which the cost of living is linked. This is the idea of a compromise minimum wage."

(The STATESMAN, 9 February 1968)

Miners Not benefited by Wage Board Awards:
Results of Investigation

According to preliminary investigations the recent wage board awards for colliery workers have not yet brought any real benefit to most miners and their families. The workers income has increased by 20% to 70%, but their initial enthusiasm to spend the extra money on improving their living standards died down with the first few days.

(The STATESMAN. 8 January 1968)

Cement Industry: Wage Boards' Recommendations
accepted

A Resolution dated 13 February 1968 of the Ministry of Labour, Employment and Rehabilitation says that the Second Wage Board for the Cement Industry unanimously recommended an ad hoc interim relief of Rs.5.46 per month with effect from the 1st January, 1965. This was accepted by the Government by their Resolution No.WB-6(5)/64 dated 31st May, 1965.

The Board's final report was received by the Government on 14th August, 1967. A summary of recommendations as appearing in Chapter VII of the Board's report is enclosed.

After careful consideration the Government has decided to accept the Board's recommendations subject to the following:-

Grade(a):The scales recommended in para 6.23 of the Report for Grade IV and VI of Clerical, lower technical and supervisory staff, shall be modified to read as follows:-

Grade IV: 125+(10x8 years) 205-EB (12x10 years) 325
Grade VI: 150+(13x5 years) 215 (15x5 years)-290-
EB-(20x8 years)-450

(b) The guaranteed increases recommended in para 6.26 of the Report shall not be diluted by a revaluation of the residential accommodation already provided to and under the occupation of the existing employees.

(c) The recommendations shall be brought into operation from the 1st December, 1967

Government has taken note of the recommendations made in para 5.13 wherein it has been suggested that appropriate machinery should be set up to work out a list of standard nomenclature, duty lists, qualifications, test etc., for the various jobs in the cement industry.

Our recommendations will be extended to all those employees who are covered by the first Wage Board. We are, therefore, not repeating them here.

1. We recommend that the minimum total wage in the cement industry should be Rs.164.60 minus Rs.3/- deducted towards amenities as against the existing total wage of Rs.152.46 p.m. which includes Rs.5.46 already recommended by this Board as Interim Relief on 8th February 1965. The above figures are calculated at All India Consumer Price Index - 200 (base 1949 = 100).

2. We have recommended a minimum House Rent Allowance of Rs.13/- p.m. as against Rs.7.50 which is the existing minimum House Rent Allowance ranging from Rs.15/- to Rs.19.50 for other categories of employees.

3. All employees will receive guaranteed increase in their Wages/salaries and the rates of guaranteed increases are from Rs.10/- to Rs.12/- (depending on service) for E grade Operatives and Tally Checkers, Rs.12.50/- to Rs.14.50/- for D Grade Operatives and I Grade Staff, Rs.14.50 to Rs.17.50 for C and II Grade Rs.17/- to Rs.20/- for B and III Grades; Rs.20/- to Rs.24/- for A and IV Grades, Rs.22.50 to Rs.26.50 for the V Grade, Rs.25/- to Rs.29/- for VI Grade and Rs.27.50 to Rs.32.50 for VII Grade.

4. Dearness Allowance should continue to be linked to All India Average Consumer Price Index for working class (base 1949 = 100). The Dearness Allowance should be adjusted each quarter based on the average of index figures of the 3 months of the last but one quarter preceding. The variation of the Dearness Allowance should be at the rate of 1.49 for every 2 points rise or fall in the average index. Extra Dearness Allowance should continue to be paid at the rate of 5 per cent. of the basic wage to the employees in Grade D and at the rate of 10 per cent. of the basic wage to those in Grades C, B, A, Tally Checkers and I to VII. Higher Dearness allowance enjoyed by the workers in Gujarat and Saurashtra regions should be discontinued. But the extra amount which these workers receive immediately before the date

of implementation of these recommendations should be given to them separately as personal allowance which would be absorbed wholly or partly as the case may be in the basic wage/salary at the time of promotion to higher grades. For the new entrants in Saurashtra and Gujarat regions, the Dearness Allowance rates recommended by us will apply

5. The existing number of grades for operatives and staff should continue.

6. Contract labour will continue to be included within the scope of our recommendations. We endorse in all respects the recommendations of the first Wage Board on this subject.

7. Our recommendations apply to the workers employed in the Sewree Unit at Bombay of Digvijay Cement Company.

8. There are no valid reasons for excluding the cement unit of Mysore Iron and Steel Company from the scope of our recommendations. Therefore, our recommendations apply to the workers of that unit.

9. The industry does not appear to have the capacity to bear the burden of wage increases recommended in this report. The Government may be pleased to consider this aspect.

10. Our recommendations will not extend to new cement factories for a period of 18 months from the date of commencement of production. During this period, they shall be required to pay 75 per cent. of the revised wages. Dearness Allowances, etc. recommended by us.

11. We are of the opinion that our recommendations should take effect from 1st April 1967.

(The Gazette of India, Extraordinary, Part I - Sec. I, 13 February 1968, pp.127-129).

Road Transport Industry: Government
Accept Wage Boards' Recommendations
for Interim Wage Increase for
Workmen

A Resolution dated 16 January 1968 of the Ministry of Labour, Employment and Rehabilitation says that the Central Wage Board for the Road Transport Industry, set up by the Government of India by their Resolution No.WB-14(1)/64 dated the 28th May, 1966, has considered the question of interim wage increase for workmen, and has made recommendations on the subject which are appended.

The Government of India has decided to accept the majority recommendations of the Wage Board and request the concerned employers to implement the same expeditiously.

Wage Boards' Recommendations.- The coverage of the Wage Board was originally restricted to the establishments employing 20 or more workers. The Board recommended to the Government that the limit of 20 workers in the terms of reference be eliminated as otherwise the very purpose for which the Board had been constituted would be frustrated in as much as a very large number of workers will be left out of consideration by the Board at the time when the recommendations for fair wage structure would be made. Consequently, the Government of India extended the coverage of the Wage Board from establishments employing 20 or more workers to establishments employing 5 or more workers vide Resolution No.WB-14(3)/66 dated the 27th January 1967.

The subject of interim relief is a very complicated one involving consideration of complex factors, particularly those relating to diversity of workers in the industry and regional differences. It was for all these reasons that the Board adopted the procedure of giving public hearings so as to facilitate the interested parties to explain their viewpoints on different aspects of the problem. The deliberations of the Wage Board, while considering the question of grant of interim relief have been based on numerous

representations received from the employee's organisations and the comments offered thereon by the employers' organisations. The public utility character of the Industry has throughout been given full consideration by the Board in its deliberations.

The guiding principles of the following recommendations is to give relief to those who are considered to be most needy. Accordingly the Board in making its recommendations had drawn up certain norms of emoluments for different categories of workers in the Road Transport Industry and recommends the following relief category-wise:-

I. That for the purpose of 'interim relief' employees be divided into 6 broad categories with minimum total monthly wages noted against each category as given below:-

Broad category	Minimum monthly total wages	Maximum interim relief per month
I	II	III
1. Unskilled	Rs.100/- p.m.	Rs.25/-
2. Semi-skilled	Rs.120/- p.m.	Rs.12.50/-
3. Skilled	Rs.135/- p.m.	Rs.12.50/-
4. Highly skilled	Rs.150/- p.m.	Rs.12.50/-
5. Junior Supervisory	Rs.175/- p.m.	Rs.10/-
6. Senior Supervisory	Rs.200/- p.m.	Rs.10/-

II. That the difference between the emoluments recommended above and actual emoluments drawn by the workers in each category at present shall be made good by way of grant of interim relief subject to the condition that maximum quantum of relief shall be as indicated in Column III of table above.

The various sub-categories comprised under each of the above broad categories are listed in an Appendix.

III. That those who are already getting either the minimum or more than that as indicated in Column II of table above shall not be entitled to interim relief.

IV. That 'wages' referred to above will have the same connotation as defined in the Industrial Disputes Act, 1947 under Section 2(rr) which is reproduced below:-

"wages" means all remuneration capable of being expressed in terms of money, which would, if the term of employment expressed or implied, were fulfilled be payable to a workman in respect of his employment or of work done in such employment, and include-

- (i) such allowances (including dearness allowance) as the workman is for the time being entitled to;
- (ii) the value of any house accommodation, or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles;
- (iii) any travelling concessions but does not include
 - (a) any bonus;
 - (b) any contribution paid or payable by the employer to any pension fund or for the benefit of the workman under any law for the time being in force;
 - (c) any gratuity payable on the termination of his service;"

V. That the interim relief that is being recommended shall not count for bonus, provident fund, gratuity, incentive payments, E.S.I. contribution and other allowances for the present but it shall be taken into account while computing wages for leave with pay, paid holidays, overtime.

VI. That the recommendation in this behalf shall be treated as a separate item till the final recommendations are made that is to say, it be specified separately and shall be without prejudice to the final recommendations.

VII. That where under the provisions of any settlement, award or agreement between the employers and employees in the Road Transport Industry a worker is already entitled to a relief which is more favourable to him than interim relief recommended by the Board the workman shall continue to be entitled to the more favourable relief in this respect.

VIII. That if any employee be in receipt of higher relief having been given by the employers than what is being recommended by the Board, he would not be entitled to the interim relief recommended by the Board, but this recommendation about the interim relief which would remain undisturbed.

IX. That this scheme of interim relief shall be effective from 1st June 1967.

X. That the payment of arrears that may become due to the workers as a result of these recommendations shall be payable in one or more instalments by mutual agreement between the employers concerned and the employees.

(The Gazette of India, Part I Sec. I,
27 January 1968, pp.63-67)

CHAPTER 5. WORKING CONDITIONS AND LIVING
STANDARDS.

INDIA - JANUARY-FEBRUARY 1968

50. General.

Conditions of Work of Staff on Indian
Railways: Railway Board's Annual
Report for 1966-67.

The following information regarding conditions of work of railway employees in India during the year ending 31 March 1967 is taken from the Annual Report of the Railway Board on Indian Railways for 1966-67.

Number of Staff.- The total number of employees, permanent and temporary, on all Railways (including non-Government Railways) and in the office of the Railway Board and other offices attached and subordinate thereto as well as staff employed on construction works, at the end of 1966-67 was 1,366,381 compared with 1,357,987 at the end of 1965-66. Of this, the non-Government Railways accounted for 5,345 employees at the end of 1966-67 against 5679 at the end of the previous year.

The strength of staff on the Government Railways increased by 0.65 per cent against 2.55 per cent in 1965-66 and 3.81 per cent in 1964-65.

The total cost of staff, including those on loan from the Indian Audit and Accounts Service amounted to Rs 338.43 crores during the year under review against Rs 310.36 crores during the previous year. The increase in cost was on account of increase in strength of staff, the annual increments, increase in dearness allowances etc.

Details of the number and cost of staff on Indian Government Railways are given below:-

(Please see table on the next page)

	Number of Staff (in Units) &&						Cost of Staff (In crores of rupees) &	
	Open Line		Construction		Total			
Staff	1965-66*	1966-67	1965-66	1966-67	1965-66*	1966-67	1965-66	1966-67
Classes II	5,735£	6,572@	807	707	6,542£	7,279@	8.27*	9.56
98	531,928	539,854	18,811	15,759	550,739	555,613	182.74*	199.71
8	790,284	794,423	4,737	3,712	795,021	798,135	119.35*	129.16
	1,327,947£	1,340,849@	24,355	20,178	1,352,302£	1,361,027@	310.36*	338.43

vised.

cludes six officers on loan from the Indian Audit and Accounts Service.
cludes nine officers on loan from the Indian Audit and Accounts Service.
figures of cost of all staff represent pay, allowances, passages,
vident fund contributions, gratuities, pensionary benefits and
inshop concessions.
e figures exclude casual labour.

The total number of employees belonging to scheduled castes and scheduled tribes at the end of 1966-67 on all Government Railways and the office of the Railway Board and other offices attached and subordinate thereto and including staff employed in construction works was as under:-

	<u>Scheduled Castes</u>	<u>Scheduled Tribes</u>
Class I	63	14
Class II	116	13
Class III	44,325	4,676
Class IV	169,381	30,001

Relation with Labour.- During the year UNDER REVIEW? RELATIONS BETWEEN THE Labour and Railway Administration remained gradually cordial.

Permanent negotiating machinery for settlement of disputes.- The permanent negotiating machinery for maintaining contacts with the Labour functioned satisfactorily during the year under review. On the Railways, 768

meetings were held both at the divisional/workshop and at headquarters level. The number of items discussed at these meetings was 14,385. Of these 11,957 items were disposed of within one year. At the Railway Board's level, six meetings were held at which 140 items were discussed. Of these decisions were taken in respect of 121 items.

Joint Committees of Management and Staff.- At the close of the year, the number of joint committees functioning on the Railways was 500. The object of these committees is to foster a sense of partnership among the staff of different grades in the task of providing efficient service to the public and to take workers into confidence in all such matters. The subjects discussed at these meetings covered a wide range of topics such as maintenance of Passenger Rakes, Controlling the Consumption of Fuel and Electrical Energy, maintenance of better Sanitation in railway colonies, at stations and goods sheds, etc.

Working of Staff Councils and Advisory Committees for Welfare Works.- The number of Staff Councils functioning on the various Railways during the year 1966-67 was 267 which held 565 meetings during the year. Deliberations at these meetings were useful in promoting better understanding between the administration and the staff.

The Advisory Committees for Welfare Works on each Railway with which representatives of Labour are associated in the formulation of welfare schemes continued to function satisfactorily.

Implementation of Labour Laws.- The total number of regular railway employees and departmental casual labour governed by the provisions of the Indian Railways Act relating to hours of employment under different classifications, as well as the payment of Wages Act during 1966-67 was 1,558,838 and 1,732,195 respectively.

There were 245 railway installations such as major workshops, electric power houses and sub-stations, printing presses, governed by the Factories Act. The number of staff of different categories including Casual Labour in these factories was 198,621.

One hundred and four canteens had been provided in these factories. Overtime payment made to the workers in these factories under departmental orders and under the provisions of the Factories Act amounted to Rs 23,49,977 and Rs 90,16,831 respectively.

Infringements and lapses in the working of the Hours of Employment Rules, Payment of Wages Act, Minimum Wages Act and Factories Act detected by the officials of the Ministry of Labour were investigated and arrangements were made for prompt rectification of irregularities.

The following is the position during the year 1966-67 in regard to the number of employees involved in Railway Accidents, the number of cases in which compensation paid and the amount of compensation paid under the Workmen's Compensation Act.

Type of Accident	Number of employees involved in accidents		Number of cases in which compensation was paid		Amount of Compensation paid	
	Regular Employees	Casual Labour	Regular Employees	Casual Labour	Regular Employees Rs	Casual Labour Rs
ent	368	105	271	89	19,10,483	3,09,512
lement	603	125	513	111	8,40,169	1,23,507
ary						
lement	26,766	1,604	20,033	1,280	16,75,293	58,691

The following payments were made in 1966-67 as Compensation on account of accidents which had taken place earlier:

Type of Accident	Number of cases in which compensation was paid		Amount of Compensation paid to	
	Regular Employees	Casual Labour	Regular Employees Rs	Casual Labour Rs
ent disablement	183	72	11,99,418	2,28,558
ary disablement	447	78	7,69,008	1,39,556
ry disablement	8,976	804	4,25,687	37,635

Service Conditions of Staff.- The rates of dearness allowance were further revised during the year under review, with benefits to the staff ranging from Rs 7 to Rs 60 per month in different pay ranges.

Labour Welfare.- (i) Railway Schools.- During the year under review, three higher secondary schools, one secondary school, one middle school, two junior basic schools and six primary schools were opened; one girls primary school was upgraded to junior high school. The total number of schools functioning on the Railways during the year was 745 and 134,135 pupils were on roll in these schools.

Subsidised Hostels.- The total number of children admitted during 1966-67 to the subsidised hostels was 674 against the capacity to accomodate 729 inmates.

Staff Benefit Fund.- The contribution from Railway Revenues at the rate of Rs 4.50 per non-gazetted railway servant in respect of the Zonal Railways and ad-hoc grants to other units of smaller size were made during the year. Staff Benefit Fund Committees managed the fund. The balance of the fund brought forward from the preceding year, amounted to Rs 24.57 lakhs and a sum of Rs 67.24 lakhs was credited during the year. Additional ad-hoc grants amounting to Rs 8.43 lakhs were made to the fund mainly for sports activities. A total amount of Rs 79.41 lakhs was spent during the year.

Canteens.- Besides canteens statutorily required to be provided under the Factories Act, the Railways also provided, as a measure of Staff Welfare, Canteens at places having concentration of staff. There were 286 canteens on the railways at the end of 1966-67.

Holiday Homes.- Holiday Homes for Class III and Class IV staff at various places continued to be popular. This amenity was made use of by 4000 employees during the year.

Scholarships for Technical Education.-

Under this scheme financed from the Staff Benefit Fund, scholarships ranging from Rs 15 to Rs 50 per month (in special cases up to Rs 70 per month) were awarded for technical education of children of railway employees whose pay did not exceed Rs 575 per month. During the year 1,177 new scholarships were granted in addition to 2,076 scholarships, continuing from the preceding years. The total amount spent on such scholarships during the year was Rs 12.18 lakhs.

Scouting.- Scouting activities maintained their tempo during the year under review. Several training camps, service camps and rallies were held in 1966-67.

Vocational Training Centres.- Technical training was imparted to unskilled and semi-skilled staff during off duty hours at 28 training centres with a view to improving prospects of promotion to higher grades. In addition, vocational training to children of railway employees with a view to infusing in them a bias for technical jobs was also imparted. Training was given to more than 690 children under this Scheme which was financed from the Staff Benefit Fund.

Handicrafts Centres.- The number of handicrafts centres for imparting training to women members of railwaymen's families in handicrafts rose to 314. The centres continued to be very popular. The total number of families that benefited from these centres was over 39 000.

Sports.- During the year 1966-67, inter-railway tournaments in various games were held in different centres.

Railwaymen's Co-operative Credit Societies and Banks.- There were 26 co-operative Credit Societies of railway employees at the beginning and at the end of the year. The total membership of these societies at the end of the year was 734,898 as against 727,898 at the beginning of the year 1966-67. The paid up share capital of these societies rose

from Rs 652.55 lakhs to Rs 698.71 lakhs during the year. The membership of these Societies which also included a small number of retired railway employees works out to 54 per cent of the total railway staff. The average share capital paid by the members amounted to about Rs 95 per head as against Rs 90 per head in the previous year.

The total amount of loans issued during the year was Rs 2569.40 lakhs which was about Rs 233.54 lakhs more than that issued in the previous year.

All the Societies worked at profit during the year under review, the total net profit earned being Rs 50.14 lakhs against Rs 44.66 lakhs earned in the previous year. The Societies declared dividend on shares to members at rates ranging from 2 to 7.50 per cent.

Railwaymen's Consumer Co-operative Societies and Fair Price Shops.- The number of Railwaymen's Consumer Cooperative Societies actively functioning on the railways gave subsidy to 95 Societies during the year to the extent of Rs 2,86,242 towards their administrative and establishment charges against Rs 2,23,584 given to 71 Societies in the previous year.

In order to hold the price line, Fair Price Shops were provided through the agency either of the railwaymen's Consumer Co-operative Societies on the State authorised dealers in or near the railway colonies at places having concentration of more than 300 or more of railway employees. At the end of the year 1966-67, 378 railwaymen's Consumer Co-operative Societies and their branches were running 428 fair price shops. There was an all round improvement in the working of the railwaymen's Consumer Co-operative Societies during the year.

Railwaymen's Cooperative Housing Schemes.- There were 22 railwaymen's Co-operative Housing Societies at the end of the year. These societies had 3376 members.

One hundred and sixty two buildings were constructed either by the Societies on behalf of the members or by the members with the help of mere Societies and 277 buildings were under construction at the end of the year. Of the 22,15 Societies invested Rs 18.81 lakhs in purchasing land for developing into housing sites for allotment to members. Two Societies paid dividend at the rates ranging from 6 to 6.50 per cent to members on shares held by them.

Encouragement to Co-operative Labour Contract Societies.- During the year 63 Co-operative Labour contract Societies undertook handling, and vending/catering contracts at 125 stations on the Railways.

Provision of Quarters for Staff.- In pursuance of the Railway Board's Policy of providing progressively quarters to essential staff, who are required to ~~live~~ *live* near the site of their work, and for non-essential staff at places, ~~where possible~~ *where possible* accommodation is not available, 10,186 staff quarters and 19 barracks were constructed on the Indian Railways during the year.

Activities of the Medical Department.- The medical facilities were further extended during the year. The cost of medical and health services per railway employee per annum went up from Rs 92.72 in 1965-66 to Rs 98.75 in 1966-67, the total expenditure being Rs 13.4 crores during 1966-67 against Rs 12.5 crores during the preceding year.

Accidents.- The number of passengers, railway servants and other persons killed and injured in accidents on Indian Railways exclusive of casualties in railway workshops during 1966-67 compared with previous year, is shown in the table below:-

	Killed		Injured	
	1965-66	1966-67	1965-66	1966-67
Passengers	481	672	3,419	3,672
Railway servants	376	344	20,894	19,851
Other than passengers and railway servants	533	531	658	352
	1,390	1,547	24,971	23,875

CHAPTER 5. WORKING CONDITIONS AND
LIVING STANDARDS.

INDIA - JANUARY-FEBRUARY 1968.

50 General.

*Work attitudes of office Staff: Results
of a study undertaken in the Department
of Commercial Intelligence and Statistics
in Calcutta.

An article on the work attitudes of office staff published in the February 1968 issue of the Indian Labour Journal reveals the various causes of irregularity and late attendance or absence on leave within offices. With a view to coming to some conclusions, a study was undertaken in the Department of Commercial Intelligence and Statistics in Calcutta in 1964. According to study, Railway hold ups over-crowding of city transport and family illness were among the important causes for late arrivals in the office.

*Indian Labour Journal, Vol IX, No. 2
February 1968, pp. 175-76

CHAPTER.5 WORKING CONDITIONS AND LIVING STANDARDS

50. Labour Conditions in Mica Mines: Report Published by Labour Bureau

India - January-February 1968

The Labour Bureau recently published a report on labour conditions in the mica mining industry in India. The data of the report pertain to 1962-63. Starting with the origin and growth of industry, the report deals with employment, wages and earning, working conditions, welfare and amenities, social security, industrial relations and labour cost.

From the point of view of employment, the Mica Mining Industry ranks fifth among the mining industries of India. On the basis of the data collected during the Survey, it is estimated that the total number of persons employed in the industry was about 22 thousand in June, 1962. Of these, nearly 89 per cent. were "Production and Related Workers". "Watch and Ward and Other services" constituted the next important group and accounted for about 7 per cent. of the total. The other groups engaged in underground mining operations and the rest were surface workers.

About one-fifth of the mica mines in the country stated that they were providing training and apprenticeship facilities. However, in all of them, such facilities were on an ad hoc basis only.

The wage rates in the industry were found to have been standardised on a regional basis. All the mica mines covered in the course of the Survey were reported to be paying minimum wages fixed under the law. The estimated average daily earning of all workers in the industry in the country were Rs.2.19 in June 1962. Similar figures in respect of all production workers and all lowest paid production workers were Rs.2.01 and Rs.1.63 respectively. Men production workers were getting more than women production workers. The average daily earnings of 'Clerical and Related Employees' and those belonging to the group 'Watch and Ward and Other Services' were Rs.3.67 and Rs.2.04 respectively in June, 1962.

About 30 per cent. of the mines worked one shift, 41 per cent. two shifts, 28 per cent. three shifts and the rest had four shifts a day. Night-shift was worked in 42 per cent. of the mines and in about 40 per cent. of them there was a regular system of change-over from one shift to another. Generally, no special amenities were provided to night-shift workers. Nowhere, the daily and weekly hours of work exceeded 8 and 48 respectively. Certain violations were, however, noticed in regard to rest intervals, observance of timings and spread-over. In about 38 per cent. of the mines having surface working and 90 % having underground work, there was no fixed rest-interval. Similarly, normal timings were not adhered to in about 5 per cent. of the mines in the country, as a whole. In one mine, covered in the Residual Group, the spread-over for majority of production workers employed underground was 9 hours as against 8 fixed by law.

Not much attention was being paid to the provision of recreation and cultural facilities to workers as such facilities existed in only about 11 per cent. of the mines in the country, as a whole. Practically nothing was being done by the managements of mica mines for the education of workers' children and none of the mines surveyed had made arrangements for adult education.

It is estimated that trade unions existed in about 22 per cent. of the mica mines in the country and about 11 per cent. of workers were members of the unions as on 30th June 1962. The growth of trade unionism was, more or less confined to Bihar only. Everywhere, trade unions were found to have been recognised by the managements. The only activity of the unions was securing of claims of their members under various labour laws.

(Report on Survey of Labour Conditions in Mica Mining Industry (1962-63) published by Labour Bureau, Ministry of Labour and Employment, Government of India, pp.60, Price Rs.4.30)

52. Workers' Welfare, Recreation and Workers'
Education

India - January-February 1968

Meeting of Central Advisory Board for Iron Ores
Mines Labour Welfare Funds, Panaji, 21 January
1968

The first meeting of the Central Advisory Board for Iron Ores Mines Labour Welfare Funds was held at Panaji on 21 January 1968. Inaugurating the meeting, the Union Labour Minister, Shri J.L. Hathi said that a proposal to integrate the administration of welfare funds in the mica coal and iron ore mining industries was being worked out. Besides giving results at the lowest cost, this would speed up the performance more effectively. The Coal and Mica Mine Labour Welfare Fund Organisations had already accepted the proposal Mr. Hathi said. He also recommended the appointment of a sub-committee of the Iron Ore Welfare Central Advisory Board to deal with the measures to vitalise the existing welfare arrangements and to remove the present balance in the pattern of expenditure between different States.

A sum of Rs.230.34 lakhs had been collected as welfare cess at the rate of 25 paise per metric tonne of iron ore produced since 1963 to provide much needed welfare arrangements to nearly 60,000 iron ore mine workers in seven States in India. Out of the total collected amount only Rs.53.66 lakhs had been spent. The Minister admitted that welfare facilities had not been provided to the extent to which these could have been established. Money was available. The needs were known. But enough had not been done.

(The HINDU, 22 January 1968)

56. Labour Administration.

India - January-February 1968.

Annual Report on the Working of the Indian Dock Labourers Regulations 1948 and the Dock Workers (Safety, Health and Welfare) Scheme, 1961*

The report deals with the 19th year of the administration of the Indian Dock Labourers Regulations 1948 and the Sixth year of the administration of the Dock Workers (Safety, Health and Welfare) Scheme 1961.

Indian Dock Labourers Regulations 1948.— The progress in compliance with the Act and the Regulations was generally satisfactory during the year in all the seven major ports (Bombay, Calcutta, Madras, Cochin, Visakhapatnam, Kandla and Marmugao). The number of accidents reportable under the Regulations decreased from 4827 in 1965 to 4578 during this year. However, the number of fatalities increased from 14 to 23. On board the ships, there was an appreciable decrease in the accident frequency rate from 7.23 in 1965 to 6.03 during the year. The number of accidents in terms of one lakh tons of cargo handled slightly decreased during the year.

Dock Safety Committees.— The Dock Safety Committee continued to function at the major ports.

*Annual Report on the working of the Indian Dock Labourers Regulations, 1948, and the Dock Workers (Safety, Health and Welfare) Scheme 1961 during the year 1966. Published by the Directorate General, Factory Advice Service and Labour Institutes.

Quarterly Industrial Safety and Health Bulletin.- Description of some of the important accidents and dangerous occurrences in docks continued to be given in a separate chapter in the above quarterly bulletin. The information given in this Chapter has proved to be useful to those concerned with the loading and unloading of cargo at the ports.

Training of Supervisors.- During the year, a week's training course on Safety was held at Bombay for the Supervisory staff of Bombay Port Trust by the Inspectorate of Dock Safety. Twenty six supervisors participated.

Compliance with Regulations.- The whole number of contraventions of the regulations per 1000 ships inspected is 1037.99 during the year 1966 as compared to 811.5 during the previous year. There has been considerable increase in the number of contraventions, concerning testing and examination of lifting machinery and gear and also maintenance of registers and certificates.

Accidents and Dangerous Occurrences.

A reportable accident according to Regulations is one which either causes loss of life to a worker or disables him from work for more than 48 hours. However, in respect of other accidents also where the worker is disabled from work for the rest of the day on shift, a notice is required to be sent.

During the year 1966, the total number of reportable accidents in the seven ports was 4576 of which 23 were fatal, while the total number of accidents during 1965 was 4827 of which 14 were fatal. The total number of accidents due to handling of Cargo and handling of articles other than Cargo was 1968 with one fatality, as against 2410 during the year 1965. The highest number of accidents happened at the port of Calcutta.

Dangerous

Dangerous Occurences.- According to regulation 12 of the Indian Dock Labourers Regulations, the following classes of dangerous occurences are reportable irrespective of whether the personal injury is caused or not:

- i) Collapse or Failure of lifting machinery;
- ii) Breakage or Failure of ropes;
- iii) Collapse or Failure of means of access to or from a ship.

During the year, 1966, the total number of reportable dangerous occurences notified from the seven major ports was 284 as compared to 174 during the previous year.

In 1966, the total number of non-reportable accidents and dangerous occurences brought to the notice of Inspectorates at the seven ports was 4628 of which 8 were fatal.

Accidents on Board the Ship in Relation to the number of Workers employed and volume of Cargo handled.-

Figures relating to the aggregate number of workers employed on board the ships expressed in terms of man-shifts have been obtained from the Dock Labour Boards and from Stevedors. According to these figures 7077 thousand man shifts were worked at the seven ports during the year 1966. A total tonnage of 37050 thousands (excluding bulk oil and bunkening) was handled at the ports during the year.

The total number of accidents on board the ships during 1966 was 3347 at the seven ports as compared to 3521 in 1965 indicating a slight decrease.

Dock Workers

Dock Workers (Safety, Health and Welfare) Scheme.- The Scheme is applicable to all the major ports and covers health and welfare measures for all the Dock Workers and also safety of such workers who are not covered by the Indian Dock Labourers Act.

Notification of Accidents, Dangerous Occurrences and Certain Diseases.-

Reporting of accidents and dangerous occurrences was generally satisfactory by the Port Authorities at all the Ports. Reporting by other employees, such clearing and forwarding agents, contractors, etc. were not satisfactory.

Health.- This part covers cleanliness drinking water, latrines, urinals, lighting ventilation and temperature. The responsibility for cleanliness with the previous in this part rests on Port Authorities.

Cleanliness.- Cleanliness in the Dock AREAS was generally satisfactory at all ports.

Drinking Water.- The existing facility for cool drinking water were not adequate at some of the Ports and their maintenance was also not satisfactory.

Lighting.- At most of the ports, some improvements were carried in the lighting during the year.

Welfare.- This port requires provision of washing facilities, first-aid, ambulance, etc. The responsibility for compliance rests with the Port Authorities. In Bombay, and Calcutta, these facilities were not satisfactory. There was some improvement in other ports.

Safety.- This port provides for safety of working places on shore, lighting and maintenance of lifting machinery and gear, safe operation of transport equipment etc. Responsibility for compliance with

these requirements

52

these requirements rests on various parties such as Port Authorities Employers, owners and Dock workers, compliance with their requirements were generally satisfactory at all ports.

Inspections and Prosecutions.-

This work includes inspection of ships, docks, lifting machinery and gear, investigation of accidents and dangerous occurrences and attendance at the courts in connection with prosecutions.

During the year 11 prosecution cases were instituted of which 4 were at Calcutta, 2 each at Bombay and Madras and Marmagao and one at Cochin. No prosecution was launched at Kandla and Visakapatnam.

CHAPTER 6. GENERAL RIGHTS OF WORKERS

India - January-February 1968

61(a). Discrimination in Employment and Occupation

Selection of Candidates on district-wise basis for MBBS Course held unconstitutional: Judgement of Supreme Court

on 17 January 1968

In a judgement given ~~by~~ the Supreme Court on ~~17 January 1968~~, it declared unconstitutional Rule 8 promulgated by the State of Madras for selection of candidates for admission to the first year integrated M.B.B.S. course and accordingly allowed the petitions by Rajendran and others against the State on Wednesday.

The Court held that a rule providing for the selection of candidates on the basis of a districtwise distribution of seats had no relation to the object of the Act, which was to secure the best possible candidates for admission. Therefore, the rule resulted in discrimination which violated the fundamental right of equality before the law as guaranteed by Article 14, and must be struck down.

Rule 5 was challenged on the ground that although it made reservations for socially and educationally backward classes, which was permissible under the Constitution it went further to classify such backward classes on the basis of caste. Rule 8 was attacked on the ground that reservation of seats on a districtwise basis amounted to discrimination and would defeat the very object of securing the best candidates.

(The STATESMAN, 18 January 1968)

67. Conciliation and Arbitration.

India - January-February 1968.

Industrial Disputes in India during 1966*

The January 1968 issue of the Indian Labour Journal contains an article relating to industrial disputes in India during 1966. The author of this article analyses the industrial disputes month-wise, State-wise and industry-wise. The author also gives an analysis of the disputes by causes, by duration by results and by losses to wages and value of production. According to this article, in 1966 West Bengal, Maharashtra and Kerala together accounted for 54.8 per cent of the total number of disputes, 60.1 per cent of the total number of workers involved and 70.8 per cent of the total time-loss. Compared with 1965, the time-loss increased in all the States/Union Territories except Madhya Pradesh, Mysore, Orissa and Goa during the year 1966. The 'Manufacturing Division' accounted for 66.1 per cent of the total time-loss during the year 1966. Among other sectors, "Agriculture, Forestry, Fishing, etc.", accounted for 17.0 per cent, "Transport and Communications (other than Workshops)" for 4.8 per cent, "Services" for 4.4 per cent, "Mining and Quarrying" for 3.2 per cent, "Construction" for 1.8 per cent, "Activities not Adequately Described" for 1.7 per cent, "Electricity Gas, Water and Sanitary Services" for 0.9 per cent, and "Commerce" for 0.1 per cent. In the 'Manufacturing Division', the highest time-loss was recorded by the group "Textiles" (61.1 per cent). In the 'Agriculture, Forestry, Fishing, etc. Division', Rubber and Tea Plantations accounted for 65.3 and 32.2 per cent respectively of the total mandays lost in this Division. As compared to the preceding year, the time-loss increased in all but two major industry groups, viz. "Mining and Quarrying" and "Electricity, Gas, Water and Sanitary Services".

*The Indian Labour Journal, Vol IX, No. 1, January 1968, pp. 24-78

In 1966 among the disputes classified by these groups of causes, "Wages and Allowances" accounted for more than one-third or 35.8 per cent of the total number of disputes followed by "Others" and "Personnel" which accounted for 23.3 and 21.0 per cent respectively. Disputes relating to "Wages and Allowances" and "Personnel" together constituted 56.8 per cent of the total number of disputes for which the relevant information was available and accounted for 41.5 per cent of the total time-loss. The corresponding percentages for 1965 were 58.4, 59.1 and 50.6 respectively. As compared to 1965 it is seen that there was a rise in percentages to the total number of disputes and mandays lost due to "Wages and Allowances", "Bonus" and "Retrenchment" while there was a decrease in the case of disputes due to "Personnel", "Others" and "Leave and Hours of Work".

Nearly 39.1 per cent of the total mandays lost were accounted for by the affiliates of the I.N.T.U.C. The A.I.T.U.C. accounted for 37.0, 25.0 and 24.4 per cent respectively of the total disputes, workers involved and mandays lost. The H.M.S. and U.T.U.C. together accounted for 10.3 per cent of the total time-loss. The disputes sponsored by more than one Central Organization, accounted for the highest total time-loss (46.2 per cent).

67. CONCILIATION AND ARBITRATION

India - January-February 1968.

Standing Orders of a Company to be Observed
in a dispute: Allahabad High Court Ruling

A full bench of the Allahabad High Court laid down on 12 February 1968 that in the case of a conflict between a contract of service entered into between a company and one of its employees and its standing orders, the latter would prevail.

In a dispute between the Banaras Electric Light and Power Company Ltd., Varanasi, the company claimed the benefit of a particular agreement between it and its employee Mr. S.P. Srivastava, whose services were terminated, and contended that the agreement prevailed over the standing orders. The court however observed in its judgment that standing orders were a set of basic general rules which could not be ignored or abandoned, departed from, modified, or varied by special agreements with regard to any matter specially contained in the orders.

(The TIMES OF INDIA, 13 February 1968)

CHAPTER 6. GENERAL RIGHTS OF WORKERS

India - January-February 1968

67. Meeting of the National Arbitration
Promotion Board, New Delhi, 19 Feb-
ruary 1968: Voluntary Arbitration
Recommended for Solving Disputes

The first meeting of the National Arbitration Promotion Board was held at New Delhi on 19 February 1968. Shri J.L. Hathi, Union Minister for Labour and Employment inaugurated the meeting. Shri Hathi told representatives of employers and employees organisations that the settlement of disputes by mutual discussion and voluntary arbitration was certainly more conducive to better labour-management relations than recourse to legal remedies. The Minister reiterated his faith in the efficacy of voluntary arbitration as a mode for the settlement of disputes and impressed on them that maintenance of industrial harmony was essentially a phenomenon of give and take. "A dispute settled by these processes is of more enduring results."

(The HINDUSTAN TIMES, 20 February 1968)

Industrial Disputes (Amendment) Bill,
1967

An Official Bill seeking to empower labour courts and tribunal to set aside a management's order of discharge or dismissal and direct reinstatement of a workman on such terms and conditions as they thought fit was moved in the Rajya Sabha on 28 November 1967 by Shri Jaisukhlal Hathi, Minister of Labour, Employment and Rehabilitation, Government of India.

The Bill also seeks to empower the labour courts and tribunals to give other reliefs to a workman including the award of any lesser punishment in lieu of discharge or dismissal as the circumstances of the case may require.

The Labour Minister, Mr. Jaisukhlal Hathi, informed the House that the Union Government had approved a legislation of the United Front Ministry in West Bengal providing for payment of 50% of wages to workers during the period of inquiry.

He said the Union Government had also accepted this principle and had recently issued a notification providing that workers should be paid 50% of wages during the first 90 days of an inquiry. If the inquiry continued beyond 90 days then the concerned workers would be entitled for 75% of wages.

Mr. Hathi expressed his inability to delete the provision that labour courts "shall rely on the materials on record and shall not take any fresh evidence in relation to the matter". He said the Government had to avoid as far as possible any scope for more litigations.

The Bill was passed by the Rajya Sabha.

(The HINDUSTAN TIMES 29 November 1967, the STATESMAN (Delhi) 1 December 1967).

68. Labour Courts

India - January-February 1968

Auditors' Firm held to be not an Industry:
Madras High Court Judgment

In a judgment announced at Madras on 5 January 1968, the Madras High Court held that Chartered Accounts and auditors could not be termed as industry within the scope of section 2(j) of the Industrial Disputes Act since the accountants and auditors did constitute a "learned or liberal profession". The writ petition in which the question arose was filed by Messrs. Fraser and Ross against one of the employees of their firm who retired on 1 June 1963.

He made a claim that he ought to be continued in service till the completion of his 60th year or at least for three years more; but this was rejected by the firm. He instituted proceedings in the Labour Court claiming a sum of Rs.7254 as retrenchment compensation and wages in lieu of one month's notice. The petitioners raised a preliminary objection as regards the maintainability of the petition claiming that the firm did not constitute an "industry" within the meaning of the Industrial Disputes Act. The Labour Court negatived this contention. To quash this order the present writ petition was filed.

1218W

(The HINDU, 7 January 1968)

60

Reversion of a Temporary Employee is not
Punishment: Supreme Court Ruling

In a ruling given by the Supreme Court at New Delhi on 12 January 1968, it held that the mere reversion of a temporary employee in the service of the Union of India to his previous post is not a punishment and is not protected by the provision of Article 311 of the Constitution.

The Appellant was working as a clerk in the Railways and in August 1960 he was appointed Vigilance Inspector in the Norther Railway. He alleged that an adverse report was made against him and in February 1965 he was reverted from the post of Inspector to his original post. According to the Appellant this amounted to a punishment and it was illegal because it was inflicted without giving him a hearing as required by Article 311 of the Constitution.

Their lordship giving judgment said that in their opinion the record did not show that the appellant was a permanent Vigilance Inspector.

(The STATESMAN, 13 January 1968)

61

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN
CATEGORIES OF WORKERS

71. Employees and Salaried Intellectual workers

India - January-February 1968

Seventh Delhi Printers' Conference held at
New Delhi, 18 January 1968

The Seventh Delhi Printers' Conference was held at New Delhi on 18 January 1968 under the presidentship of Mr. J.M.D'Souza. The Conference was inaugurated by Shri Bhanu Pratap Singh, Union Deputy Minister for Industrial Development.

Inaugural Address.— Inaugurating the conference, Mr. Bhanu Prata Singh, Union Deputy Minister for Industrial Development, said that instructions had been given for liberal sanction of foreign exchange for importing machinery needed by the printing industry. He however, added that it was not possible to meet the entire requirements of the industry in view of the serious foreign exchange situation. There were so many other industries needing foreign exchange and the printing industry did not enjoy as much priority as some other industries.

Presidential address.— In his Presidential address, Shri J.M. D'Souza urged the Government to have a second look at the recommendations of the Wage Board for Non-Journalists before requesting the newspapers concerned to implement new wage scales. He said that the recent announcement by the Government accepting the recommendations of the Wage Board for non-journalist staff with minor modifications had come as a shock to the printing industry. Although the Wage Board Award did not apply to the job presses, implementation of the recommendations would have far-reaching effect on job presses also in course of time. In many categories, work in the newspaper presses and job presses was of the same type and therefore fixation of high wages in newspaper presses would have repercussions on the other side.

In certain cases wages were so fixed which had no relation to the existing wage structure. The labour policy followed by the Government did not do justice to the employer. In short the labour legislation should be streamlined and made 'work-oriented' and not 'worker-oriented'. They may be liberal to the work, but must at least be just to the employer, he added.

Referring to the problems of the printing industry in the country, Mr. D'Souza said that the industry had long been neglected by the Government and other authorities concerned. Government had not laid down any long-term policy for import of printing machinery and the 'haphazard' import policy followed had resulted in a chronic shortage of press materials, including spare parts for maintenance of machinery. He said that for quality output and for maintaining proper production, the printers should be able to import machinery from traditional sources. Shortage of foreign exchange had hampered the growth of the industry.

(The HINDU, 19 January 1968)

71. Fair Wage Recommended for Policemen
by Delhi Police Commission

In an interim report placed on the table of the Lok Sabha on 15 November 1967, the Delhi Police Commission has recommended higher pay scales "designed to secure a police force composed completely of educated honest, efficient, courageous and completely fit individuals", The Government according to the commission has in principle accepted, the liability of the State to pay "a fair wage" to its employees.

The Commission suggested a pay-scale of Rs.95-150 for a constable. Non-matriculate constables will start at Rs.95 a month and matriculate constable at Rs.135. The efficiency bar at Rs.105 will be applicable to non-matriculate only. Head constables will start at Rs.130 assistant sub-inspectors at Rs.160, sub-inspectors at Rs.210 and inspectors at Rs.330 if the Government accepts the commission's recommendations.

The commission has suggested immediate steps to provide family accommodation to all members of the police force with the stipulation that a police constable for the first three years of his service will, however, stay in barracks.

(The STATESMAN, 16 November 1967)

72. Number of Central Government Employees
Estimated at 2.63 million

According to the latest figures, the number of employees working for the Central Government is 2.63 millions; of them 2.42 millions are regular employees. The rest are workcharged personnel, contingent staff and local recruits in Indian missions abroad. Of the regular employees, nearly 40,000 are gazetted officials and 732 draw a basic pay of Rs.2,000 or more per month. Those drawing above Rs.1,000 a month total 6,814.

The number of employees with a basic pay of less than Rs.100 is 1,320,144.

(The STATESMAN, 20 January 1968)

65

Auditors' Firm Held to be not an Industry:
Madras High Court Judgment

In a judgment announced at Madras on 5 January 1968, the Madras High Court held that Chartered Accountants and auditors could not be termed as industry within the scope of section 2(j) of the Industrial Disputes Act since the accountants and auditors did constitute a "learned or liberal profession".

(The HINDU, 7 January 1968.)

(For details see Section 68, pp 59
of the report.)

66

Reversion of a Temporary Employee is not
Punishment: Supreme Court Ruling.

In a ruling given at New Delhi on 12 January 1968, the Supreme Court held that the mere reversion of a temporary employee in the service of the Union of India to his previous post is not a punishment and is not protected by the provisions of Article 311 of the Constitution.

(For details please see Section 68, pp. 60
of this report)

(The STATESMAN, 13 January 1968)

CHAPTER 8. MANPOWER PROBLEMS

81. Employment Situation

India - January-February 1968

Employment Exchanges: Working during December 1967

According to the monthly review of the Principal activities of the Directorate-General of Employment and Training for the month of December 1967, the employment position was as follows:

Items	November 1967	December 1967	Increase (+) Decrease (-)
Registrations	3,01,631	3,31,185	(+) 29,554
Placements	36,599	35,005	(-) 1,594
Live Register	27,37,598	27,40,435	(+) 2,837
Vacancies notified	56,127	55,434*	(-) 693
Employers who used exchanges	11,471	10,934	(-) 537

* Includes 1028 vacancies notified by private employers falling within the purview of the Employment Exchange (Compulsory Notification of vacancies) Act 1959 against which submission action was not required.

Displaced persons from East Pakistan.- During the month of December, 1967, 417 East Pakistan Migrants were registered with various employment exchanges and 30 East Pakistan Migrants were placed in employment, thus bringing the total number of East Pakistan Migrants registered to 40757 and those placed to 2830.

Repatriates from Burma.- During the month of December, 1957, 317 repatriates from Burma were registered and 84 placed in employment. This brings the total number of such registered persons to 6481 and those placed in employment to 706.

Repatriates from Ceylon.- 21 repatriates were registered and none placed in employment. This brings the total number of such registered persons to 326 and those placed in employment to 15.

Deployment of surplus and retrenched personnel.- During the month under review 29 persons were retrenched, 29 registered and 17 placed in employment. The detailed information is given below:

Number awaiting assistance at the end of Nov.67	No. retrenched during the month	No. of retrenched (including these left voluntarily) registered during the month for employment assistance	No. placed during the month	No. left indicating the desire for assistance	Number awaiting assistance at the end of the month.
-------------------------------------------------	---------------------------------	------------------------------------------------------------------------------------------------------------	-----------------------------	-----------------------------------------------	-----------------------------------------------------

2	3	4	5	6	7
---	---	---	---	---	---

Valley	1886	-	-	3	3	1880
tion.						
Wangal	37	5	5	8	6	28
t.						
Steel	918	24	24	4	10	928
ur Steel						
ct.	7	-	-	-	1	6
l Cell of						
o Home	86	-	-	2	-	84
s.						

Class II -----48)

Class III & IV --36)

2934	29	29	17	20	2926
------	----	----	----	----	------

The total number of Employment Exchanges including 38 University Employment Information and Guidance Bureaux and 13 Professional and Executive Employment Offices in the country at the end of December, 1967 remained 437.

83. Vocational Training

India - January-February 1968

Technical Brain drain continues: Results
of a Survey by the Institute of Applied
Manpower Research

According to the results of a Survey undertaken by the Institute of Applied Manpower Research about 15.6 per cent. of graduates from the Indian Institutes of Technology, are serving abroad.

The ostensible purpose of most of those who go to foreign countries is higher studies, but after completion of their studies they stay on for jobs. About 61 per cent. of the IIT graduates who go abroad do so for higher studies. A salient point in this brain-drain of top engineering students is that the large majority 84.6 per cent. have passed in the first division.

Of the IIT^{graduates} who have gone abroad, 60 per cent are in the United States, 18 per cent. in Britain 10 per cent. in Canada and 7 per cent. in West Germany.

(The HINDUSTAN TIMES, 22 January 1968)

70.

Labour Ministry Training Schemes: Working
During December 1967

According to the review of the principal activities of the D.G.E. & T for the month of December 1967, the number of institutes for training craftsmen and number of centres holding part-time classes stood at 356 and 36 respectively. In all, 140584 seats were introduced and the number of persons undergoing training was 109,575. The number of industrial workers undergoing training in part-time classes was 2605.

Apprenticeship Training Scheme.- The total number of apprentices undergoing Apprenticeship Training and number of Establishments Training apprentices are 35250 and 2651 respectively, as on 31 August 1967.

(Monthly Review of the Principal Activities of the D.G.E. & T for the month of December 1967 issued by the Directorate General of Employment and Training, Government of India, New Delhi.)

Chapter 9. Social Security

71

92. Legislation

Report of the Employees Provident Funds Scheme for the year 1966-67*

Scope and application.-

The Employees Provident Funds Act extends to the whole of India except the State of Jammu and Kashmir. At the end of March 1967, 106 industries were covered under the Act as against 103 at the end of 1965-66.

The Act continued to be inapplicable to:

a) any establishment registered under any Law relating to Cooperative Societies employing less than 50 persons and working without the aid of Power;

b) any establishment during the first three years or first five years of its being set up ^{depending on} ~~accord-~~ ~~ing or its employees strength is~~ ~~not less than 50 or 20.~~

Whether it employs 50 or more persons, or 20 or more but less than 50 persons.

During 1966-67 an additional coverage of 4,530 establishments and membership of 3.29 lakhs were registered as against 4,843 establishment and membership of 3,61 lakhs in 1965-66.

Conditions for membership like wage ceiling (not exceeding Rs 1000 per month) and minimum qualifying service (one year's continuous service) remained unchanged.

Contribution.- The statutory rate of Provident Fund contribution both for employees and employers is 6 1/4% of basic wages and dearness allowance including the cash value of any Food Concession and retaining allowance.

* Annual Report on the Working of the Employees' Provident Funds Scheme 1952 for the year 1966-67: Employees' Provident Fund Organization.

During the year under report the enhanced rate of Rs 8 per cent was extended to the following establishments employing 50 or more persons:

- i) Textiles
- ii) Biscuit making industry
- iii) Plywood
- iv) Automobile repairing and servicing
- v) Rice milling
- vi) Dal milling
- vii) Flour milling
- viii) Road Motor Transport
- ix) Sugar
- x) Hotels
- xi) Restaurants
- xii) Establishments engaged in storage on transport on distribution of Petroleum etc
- xiii) Cinemas including preview theatres
- xiv) Film Studios
- xv) Distribution concerns dealing with exposed films
- xvi) Film production concerns
- xvii) Film processing laboratories
- xviii) Every cane farm owned by the sugar factory ~~owner xxxxxxxxx exempted xxx of xxx sugar factory xxx cultivated by xxx~~
- xix) starch
- xx) Petroleum or natural gas exploration, prospecting, drilling or production
- xxi) Leather and leather products
- xxii) Stoneware jars
- xxiii) crockery

Voluntary contribution .- Contribution at a higher rate or a voluntary basis were received during 1966-67 from 97,774 subscribers as against 95,624 subscribers in 1965-66.

Administration and Finance .- The total contribution received during the year was Rs 148.35 crores including Rs 80.84 crores from exempted establishments. This composes with Rs 123.72 crores including Rs 68.84 crores from exempted establishments in the previous year.

Arrears continued to be the most worrisome problem. At the end of 1966-67, arrears stood up at 5.96 million. The arrears were mainly due to the recessionary trends partly attributable to effects of devaluation and crisis in Textile Industry.

Inspections and Prosecutions: During the years 1966-67, 4,109 recovery cases involving a sum of 36.392 million rupees had been instituted as against 5072 cases involving a sum of 26.896 million rupees in 1965-66.

Details of cases filed, disposed of etc, during 1966-67 are given below:

Launched	Disposed of	Pending in courts	Pending in State Governments
546		4695	3708
	Convicted 2135 Acquitted 120 Withdrawn 561 Dismissed/Discharged 43		
546	2859	4659	3708

Claims.- During the year, a sum of OF 157.6 million rupees in respect of 2.16 lakhs claims was paid as against 130.4 million rupees in respect of 1.87 lakhs for 1965-66. A sum of 728.9 million rupees has been paid up to the end of March 1967 in respect of 13.94 lakhs claims. Category wise particulars of the claims settled in 1966-67 are given below. The figures in brackets relate to 1965-66.

(Please see the table on the next page)

Category	No. of claims settled		Amount paid (Rupees in lakhs)	
Death	10,962	(11,056)	121.82	(102.32)
Superannuation	11,928	(11,120)	215.04	(178.75)
Permanent invalidation	8,569	(8,324)	108.17	(85.49)
Resignation/Termination of services	1,21,602	(1,03,976)	686.98	(529.33)
Retrenchment	55,089	(43,566)	387.67	(319.06)
Dismissal	4,263	(4,168)	26.65	(25.18)
Migration	1,209	(995)	13.47	(10.99)
Others	2,702	(3,782)	15.88	(53.30)
TOTAL	2,16,324	(1,86,987)	1,575.76	(1,304.42)

Besides, 10,163 cases were transferred from One region to another or from the Fund to Exempted establishments. The following table gives the period within which claims were settled during 1966-67. The figures in brackets give the comparative position in 1965-66.

	Claims		Percentage	
Claims settled within 10 days	1,33,007	(1,32,525)*	62	(71)*
Claims settled within 1 month but after 10 days	71,380	(45,293)@	33	(24)@
Claims settled within 3 months but after 1 month	10,985	(8,617)	5	(5)
Claims settled within 6 months but after 3 months	714	(396)	..	..
Claims settled within 9 months but after 6 months	90	(130)	..	..
Claims settled within 12 months but after 9 months	26	(26)	..	..
Claims settled after 1 year	122	..	..	..
TOTAL	2,16,324	(1,86,987)	100	(100)

Settled within 15 days
Settled within 1 month but after 15 days

Special Reserve Fund.— A Special Reserve Fund was created on 15th September 1960, with a view to making payment to outgoing members where his employer fails to remit to the Fund the whole or part of the amount deducted from the members wages towards his own contribution pending recovery of the arrears from the employer. The total amount transferred from the Reserve and Forfeiture Account to the Special Reserve Fund was 7.5 million rupees. Of this a sum of 7.135 million rupees including Rs 7.37 lakhs paid during the year had been paid out up to the end of March 1967. The amount recovered from the employers against these payment was 2.170 million rupees including Rs 7.56 lakhs recovered during the year. The balance in the Special Reserve Fund at the end of March 1967, was 2.535 million rupees as against 2.516 million rupees at the end of March 1966.

Death Relief Fund.— On first of January 1964, Death Relief Fund was set up on a tentative basis to assure a minimum of Rs 500 to a nominee ~~on~~ heir of a diseased member. A sum of 1 million rupees was transferred to this Fund from the Reserve and Forfeiture Account. The benefit of this Fund is admissible to the nominee ~~on~~ heirs of those diseased members whose pay did not exceed Rs 500 at the time of death. This benefit would not be available to the nominees or heirs of those diseased members who after having once received full retirement benefit had secured re-employment in a covered establishment. The total amount transferred to this fund up to the end of March 1967 was 2.8 million rupees of which a sum of 1.947 million rupees had been paid out till the end of March 1967.

Advances.— Various kinds of advances, admissible and actual amount advanced are given below:

a) Advance for Insurance Policy.— An amount of 3.439 million rupees was remitted towards payment of premium in respect of 47,738 policies during the year as against a sum of 4.025 million rupees covering 50,374 policies during 1965-66.

b)

b) Advance for Housing.- A sum of 6.356 million rupees was advanced towards house building during the year in 5038 cases as against 4.443 million rupees in 3921 cases in 1965-66.

c) Advance for purchasing shares of Consumers & Cooperative Societies.- A sum of .195 million rupees was advanced during the year in 6511 cases as against .393 million rupees in 13644 cases in 1965-66.

d) Special Advance during temporary closure of an establishment.- A sum of 11.148 million rupees was paid in 56,762 cases as against 7.180 million rupees paid in 53,577 cases in the preceding year.

e) Unemployment Relief Advance.- During the year a sum of .174 million was paid in 780 cases as against .5979 million rupees paid against 27 cases in the preceding year. There was an increase in the demand for this type of advance due to higher incidence of unemployment in certain industries.

f) Advance for illness.- A sum of .350 million rupees was paid in 1155 cases as against .146 million rupees in 521 cases in 1965-66. This facility was extended to members families also.

Income and Expenditure.- The expenditure involved in administering the employers Provident Funds Act and the Scheme is met from a separate levy called the administrative and inspection charges, collected from employers of non-exempted and exempted establishments respectively. In respect of all establishments the present rate of administrative charges is 0.37% of 'wages' of the members and that of inspection charges is 0.09% of 'wages' of the members.

The year witnessed an increase of 2.799 million rupees in income and of 2.940 million rupees in expenditure over the previous year. The enhanced dearness and compensatory allowances and capital expenditure on purchase of land and construction of office buildings and staff quarters contributed to the rise in expenditure.

77

CHAPTER 11. OCCUPATIONAL SAFETY AND
HEALTH.

INDIA - JANUARY-FEBRUARY 1968.

111. General.

Central Coal Mines Rescue Station Committee:
A Summary of the Report for the year 1966-67*

A summary of the report for the year 1966-67 of the Central Coal Mines Rescue Station Committee has appeared in the February 1968 issue of the Indian Labour Journal. During the year under review, the Rescue Stations were called out for rescue and recovery work in 25 cases and the Organization assisted in 20 recovery operations involving 67 days of work and 557 protomanshifts and recovered 4.39 million tonnes of coal locked in areas sealed due to occurrence of fire. The achievements of the organization over the period 1941-67 in respect of lives saved from foul air, No. of dead bodies recovered from foul air and coal recovered were 69, 106 and 104.85 million tonnes respectively.

The report has also dealt with development work in the various rescue stations, equipment and Store and training in rescue and recovery work.

*Indian Labour Journal, Vol IX, No. 2,
February 1968, pp. 188-191

BIBLIOGRAPHY

India - January-February 1968

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

- *(a) Report of the Committee for the Year ended 31 December 1966, 1967; Indian Jute Mills Association , pp.xxxi+182.

CHAPTER 3. ECONOMIC QUESTIONS

- *(a) "Brochure on Revised Series of National Products for 1960-61 to 1964-65": August 1967. Issued by Central Statistical Organisation, Department of Statistics, Cabinet Secretariat, Government of India. Printed in India by the Manager, Government of India Press, Simla for the Manager of Publications, Civil Lines, Delhi: Price Rs.5.30 or 12sh. or 91 cents., pp.viii+106.
- *(b) "Report of the Minimum Wages Advisory Committee for Employment in Agriculture", Government of Gujarat, Education and Labour Department, October 1966: Ahmedabad. Printed at the Government Central Press, Ahmedabad, pp.169.
- *(c) "Annual Survey of Industries 1965": Census Sector (Provisional Results): General Review. Central Statistical Organisation (Industrial Statistics Wing) Department of Statistics, Cabinet Secretariat, Government of India, Calcutta, 1967, pp. x+65(Roneoed).

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

- *(a) "Annual Report for the year 1966": on the working of the Indian Dock Labourers Regulation; 1948 and the Dock Workers (Safety, Health and Welfare) Scheme, 1961. Directorate General F.A.S.L.I., Government of India, Ministry of Labour, Employment and Rehabilitation, pp.108 (Roneoed).

- *(e) "Review of the Food & Scarcity Situation in India: November 1967", Government of India, Ministry of Food, Agriculture, Community Development and Co-operation (Department of Food). Printed in India by the General Manager, Government of India Press, New Delhi. pp.16.
- *(f) "Family Budget and Social Security Benefits of Rubber Plantation works in India", by V. Haridasan. The Rubber Board, Kottayam-9, Kerala State, 1967. pp.48+2.
- *(g) "Report on Survey of Labour Conditions in Tea Plantations and Tea Factories in India (1961-62)". Labour Bureau, Ministry of Labour, Employment and Rehabilitation, Government of India, 1967. Printed in India by the Manager Government of India Press, Simla for the Manager of Publications Civil Lines, Delhi. Price Rs.4.40 or 10sh.4d. or \$1.59 cents. pp.iv+110.

CHAPTER 8. MANPOWER PROBLEMS

- *(a) "Bulletin on Job Opportunities in India" (Annual Number): January-December 1965: Volume II No.4. issued by Directorate General of Employment and Training, Ministry of Labour, Employment and Rehabilitation, Government of India, New Delhi. Printed in India by the Manager Government of India Press, Nasik 1967. pp.iv+41.
- *(b) "Pattern of Employment and Earnings Among Graduates in Lucknow. (A study based on sample survey) by P.D. Shrimali, M.A. Ph.D., Joint Director, Labour Research Centre, Department of Economics, Lucknow University Lucknow, 1967. pp.137+ Appendix I & II - pp.xxviii.
- *(c) "The Mines Vocational Training Rules 1966" Government of India Ministry of Labour, Employment and Rehabilitation, Department of Labour and Employment. Printed in India by the Manager, Government of India Press, Faridabad and published by the Manager of Publications, Delhi, 1967. Price Re.0.35 or 10d. or 13 cents pp.12.

- 80
- *(b) "Annual Report of the Chief Inspector of Plantations on the Working of the Plantations Labour Act, 1951 in Uttar Pradesh for the year 1965", Allahabad, Superintendent, Printing and Stationery, Uttar Pradesh, 1967. Price Rs1.75, pp.19.
 - *(c) "Report-Volume I: The Third Asian Agricultural Co-operative Conference, New Delhi 23-28 January 1967", National Cooperative Union, of India, New Delhi, pp.vi+68.

CHAPTER 5. WORKING CONDITIONS AND LIVING
STANDARDS

- *(a) "Report on Family Living Survey Among Industrial Workers 1958-59": Jharia: Labour Bureau, Ministry of Labour and Employment, Government of India. Printed in India by the Manager, Government of India Press Simla for the Manager of Publications, Civil Lines, Delhi - 1967. Price Rs.7.75 or 18 sh. ld., or \$2.79 . pp.iv+96.
- *(b) "Report on Family Living Survey Among Industrial Workers 1958-59": Mariani: Labour Bureau, Ministry of Labour and Employment, Government of India. Printed in India by the Manager Government of India Press, Simla for the Manager of Publications, Civil Lines, Delhi, 1967 Price Rs.9.00 or 21sh. \$3.24 pp.iv+105.
- *(c) "Report on Family Living Survey Among Industrial Workers 1958-59": Coimbatore. Labour Bureau, Ministry of Labour, Employment and Rehabilitation, Government of India. Printed in India by the Manager Government of India Press, Simla for the Manager of Publications, Civil Lines, Delhi: 1967. Price Rs.9.25 or 21sh. or \$3.33. pp.iv+126.
- *(d) Report on Survey of Labour Conditions in Mica Mining Industry in India (1962-63) Labour Bureau, Ministry of Labour, Employment and Rehabilitation, Government of India: 1967 Printed in India by the Manager, Government of India Press, Simla for the Manager of Publications, Civil Lines, Delhi. Price Rs.4.30 or 10sh.ld. or \$1.55. pp.iv+60.

8/

LIST OF ARTICLES

India - January-February 1968

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

Impact of inter-union Rivalry in Industry
by J.C. Upadhyaya - Maharashtra Labour Gazette
No.5, January 1968, p.529

Wage Freeze by V.G. Mhetras - Maharashtra
Labour Gazette, No.4 Dec. 1967, p.443.

Troubled Trade Unions: Time to Reform
the Law by K.C. Khanna - The Times of
India, 22 January 1968.

CHAPTER 3. ECONOMIC QUESTIONS

Development of Small Scale Industries in
India by Shri K.L. Nanjappa - The Journal
of Industry and Trade, February 1968, p.136.

Labour Administration and Productivity in
a Railway Industrial Undertaking: A case
study in Chittaranjan Locomotive Works
by Dr. Bimal Jain - Bombay Institute,
Bombay Labour Journal, December 1967 p.77

Productivity and Rapid National Economic
Development by R.S. Kulkarni - Bombay
Labour Journal, December 1967, p.85

Some Thoughts on Wages, Earnings and
Productivity by V.G. Mhetras - Maharashtra
Labour Gazette, No.5, January 1968, p.529

Development of Handicrafts: Gain in Human
terms by L.C. Jain - Times of India, 6 February
1968.

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

Relations between Co-operative Training
Institutions and the Co-operative Movement:
The Indian Experience - Case study by P.R.
Dubhashi - Journal of the All India Central
Land Development Bank Cooperative Union Ltd.,
Hyderabad, December 1967, pp.28.

Problems of Seafarers - The Indian Workers,
Republic Number 1968, 17 & 18, p.23.

Steel Plants in Trouble - 1: Workers Weary
of Turmoil by Umashankar Phadnis - Hindustan
Times, 14 February 1968.

CHAPTER 8. MANPOWER PROBLEMS

Training in Industry of India with Special
Reference to H.S.L. by Dr. D.P.N. Singh,
Benaras Hindu University - Bombay Labour
Journal, December 1967, p.25

Manpower Planning by D.L. Nandedkar -
Maharashtra Labour Gazette, No.4 December 1967,
p.437.

A Programming Approach to Manpower Planning
by M.S. Ramanujam. The Indian Economic
Review, October 1967, p.199.

Training of Industrial Manpower in a
Developing Economy by Dr- D.L. Narayana -
The Indian Worker, 5 February 1968, p.4.

13. Press and Opinion
India - January - February, 19

The Indian Worker,
New Delhi,

68.

26 February 1968

ICFTU VIEWS ON STATUS OF WOMEN PRESENTED

ADDRESSING the United Nations Commission on the Status of Women which ended its current session on February 18, in New York, a representative of the ICFTU pointed out that in this International Year of Human Rights there were many countries in which freedom of association, the right to set up or to join genuine trade unions, was still denied to the workers, men or women. While the Commission had often voiced the need for women to join trade unions and to take part in their activities if they were to obtain equal rights, it was first essential for trade unions to have the right to exist.

Commenting on a report by the International Labour Organisation on the employment of women, the ICFTU representative Marcelle Dehareng

emphasised the necessity to review international labour standards according to the changes in employment, techniques and methods of work. She expressed the dissatisfaction of the ICFTU Committee on Women Workers' Questions with the ILO Convention and recommendation on the maximum permissible weight to be carried by one worker, which obviously are not taking into account women's requirement. After a few words on maternity protection underlining the collective responsibility of society in that matter, she informed the Commission that the ICFTU would be in the near future investigating and reviewing the question of night work in order to bring it in line with modern development.

With regard to the ILO report on repercussions of technological change on employ-

ment and conditions of women workers, the ICFTU representative regretted that the document was not received in time to be submitted to the ICFTU Committee on Women Workers' Questions, as the matter was of paramount interest for women trade unionists. This shows in the fact that it has been put on the agenda of the ICFTU World Conference on Women Workers' Problems which will take place at the end of September 1968 in Dusseldorf. The Commission has already adopted a resolution on the political rights of women and is at present discussing a resolution on the economic rights and opportunities for women with a view to urging governments to carry on research and to answer a questionnaire on the repercussion of technological changes on the status of women.

II PA Newsletter
No. 1, February 1968
(issued by the Indian
Institute of Public Administration)

ILO on Social Policy

A special emphasis on the claims of social policy for a larger voice in the highest counsels of the State is amongst the many far-reaching recommendations made by the third session of the ILO African Advisory Committee attended by Government, employer and worker members from 22 countries. The Committee has stated that social policy should rank equal to finance, economic planning, justice, national security and foreign affairs in any appreciation of the factors which determine national policy as a whole. The Ministry of Labour, as the instrument for formulating and carrying out social policy, should be given the status and resources commensurate to this high responsibility.

'Information Bulletin'
Delhi, February 1968
(Issued by the ICA)

ILO Inter-Regional Meeting in Denmark

At the invitation of the International Labour Office, Geneva, the Regional Officer lectured at the ILO Inter-Regional Technical Meeting on Cooperatives and Trade Unions held in Elsinore, Denmark, from September 17-October 1, 1967 on "Aims and principles of Cooperatives and their practical application in developing countries."

ILO REPORTS ON SITUATION OF WORKERS IN THE WORLD IN 1967

THE SITUATION of workers in the world in 1967 was characterized by a certain growth of unemployment and by insufficiency of progress in countries in the process of development. This is the conclusion drawn from statistics gathered by the International Labour Office and published on 8 February.

In most industrialized countries, the slackening of economic expansion or the extreme slowness of recovery were translated into a drop in employment and a rise in unemployment.

The increase in hourly wages was in general enough to compensate for the lessening of the duration of work and the rise in consumer prices.

Information received from the developing countries, though still incomplete testified that the situation is not improving. The growing excess of manpower is far from being absorbed.

General Situation in World

Unemployment rose in almost all the industrialized countries and often attained a level which had not been observed for a number of years, in some cases since the end of the Second World War. Employment dropped in one country out of two; in countries where it continued to climb the rise was in general slower than in 1966.

The rise in consumer prices continued during 1967 in most countries, although less rapidly than in 1966: if in 14 countries the growth was more than 10 per cent, a drop was observed in 16 countries.

Money wages rose in all the countries for which figures are available and, in the majority of cases, workers saw their real wages likewise rise.

Employment

The decline in employment, which began towards the close of 1966 in several countries, spread during 1967 into about half of those for which figures are available. However, in several countries, a rise of employment continued, although in general at a slower rate than in preceding years.

Employment in manufacturing industries declined in 15 of the 27 countries for which statistics are available, including several countries where the general level of employment went up, as Canada and the United States.

Employment in manufacturing industries nevertheless climbed in 12 countries.

Agriculture and mining, notably coal mining, continued, as during past years, to lose their manpower in the majority of industrialized

Unemployment

Unemployment, which towards the end of 1966, was increasing in several countries, continued to rise. During the last 12 months, it rose in more than 30 countries. The number of unemployed persons rose noticeably—and sometimes strongly in all industrialized countries except Italy. In several countries of Europe the increase in unemployment was limited by slowing down or stopping immigration, and even by returning foreign workers to their countries of origin.

In general, it was young people, women and aged persons who were the most strongly affected.

Consumer Prices

It appears from figures available for more than 100 countries and territories that the rise in consumer prices has on the whole been followed in all parts of the world, but often at a slower rate than in preceding years. In 16 of the countries studied, consumer prices fell in relation to the level of 12 months previously. In one country out of five however, the rate of increase went up by reason of a rise in the cost of rents and of services. This was especially true in industrialized countries.

Consumer prices increased by 10 per cent or more in six countries which have suffered from a more-or-less strong inflation for the past five years: Argentina, Brazil, Chile, Congo (Democratic Republic of), Indonesia and Uruguay, as well as Denmark, India, Niger, Peru, the Sudan, Surinam, Turkey and the Republic of Viet-Nam.

Rises varying between 5 per cent and 10 per cent were observed in 16 countries in all parts of the world.

Finally, in 16 countries consumer prices dropped. In most of the cases, the drop was weak, often less than 1 per cent. The most substantial declines were noted in Ghana (8 per cent) and in Nigeria (7 per cent).

Being excerpts from the speech conveying the ILO Director-General's Greetings to the First Asian Trade Union Economic Conference.

ILO's Approach to Problems of Trade and Development

THE ILO has recently been engaged in a complete re-appraisal of its programme and structure with a view to adapting them to meet the growing needs of a changing world. After examination and discussion at several sessions of the International Labour Conference it was agreed that the ILO should in the years ahead concentrate its activities on general programme areas—human resources development, labour relations and the growth of social institutions and living and working conditions.

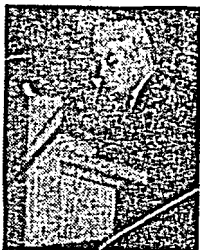
The principal aim of human resources development is the planning of manpower utilization and the creation of employment opportunities and training in skills. The aim of the programme concerning development of social institutions is to identify and advance solutions to the problems connected with the framing and implementation of policies of economic and social development, such as the role of workers' and employers' organizations, improvement of labour relations at all levels. The third programme area concerning conditions of work and life is the traditional area of ILO work.

Development of Human Resources

In the field of development of human resources ILO activities have continued to represent a substantial portion of the total ILO programme and a major share of these activities has been in the fields of vocational training and management development where action contributes directly and immediately to overcoming the shortages of technical administrative skills which are hampering progress in the developing countries. Increasing efforts are being made by the ILO to help countries in formulating policies for human

resources development and in setting up necessary machinery for human resources planning.

In 1964 the International Labour Conference adopted a Convention and a Recommendation concerning employment policy. The Convention provides that each ratifying State shall declare and pursue a policy designed to promote full, productive and freely chosen employment and shall, in consultation with the representatives of employers and workers, also decide on and take necessary steps to apply the measures adopted within framework of a coordinated social and economic policy.



Besides the formulation of international standards, the ILO has been providing technical assistance in the field of manpower planning to many countries of the region. Over the period 1962-66, 83 per cent. of the resources available for ILO Technical Cooperation for this region have been devoted to human resources programmes comprising three main areas, namely, manpower planning and organization, vocational training and management development. More recently it has been felt that this effort at the national level needs to be complemented by effort at the regional levels so that national policies and programmes of neighbouring countries can be examined and mutual co-operation among them fostered.

Asian Manpower Plan

A major development in 1966 has been the formulation of regional plans for the develop-

By
R. Ramamurthi
*ILO Representative in
New Delhi*

ment of human resources. Both the Ottawa Plan of Human Resources Development adopted at the Eighth Conference of American States members of the ILO and the Asian Manpower Plan recommended by the Asian Advisory Committee at its Thirteenth Session, call for initiation in the respective regions of large-scale ILO programmes designed to stimulate national action, in particular setting quantitative targets for employment creation and skill formation and other measures for promoting regional cooperation. The Asian Manpower Plan envisages a considerable development of ILO's activities in the region, particularly as regards research into assessment, planning and forecasting of manpower requirements.

A review of the Asian Manpower Plan and of further proposals for action within its framework will take place at the sixth Session of the Asian Regional Conference to be held in Tokyo in September this year.

Approach to Problems of Incomes Policy

Along with human resources development, the ILO is equally concerned with the problems of incomes and incomes policy in the process of economic development. The ILO has two main objectives in the matter of incomes; namely to help bring about—

- 1) a distribution of incomes which is socially just, taking account of the needs of the most vulnerable groups and of the need to achieve high levels of income-creating employment and an equitable sharing of the responsibilities and rewards of economic growth; and
- 2) participation by free organizations of workers and employers in taking decisions affecting the distribution of incomes.

ILO APPROACH ...

(Contd. from page 40)

importance of short-term and long-term stabilization of commodity prices, not only because of the importance of primary products as a main earner of foreign exchange for the developing countries but also because commodity prices are an important element in the maintenance and improvement of levels of employment and of conditions of work, including wages. The Fifth Asian Regional Conference held in Melbourne in 1962 adopted a resolution concerning measures to promote stable prices of basic commodities in world market and other measures for the effective utilization of resources and the improvement of living standards. In May 1966 resolutions concerning measures for the stabilization of plantation commodity prices and international action in the field of commodity price stabilization were adopted by the Committee on Work on Plantation at its fifth session.

The ILO considers expansion and diversification of exports of manufactures and semi-manufactures from developing countries as a vitally important means of promoting economic development and industrialization of these countries. The need of increased participation of developing countries in world trade in industrial products stems from their pressing need to expand their export earnings to finance imports essential to their economic development, and also from the fact that an expansion of export outlets makes possible the development of many industries in countries where the present domestic markets are too small.

Moreover, an export-oriented pattern of industrialization would be far more conducive to the raising of efficiency of production than inward-oriented industrialization relying almost exclusively on import substitution.

The ILO can play a useful role in assisting developing coun-

tries to achieve their goal of economic development through trade. The development of new skills and the raising of productivity in export-oriented industries are clearly of great importance for the improvement of their trade positions in the world market. In this regard the ILO's experience of vocational training, management development and industrial relations in the broadest sense could, if member countries so desired, be brought to bear especially in industries with an export potential.

Employment Policy

One of the important things the developed countries can do to facilitate economic development and industrialization in developing countries is to admit manufactured exports more freely into their markets. A recommendation on employment policy adopted by the International Labour Conference at its 48th Session (1964) urges that industrialized countries "should, as their circumstances permit, take measures to accommodate increased imports of products, manufactured, processed and semi-processed as well as primary, that can be economically produced in developing countries, thus promoting mutual trade and increased employment in the production of exports."

In the developed countries there is no reason to expect the general level of employment to fall if these countries increase their imports of industrial products from developing countries, since the foreign exchange thus earned by developing countries would be spent on purchases of capital goods or other products in the developed countries. Nevertheless, sharp increases in imports, over a brief period and in a narrow range of commodities, may be very harmful to particular producers, both employers and workers, and may thus have serious social and economic repercussions in the importing countries. The increases in imports of textiles and clothing from developing countries into devel-

oped countries in recent years have met with resistance on these grounds.

The social problems arising from international trade with respect to individual industries call for careful examination. These problems have been discussed by the ILO at the 7th Session of the Textiles Committee (1963) and at the Tripartite Technical Meeting for the Clothing Industry (1964). The problems will be examined again at 8th Session of the Textiles Committee to be held in April 1968.

It may, however, need to be emphasized that forward looking policy to deal with social problems arising from international trade, such as has already been adopted by a number of developed countries, is not to prevent competition from developing countries but aims to facilitate structural adaptation of employment in the developed countries to the emerging trade pattern by providing adequate adjustment measures for all displaced workers.

Release of Nepalese Trade Union Leader

THE ICFTU has been informed that G.P. Koirala, General Secretary of the All-Nepal Trade Union Organization, was unconditionally released on 5 January 1968 in Kathmandu.

The infringement of trade union rights by the Government of Nepal and its long detention of trade unionists without trial has been a subject of concern for the ICFTU for years and it took a series of actions to obtain the restoration of trade union rights

Appeal for Release of Gabonese Labour Leader

AN urgent appeal on behalf of the 63 million strong ICFTU has been addressed by its General Secretary, Harm Buiter, to Albert Bongo, President of the Republic of Gabon, for the release from arrest of Essone Ndong, General Secretary of the Gabonese trade union federation, CNTG.

In his cable to the Gabon President, sent on 10 January 1968, Buiter expressed deep concern over the arrest of several trade union leaders, including the CNTG General Secretary.

The cable added: We firmly hope that, in accordance with trade union rights embodied in ILO Conventions, Essone Ndong will immediately be allowed to resume his legitimate trade union functions".

and the release of the detained trade unionists.

These actions culminated in an appeal addressed to the King of Nepal on 3 January 1968 when ICFTU General Secretary, Harm G. Buiter, expressed the deep concern of the Confederation at the news that Koirala had started a hunger strike in protest against his detention already lasting seven years. The ICFTU cable appealed

(Contd. on page 22 Col. 2)

(Contd. from page 21 col. 3)

to the King with all urgency to release Koirala and other detained trade unionists.

The situation dates from 1960 when the Government of Nepal declared a state of emergency and banned all trade unions and political parties and dissolved the All-Nepal Trade Union Organization, an ICFTU affiliate at the time. Simultaneously the ANTUO General Secretary, G. P. Koirala, as well as other trade union leaders were arrested and detained.

Although at the time Nepal was not a member of the ILO, the ICFTU nevertheless made various representations to the King of Nepal in November 1961, in April 1962 and in May 1964 with a view to restoring full trade union rights and setting free the imprisoned trade unionists, but with no avail. In 1963, the

Nepalese Government lifted the state of emergency and promulgated a new Constitution but singularly ignored to provide for trade union rights.

When in August 1966 Nepal joined the ILO and by doing so formally accepted the obligations of its Constitution, it could be expected that the Government of Nepal would comply with these obligations by restoring full trade union rights and releasing the detained trade unionists. Since this was not the case, the ICFTU again appealed in February 1967 to the King of Nepal and to his Government to take necessary steps in accordance with the relevant ILO Conventions and Recommendations in order to enable Nepalese workers freely to form democratic trade union organizations which could represent their interests and participate effectively in the economic and social progress of the country.

ASIAN LABOUR

INTERNATIONAL LABOUR OFFICE
BRANCH OFFICE, NEW DELHI

I.L.O. REGISTRY-GENEVA
26 JUN 1968
File No. 23-1-302
en:

I.L.O. Industrial and Labour Developments in
March-April 1968

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

Contents

Pages

CHAPTER I. INTERNATIONAL LABOUR ORGANISATION

12. Activities of External Services 1

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANIZATION

21. United Nations and Specialised Agencies

Seminar on International Commercial
Arbitration held at New Delhi, 18 March
1968: World Court for Commercial
Arbitration suggested 2

24. Non-Governmental Organisations (International
Regional and National) other than Employers'
and Workers' Trade Organisations 3.

25. Wage Earners' Organisations

Thirteenth Annual Conference of the
Indian National Mine Workers Federation
held at Dhanbad 17 April 1968. 4.

28 Employers' Organisations

41st Annual Session of the Federation
of Indian Chambers of Commerce and
Industry held at New Delhi, 30 March
1968. 6.

CHAPTER III. ECONOMIC QUESTIONS

32. Public Finance and Fiscal Policy

Bank rate Reduced from 6 to 5 per cent
to Promote Economic Recovery 9.

Boothalingam's Report on Rationali-
sation and Simplification of Taxes
placed before Parliament on 5 March
1968. 10.

Contents

35.	<u>Productivity</u>	
	Problems of Productivity Measurement	11
36.	<u>Wages</u>	
	Report on the Working of the Fair Wages Clause and Central Public Works Department Contractors' Labour Regulations for the year ending 31 December 1966	13
	Madras: Revised Minimum Wages Fixed for Employment in Match and Fireworks manufactory	14
	Madras: Minimum Wages Act, 1948, extended to Employment in boat working in minor ports	19
	Implementation of Journalists Wage Board Recommendations Assured by Union Labour Minister	20
39.	<u>International Economic Relations</u>	
	Trade Agreement Signed between India and the Philippines	21
<u>CHAPTER V. WORKING CONDITIONS AND LIVING STANDARDS</u>		
51	<u>Hours of Work</u>	
	Annual Report on the Working of the Hours of Employment Regulations on Railways for the year 1966-67	22
52	<u>Workers' Welfare, Recreation and Workers' Education.</u>	
	Conditions of Employment of Handicraft Workers	23
56.	<u>Labour Administration</u>	
	Annual Report 1967-68 of the Ministry of Labour and Employment Published - Labour Problems Reviewed	25
<u>CHAPTER VI. GENERAL RIGHTS OF WORKERS</u>		
61-A.	<u>Discrimination in Employment and Occupation</u>	
	Linguistic Minorities Report placed before Rajya Sabha on 8 May 1968: States Urged not to insist on language qualifications for recruitment.	33

<u>contents</u>	<u>Pages</u>
Men can be promoted as Nursing Superintendents: Andhra Pradesh High Court Ruling	34
Reservation of Seats for Backward Classes in Andhra Pradesh Medical College held Invalid: Judgement of Supreme Court	35
67. <u>Conciliation and Arbitration</u>	
Annual Conference of Indian Institute of Personnel Management held at Calcutta, 2 March 1968.	37
<u>CHAPTER VII. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS</u>	
71. <u>Employees and Salaried Intellectual Workers.</u>	
Higher DA for Indian Airlines Pilots Recommended by National Industrial Tribunal	39
Salaries of Reserve Bank Employees Raised: Award by Arbitration	40
<u>CHAPTER VIII. MANPOWER PROBLEMS</u>	
81. <u>Employment Situation</u>	
Central Staff Training and Research Institute to be set up in Calcutta with the aid from Federal Republic of Germany	41
3087 Engineers Unemployed in Delhi Admission for new entrants to be Regulated	42
<u>CHAPTER IX. SOCIAL SECURITY</u>	
XI. <u>Provident Fund</u>	
Employees' Provident Fund Scheme - Development and Future Plans	43
92. <u>Legislation</u>	
Recommendations of the Committee on Employees State Insurance Scheme accepted by Government	44
Kerala, Mysore and Orissa: Employees' State Insurance Scheme extended to certain areas in the States	45

Contents

Pages

Madras and Gujarat: Employees State Insurance Scheme Extended to certain areas in the States	46
Kerala and Madras: Employees' State Insurance Act, 1948, extended to certain areas in the States	47
LIST OF ARTICLES	49

CHAPTER I. INTERNATIONAL LABOUR ORGANISATION

12. Activities of External Services

India - March-April 1968.

Meetings.-

During the period under review the Director attended the following meetings:

- a. On 7 March 1968 the Director attended a meeting called by the U.N. Resident Representative to meet the Executive Director of U.N.I.D.O.
- b. On 11 March 1968 the Director attended, by special invitation, the 8th Session of the Committee on conventions held under the Chairmanship of the Labour Secretary.
- c. On 24 March 1968 the Director on special invitation presided over a seminar on Industrial Peace through Balanced Wage Structure organised by Indian Engineering Association (Northern Region) at Faridabad.
- d. On 20th and 21st April, the Director attended, by special invitation, the 25th Session of the Indian Labour Conference, held at New Delhi under the chairmanship of the Union Minister of Labour and Employment.
- e. On 21st April, the Director attended the first meeting of the National Committee for celebration of the Fiftieth Anniversary of the ILO held under the Chairmanship of the Labour Minister.
- f. On 25 April the Director addressed an Asian Trade Union seminar organised by the A.I.T.U.C. The subject of his talk was about the ILO, what it stands for, how it is constituted and how it functions and what it does. At the end of his address there was a discussion and questions were asked and answered.

CHAPTER 2. INTERNATIONAL AND NATIONAL
ORGANIZATION

India - March-April 1968

21. United Nations and Specialised Agencies

Seminar on International Commercial Arbitration
Held at New Delhi, 18 March 1968: World Court
for Commercial Arbitration Suggested

A two-day seminar on international commercial arbitration under the auspices of the Indian Council of Arbitration was held at New Delhi on 18 March 1968. The seminar was inaugurated by Chief Justice Mr. M. Hidayatullah. Among others, the seminar was addressed by Mr. L.N. Birla, President of the Indian Chambers of Commerce and Industry and Mr. Hironori Tabimoto of Japan Shipping Exchange. In his inaugural address the Chief Justice of India suggested that a permanent court of commercial arbitration be set up at the international level to tackle problems arising in international commercial arbitration.

He, however, did not favour the suggestion that the International Court of Justice should hear private parties. Nor did he think that its statute should be amended to enlarge its jurisdiction. These he said, would "ruin a court which has not covered itself with glory after the South-west Africa crisis."

(The HINDUSTAN TIMES, 19 March 1968)

24. Non-Governmental Organisations (International Regional and National) other than Employers' and Workers' Trade Organisations

India - March-April 1968.

The Asian Trade Union Seminar organised by the AITUC was held at New Delhi from 16-30 April 1968. The Seminar was attended by participants from Japan, the Philippines, New Zealand, Malaysia, Ceylon, Australia, Nepal and India. Among others, the Seminar was attended by Mr. P.M. Menon, Director of the Branch Office, New Delhi, on behalf of the I.L.O. Justice P.B. Gajendra

Justice P.B. Gajendragadkar who also addressed the Seminar said that the flourishing of trade unionism was a healthy sign of democracy. The progress of Industrial jurisprudence was satisfactory in the country. He said that in a socialist society every worker must get a living wage. Referring to the judiciary's role in the development of industrial jurisprudence, Mr. Gajendragadkar said that the judiciary had always tried to harmonize the conflicting claims of Employers and Employees. He did not like the attitude of employers who complained against the wage structure fixed by the Government. The judiciary had the power to impose a wage structure. He concluded by saying that employers and employees should learn the basic concepts of socio-economic justice.

(Documents of the Seminar were forwarded to Geneva/Bangkok vide this office minute F.6/3373/68 dated 30 April 1968.)

(The HINDUSTAN TIMES 19 April 1968)

4

25. Wage Earners' Organisations

India - March-April 1968

Thirteenth Annual Conference of the Indian National Mine Workers Federation held at Dhanbad 17 April 68.

The 13th annual Conference of Indian National Mine Workers Federation was held at Dhanbad on 17th April 1968. Mr. Michael John presided over the Conference. The Conference was inaugurated by Mr. Chenna Reddy, Union Minister for Steel, Mines and Metals.

Delivering the presidential address Mr. Michael John said that with the background of rising prices it was not surprising that even those workers in coal, iron-ore, lime stone and dolomite mines who got the full benefit of the accepted recommendations of their respective wage Boards did not feel the impact of increased wages.

Mr. Michael John said that although the value of mineral production had gone up from Rs. 710 million in 1951 to 2470 million in 1966 and the productivity of the mine workers were being in sub-human conditions while plans and programmes of industrial production were carried out with vigour and enthusiasm there was corresponding apathy and indifference to the problem of providing primary necessities of life to the workers. The degree of social security that the workers in the mining industry deserve had not been achieved yet. He said the bipartite agreement regarding the abolition of contract system in the coal industry still remained unimplemented and it was unfortunate that the employers were delaying its proper interpretation and implementation. He hoped that the Government would refer this long-standing dispute without any further delay to the Court of Enquiry as was decided at the last meeting of the Central Implementation and Evaluation Committee on coal mining. The President stressed the necessity of raising the present low rate of compensation to a level which would act as a deterrent to neglect of safety provisions. He therefore suggested modifications in the Workmen's Compensation Act so as to provide for injury leave up to at least six months with full pay in addition to free hospitalization. He appealed to the employers to adopt a more

5

enlightened policy and urged upon Government to see that its conciliation machinery was made more effective so that the drift to chaos and anarchy was arrested. Concluding his speech the President appealed to the Workers to develop their own strength and solidarity and not rely upon any other agency for the redress of their grievances and furtherance of their interests.

General Secretary's Report.- The Secretary presented his report to the Conference which reviews the activities and progress of the Indian National Mines Workers' Federation during the year 1967-68. The report, among other matters has dealt with rise in prices, wage boards, Industrial Relations, situation in the Coal Mining Industry; non-payment or delayed payment of profit-sharing bonus, abolition of contract and C.R.O. systems, situation in mines other than coal, safety, social security and welfare measures.

Resolutions.- Adopting a resolution on Coal Wage Boards the Federation protested against the delay by Government in accepting in full the recommendations of Wage Board and demanded that the Employers in the Coal Mining Industry to implement the accepted recommendations in full. By another resolution the conference urged the Government to set up wage Boards for Mica, fireclay chinaclay and other mines.

(Documents of the Conference received in this Office.)

6

28. Employers' Organisations

India - March-April 1968

41st Annual Session of the Federation of
Indian Chambers of Commerce and Industry
held at New Delhi, 30 March 1968.

The 41st annual session of the Federation of Indian Chambers of Commerce and Industry was held at New Delhi on 30 March 1968. Mrs. Indira Gandhi, the Prime Minister of India inaugurated the session. The session was presided over by Mr. L.N. Birla.

Presidential address:- Addressing the session Shri L.N. Birla, President of the F.I.C.C.I. said that the country was faced with the great challenge of relieving the distress of the teeming unemployed millions. He suggested that more public spending on roads, power, hospitals, drainage, housing and the like would be conducive to growth as well as employment. Between the objective of economic development and the creation of many new jobs a workable relationship had to be established. Employment must be made free and productive in the sense that there was the fullest possible opportunity for every citizen to qualify and to take up a job for which he was suited in any part of the country. Also, education and training facilities should be provided on an adequate scale. Jobs, however, could be created only when the economy becomes dynamic and moves in response to an expanding demand for goods and services in general. Speaking about the public sector enterprises, Mr. Birla said that as taxpayers and citizens, businessmen were anxious to see that the public sector enterprises run well, earn well and bring revenue to the government. A lot of money had been spent on these projects, most of which were not giving a good return. There was general agreement that their management required to be more efficient. An immediate problem for the public and private sectors alike was the utilisation of idle capacity. This meant that the industrial units must be enabled to activate idle capacity and find a market for what was produced. If existing industry could

7

become viable, it was futile to expect that industrial expansion through new units would take place. Management must become more cost and quality conscious and also strive for economic operation, amalgamation, diversification, expansion, or, where necessary, decentralisation and dispersal.

Shri Birla severely criticised the taxation policy of the Government which was uneconomical for the Government, unwanted by the economy and unhelpful to the people. Some of the budget proposals for 1968-69 were no doubt intended to stimulate activity in selective areas but unless the reliefs tended to become broad-based, the much needed overall stability and a sustained spurt in activity would not spring forth. Mr. Birla, however welcomed the monetary strategy and steps taken by the Reserve Bank of India to liberalise bank credit for industry and commerce. Mr. Birla felt that the liberalisation of the structure of food controls was essential if farmers were to take advantage of increased production to improve their earnings. For rural savings to improve it was not enough if rural production or even rural incomes went up. If the farmer's propensity to consume was helped and encouraged his disposition to produce more and earn more would be stimulated and this would increase his capacity to save.

Resolutions.— Among the more important resolutions which were adopted by the session related to export promotion - Policy and Programmes, cotton textile industry, economic situation and the role and Problems of Trade in a changing economy.

Adopting the resolution on Export Promotion Policy and Programmes, the F.I.C.C.I. session referred to the fact that the devaluation of the rupee had not produced the expected results and recommended various steps to stimulate exports - such as (i) creation of a suitable export climate; (ii) diversification of export and placing greater emphasis on exporting finished and semi-finished goods in preference to raw materials; (iii) adoption of latest technological developments for the development of products for export; (iv) linkage of exports and imports to create additional incentives for exports; (v) establishment of an appropriate machinery within the Government to take quick decisions on all matters affecting export efforts, etc.

8

The resolution on cotton Textile Industry regretted the continued apathy of Government to the travails of cotton textile industry and the attempts in some quarters to belittle the gravity of the situation by putting the whole blame on the so-called mismanagement of mills. The Federation considered that the recent Cotton Textile Companies (Management of Undertakings and Liquidation or Reconstruction Act) authorising Government to take over and run or sell in auction cotton textile units was a remedy worse than the disease. The Federation considered that removal of the malaise prevailing in the textile industry was of crucial importance in fighting recession in the economy and called upon Government speedily to apply remedial measures, viz., abolition of the control on cloth prices, reduction of sales tax on cotton, augmenting resources of the self-financing scheme of the industry for promotion of exports, speedy arrangements for making finance available to the industry on easy terms for rehabilitation and modernisation. On the resolution of economic situation the Federation was of the view that a bolder approach was required to create an environment for economic growth which was necessary to provide large employment opportunities and improve the standard of living of the masses of the people. Among others measures the Federation suggested the activation of the capital market which had been depressed, lowering of the lending rates by commercial banks and financial institutions, improvement in the running of Government enterprises, and the development of small enterprises.

Shri Gujarmal Modi was elected the President of the F.I.C.C.I. for the year 1968-69.

(Documents received in this Office)

9

Chapter 3. Economic Questions.

32. Public Finance and Fiscal Policy

India - March-April 1968

Bank rate Reduced from 6 to 5 per cent. to
Promote Economic Recovery

The Reserve Bank of India announced on 2 March 1968 an immediate reduction in the bank rate from 6 per cent. to 5 per cent. in keeping with the overall policy to promote economic recovery in the context of the increase in agricultural production. Simultaneously the Reserve Bank also announced reduction in the lending and deposit rates of banks and a further lowering of the concessional rates for export finance. The Reserve Bank also announced continuance of its concessional lending to co-operative banks. This would enable co-operative banks also to make a proper reduction in the rates charged by them on their advances.

(The Statesman, 3 March 1968)

Boothalingam's Report on Rationalisation
and Simplification of Taxes placed before
Parliament on 5 March 1968.

Mr. S. Boothalingam, former Finance Secretary to the Government of India, has suggested the introduction of a general excise duty of 10 per cent. on all production. In his final report on rationalisation and simplification of taxes, presented to Parliament by Deputy Prime Minister Morarji Desai on 5 May 1968. Mr. Boothalingam has suggested drastic and far-reaching changes in the structure of direct and indirect taxes as well as in their collection procedures. The raising of the exemption limit for income-tax from the present level of Rs.4,000 to Rs.7,500 for individuals and fixing the limit at Rs.10,000 or Rs.11,000 for Hindu undivided families is the most important suggestion made in regard to personal taxation.

Other recommendations include the adoption of a uniform rate for all domestic companies, and amortisation of capital expenditure.

(The HINDUSTAN TIMES, 16 April 1968).

35. Productivity

India - March-April 1968.

Problems of Productivity Measurement*

Higher productivity is undoubtedly a major source of increment in income which is often a basis of serious bargaining and sometimes of disputes. It can, therefore, be readily understood that measurement of productivity could be seriously affected to suit the rival claims at the bargaining table, i.e., that of labour and management. This raises a serious question about the meaning and measurement of productivity. An article on the Problems of Productivity Measurement which has appeared in April 1968 issue of the Indian Labour Journal describes the concept and definition of productivity and deals with the various problems involved in the measurement of productivity. According to this article, the productivity index in cases of Jute, Sugar, Paper, Matches and Cement industries has generally remained at about the same or below base year levels while that for Cotton Textiles after reaching a peak by 1955 has registered a continuous decline to revert to base year level by 1963. On the other hand, the total productivity in Glass, Ceramics and Hydrogenated Oil industries has registered almost phenomenal increase. In all the 8 industries, i.e., except Jute Textiles, real wages have all the time been going up while those in Jute Textile industry also, they are substantially higher than the base year although after reaching a peak level by 1955, there has been some marginal decline. Real wages in these selected industries have borne little relationship with productivity trends. Increase in real wages in Jute, Sugar, Paper, Matches and Cement (where productivity has not made material headway) has been substantially higher while they have not kept pace with the increase in productivity in Glass, Ceramic and Hydrogenated oil industries, where productivity increase has been phenomenal.

Comparing the trends in Labour Productivity alone with real wages, both the characteristics have been generally moving upwards. While increase in labour productivity and real wages has been more or less equal in Jute, Cotton, Textile, Matches and Cement, the increase in labour productivity has been substantially higher than real wages in Paper, Glass, Ceramics and Hydrogenated oil industries and in Sugar industry increase in

Labour productivity has generally lagged
behind that of real wages.

(Indian Labour Journal, Vol. IX, No.4, April 1968
pp. 401-419).

36. Wages

India - March-April 1968.

Report on the Working of the Fair Wage Clause and Central Public Works Department Contractors' Labour Regulations for the year ending 31 December 1966.*

A summary of the report issued by the Chief Labour Commissioner (Central) on the working of the Fair Wage Clause and Central Public Works Department Contractors' Labour Regulations for the year ending 31 December 1966 has appeared in March 1968 issue of the Indian Labour Journal. During the year under review the clause and the Regulations covered about 3,880 contractors' establishments employing 27,987 workers on an average. The corresponding figures for the previous year, 1965 were 6,575 and 36,105 respectively. The Labour Officers of the Central Industrial Relations Machinery inspected 1,666 and 536 establishments respectively during the year, 1966 as compared to 2441 and 647 establishments inspected by these authorities during the previous year. Thus, by the end of 1966 the Labour Officers of the C.P.W.D. and the Officers of the CIRM together had completed inspection of about 57 per cent. of the total establishments as against 59 per cent. of these establishments inspected during last year.

As a result of these inspections 6,954 irregularities of various types were detected during the year under review as against 10,022 during the previous year. Out of the 6,954 irregularities detected during 1966 the largest number of irregularities i.e. 1,583 or about 23 per cent. related to non-maintenance of wages registers.

The report also describes deductions made from contractors' bills for payment of wages in cases of non-payment and short-payment, appeals and welfare facilities.

(Indian Labour Journal, Vol.IX, No.3, March 1968, pp. 299-302.)

14

MADRAS: Revised Minimum Wages Fixed for
Employment in match and fireworks manufactory

In exercise of the powers conferred under the Minimum Wages Act, 1948, and in supersession of the Government notification dated 25 October 1960, the Government of Madras has fixed the following minimum rates of wages for employment in the match and fireworks manufactory. The minimum rates of wages will come into force on 1 August 1968.

Employment in match and fireworks manufactory.

Match Manufactory

Class of Employees	All inclusive minimum daily rates of wages
(1)	(2)
Class I	Rs.2.90
Class II	Rs.2.50
Class III	Rs.2.10
Class IV	Rs.1.75

MATCH MANUFACTORY

Class I-

Dipping master/Chemical dipping
Wax dipping/parafining.
Fitters
Foremen
Sawmen
Shopping drivers
Peeling drivers

Class II

Side painters
Dozen Gross packing
Band Rolling checkers
Box filling checkers
Paper Cutters.

Class III

Chemical grinders
Frame and box levelling
Cart drivers
Wood cutters
Chemical levellers
Rack arranger
Bundle packing

Class IV

Cleaners
 Watchmen
 Peons or office boys
 Frame carriers
 Frame takers, frame givers and other unskilled mazdoors
 Bhodomin dipping.

<u>Class of work</u> (1)	<u>Minimum rate of wages</u> (2)
Box fillings 10s (colour matches)	10 paise per gross
Box filling 50s (safety matches)	13½ " " "
Band rolling and labelling	5½ " " "
Outer box making	5 " " "
Inner box making	8 " " "
Frame filling upto 17" or 43.18 cm	5 " " "
Frame filling 21" or 53.34 cm.	6 " " "

FIRE WORK MANUFACTORY

<u>Class of Employees.</u> (1)	<u>All inclusive minimum daily rates of wages</u> (2)
Class I	Rs.2.90
Class II	Rs.2.30
Class III	Rs.1.75

Classification Employees

Class I

Chemical mixing
 Chemical dipping
 Chemical filing
 Paper caps dipping

Class II

Paper caps dozen and gross packing case packing
 Loading and unloading.

Class III

Paper caps pasting to pressing general
 (any other categories of workmen who were not dealt with above).

<u>Class of Work</u>	<u>Minimum rate of wages</u>
(1)	(2)
Fuse dipping for 500 fuses of $4\frac{1}{2}$ feet or 1.37 metre in length	43 paise
Fuse warpping per gross	10 $\frac{1}{2}$ paise
Fuse fixing - per ring of 700 shells	15 paise
Labelling - 1000 labels	13 paise
Plaiting - For 100 sarams of 32 units	42 paise
Plaiting - For 100 Sarams of 40 units each	45 paise
Packing - Per case of 320 packets	Rs.2.75
<u>Chorsas (Medium and Big)-</u>	
Fuse dipping for 500 fuses of $4\frac{1}{2}$ feet or 1.37 cm. in length	43 paise
Fuse wrapping - Per gross	10 paise
Fuse fixing - per ring of 500 shells	14 paise
Labelling - 1000 lables	13 paise
Plaiting - 100 sarams of 56 units each	80 paise
Packeting - Per case of 1000 packets	Rs.2.75
<u>One Sound Crackets-</u>	
Fuse dipping (for 500 fuses of $4\frac{1}{2}$ feet or 1.37 cm) in length	43 paise
Fuse wrapping - Per gross	10 paise
Fuse tying - per gross	9 paise
Paper rolling - per gross	17 paise
Packeting - Per 1000 packets of 5 each	Rs.2.75
<u>Atom Bomb</u>	
Jute winding - Per 100 shells	35 paise
Fuse fixing - 100 shells	10 paise

Wire chackers (stripped)-

	<u>Tirapping</u>	<u>Winding</u>
5½" or 13.97 cm.	4 paise	7 paise
7½" or 19.05 cm.	4 paise	8 paise
10½" or 26.67 cm.	4½ paise	9 paise
21" or 53.34 cm.	7½ paise	17 paise
31" or 78.74 cm.	9 paise	21 paise

Zamine chockers (stripped)-

5½" or 13.97 cm.	3 paise	6 paise
7½" or 19.05 cm.	3 paise	8 paise
10½" or 26.67 cm.	3 paise	9 paise
21" or 52.34 cm.	4½ paise	17 paise
31" or 78.74 cm.	6 paise	21 paise

Class or work (1)	Minimum rates of wages (2)
<u>Pasting label, kuppi and board (for chackers)-</u>	

5½" or 13.97 cm.	6 paise
7½" or 19.05 cm.	7 paise
10½" or 26.67 cm.	7½ paise
21" or 53.34 cm.	9 paise
31" or 78.74 cm.	10 paise

Packing (Wire and zamine chackers)-

5½" or 13.97 cm.	3 paise per gross (four boxes).
7½" or 19.05 cm.	do
10½" or 26.67 cm.	do
21" or 53.34 cm.	do
31" or 78.74 cm.	do

Sparkers-

Frame filling - Per 100 frames	Rs.1.30
Box filling - per gross boxes or per bundle	10 paise
Dozen and bundle pack - for one gross boxes or one bundle	5 paise

Silver twinkling 2 feet or 60.96 cm-

Flower pots Wrapping and folding per gross 15 paise

Foil pasting	Per tray (medium 12 paise containing 1½ gross and small 2 gross)
--------------	------------------------------------------------------------------

Bottom cover pasting	Per gross	5 paise
Fuse fixing	Per gross	6 paise

<u>Paper caps</u> - pasting per gross	5 paise
Perforating (dots punching) per 1000 sheets (20x15 dots).	Rs.1.30
Box making per 100 gross sets (inner and outer).	Rs.1.30
<u>Caps filling-</u>	
Dot caps - Per gross boxes (30s)	5 paise
Roll caps - Per gross boxes (30s)	6 paise
Roll caps cutting - 100 sheets	15 paise
Tray arranging in splints and veneers factory	15 paise per 100 gross
Veneers Building	50 paise for 100 gross
Clerks and Supervisors	Rs.75 per mensem

Classification of employees into Grades I and II is based on physical capacity, skill, efficiency and out-turn or work.

(1) Children wherever employed shall be paid half the rates fixed above.

(2) Wherever wage periods fixed vary, the wage shall be calculated for the wage period so fixed and paid, that is where the wage period is fixed as a week, fortnight, or month, the daily rates fixed above shall be multiplied by seven, fifteen or the number of days in the month respectively.

(3) Wherever the wages are to be fixed by the day in respect of categories for which monthly rates have been fixed, the minimum rates of wages per day shall be calculated by dividing the monthly rates by the number of days in the month.

(4) Where any category of workers are actually in receipt of higher rates of wages than the statutory minimum rates of wages fixed, they shall continue to get the benefit of the higher rates of wages.

(G.O. Ms No.725, Industries, Labour and Housing
(Labour), 22nd February 1968, Fort St. George
Gazette, Part II Sec. I, 13 March 1968, pp.
434-435).

Madras: Minimum Wages Act, 1948, extended to
Employment in boat working in minor ports

In exercise of powers conferred under the Minimum Wages Act, 1948, the Government of Madras has added to Part I of the schedule of the said Act "employment in boat working in minor ports".

(GO Ms 2786 Industries, Labour and Housing (Labour) dated 1 September 1967 St. George Gazette, Part II Sec. I 17 January 1968, p.89).

Implementation of Journalists Wage
Board Recommendations Assured by
Union Labour Minister

The Union Minister for Labour and Employment Mr. Jaisukhlal Hathi made it clear in the Rajya Sabha on 22 March 1968 that the Government would ensure the implementation of the journalists' wage board recommendations wherever the newspaper establishments had not done so and the employees had filed applications for recovery of wages. Mr. Hathi said he had requested the State Governments and also written personal letters to Labour Ministers to take "immediate action for recovery of wages" in case of non-implementation under the land revenue code.

In regard to non-journalists' wage board Mr. Hathi said it was not a statutory body the dispute would have to be settled by negotiations taking the wage board recommendations as the basis for talks. He understood that at the moment some negotiations were going on between the parties concerned both in Calcutta and Delhi.

(The STATESMAN, 23 March 1968)

39. International Economic Relations

India - March-April 1968

Trade Agreement Signed between India and the
Philippines

The first trade agreement between India and the Philippines was signed in New Delhi on 26 March 1968.

The agreement among other things provides for mutual exchange of goods, expansion of bilateral trade and lists broadly the commodities available for export from each country.

(The Statesman, 27 March 1968)

22

Chapter 5: Working Conditions and Living Standards.

51. Hours of Work

India - March-April 1968

Annual Report on the Working of the Hours of Employment Regulations on Railways for the Year 1966-67*.

A review of the annual report on the working of the Hours of Employment Regulation on Railways for the year 1966-67 has appeared in April 1968 issue of the Indian Labour Journal. The article after describing the scope and application of the Regulations, classifies railway servants under one or the other of the four categories viz. (i) Intensive, (ii) Continuous, (iii) Essentially Intermittant and (iv) excluded with the statutory hours of duty and periodic rest for these categories.

Inspections and Irregularities.- During the year under review 8,982 establishments were inspected by the field officers as against 8,537 establishments inspected during the previous year. The number of irregularities detected was 79,301 as against 71,929 during the previous year.

Rectification of Irregularities.- All the 79,301 irregularities detected during the year were reported to the Railway Administration during the year and in addition 28,108 irregularities were pending rectification at the close of the previous year. This out of the total of 1,07,409 irregularities, the Railway Administration rectified 57,952 (53.95 per cent.) irregularities during the year under report leaving a balance of 49,457 (46.05 per cent) irregularities at the close of the year.

The Officers of the Central Industrial Relations Machinery were vigilant and took necessary action to ensure that the railway employees enjoyed the benefits conferred upon them by the Regulations.

(Indian Labour Journal, Vol.IX, No.4. April 1968, pp.451-455.)

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS

INDIA - MARCH-APRIL 1968

52. Workers' Welfare, Recreation and Workers Education

Conditions of Employment of Handicraft Workers*

In view of the important role which the handicrafts play in both the national economy and foreign trade of India, the All-India Handicrafts Board undertook in 1965 a field study into the working conditions and employment of handicrafts workers. The results of the study have been published in this article which appeared in March 1968 issue of the Indian Labour Journal. The following is a brief summary of the study.

Handicrafts workers are predominated by adult males accounting for 93.3 per cent. of the total. Female and child labour account for 6.1 per cent. and 0.6 per cent. respectively. No doubt, there may be a considerable improvement in the proportion of the latter two groups in the family labour, yet, the dominance of male labour remains a fact. This being the overall position, in leather, toys making, embroidery and papier mache crafts, women workers account for a little over one-fourth of the total employment. Thus, employment of paid females is conditioned by suitability of work and location of units. While percentage of literacy seems to be impressive at two-thirds of the total, level of education is low. 94.0 per cent. of the literate workers have not studied beyond the 8th standard.

The overall average daily wage rate in the handicraft centres surveyed works out to Rs.3.44 for males, Rs.2.39 for females and Re.0.80 for children. There are variations in the average wage rates from craft at different places of concentration. In fact, there does not appear to be any standardisation of wages in the handicrafts sector. The influence of tradition and social customs seems to exert influence on fixation of wages. For fixation of minimum wages in various locations in the sector, regional considerations, skill of artisans, economic status of craft, place of work etc. may have to be kept in view.

While there is admittedly room for increasing his income by improving skill and use of improved tools and small machines, continuous flow of new entrants into the sector to the desired extent and continuation of present labour force in future will to a large extent depend on provision of protective and welfare measures such as minimum wages, bonus, gratuity, permanency of employment, provident fund and medical aid and adequate facilities for training. Only then the handicraft sector will be in a position to step up production, enhance supplies to markets and earn more foreign exchange. Extension of markets is now fundamentally a problem of increased production of standard goods which in itself is dependent, almost wholly, on flow of new entrants into the sector, establishment of organised manufacturing units and broadening the capital base of the existing units.

(The Indian Labour Journal, Vol. IX, No.3,
March 1968 pp.284-298.)

56. Labour Administration

India - March-April 1968.

Annual Report 1967-68 of the Ministry of Labour and Employment Published - Labour Problems Reviewed

The report on the activities of the Department of Labour and Employment, Ministry of Labour, Employment and Rehabilitation during the year 1967-68, which has been recently published by the Government is in two volumes. Volume I covers the activities of the Department in the fields of industrial relations, Wages, Social Security, Working Conditions and allied matters. The activities in the field of Employment and Training are reviewed in Volume II. The following are some of the salient features of the Report:

General Labour Situation.- Reviewing certain significant features of the economy during the year 1967-68 such as set back in agricultural production, slackness in Industrial growth and the rise in wholesale prices and the working class consumer price Index, the report points out that these developments had their impact on industrial relations situation during the year. The country lost 9.92 million (provisional) man-days in 1967 on account of strikes and lockouts as compared to 13.85 million man-days lost in 1966.

In the Central sphere, the situation was relatively peaceful in Railways, Defence establishments, and Insurance companies. But the atmosphere was disturbed in mines, ports and docks and in the air transport industry. The banking industry maintained an atmosphere of stable industrial relations. The industrial Committee on Banking Industry recently constituted by Government to discuss problems peculiar to the banking industry may help in improving employer-employee relations.

In the coal mines there were 257 strikes and 5 lockouts during April to December 1967 resulting in a loss of 9.28 lakh man-days as against 110 strikes, 5 lockouts and 1.79 lakh mandays lost in 1966. In mines, other than coal and

in oil fields there were 91 strikes in 1967 accounting for 11.22 lakh man-days lost as against 0.82 lakh man-days lost in 1966. During January-February 1968, there were 12 more strikes resulting in a loss of 1.64 lakh man days.

Workers had to undergo hardship owing to lay-off and retrenchment particularly in the engineering and cotton textile industries. As against 29 units which remained closed at the beginning of 1967, 32 units were not working at the end of the year. The number of workers affected also increased from 39,400 to 42,900. One of the remedial measures contemplated by the Government is to take over the sick units and keep them running. Necessary legislation has been enacted for the purpose.

Prevention and Settlement of Industrial Disputes.— On the legislative side, the Industrial Disputes Act 1947 continued to govern industrial relations in the country. On the voluntary side, the code of Discipline in Industry and Industrial Truce Resolution continued to be the main instruments for the prevention and settlement of industrial disputes. The Working of the voluntary machinery can be judged from the data given below:

	<u>Code of Discipline and Industrial Truce Resolution</u>		
	1965	1966	1967
No. of complaints received	1,399	864	442
No. of complaints not requiring any action.	233	154	100
No. of complaints requiring action	1,166	710	342
Of those requiring action, percentage of complaints:			
(a) Not substantiated on enquiry	7	13	12
(b) Where the breaches were set right or settled otherwise	44	62	59
(c) Under investigation	49	25	29

The Ministry of Defence have agreed in principle to apply the Code to their public sector undertakings worked as companies. During the year 1967, 11 cases of alleged violation of the Code of Conduct were received. Of these 3 did not require any action. Five were forwarded to respective State governments and one was not substantiated on enquiry. In two cases, the breaches were brought to the notice of erring parties.

The Conciliation machinery set up under the Industrial Disputes Act 1947 continued to play its role in bringing the parties together and exploring ways of amicable settlement. The following table shows the functioning of the Central Industrial Relations Machinery:

	1965	1966	1967
No. of disputes referred to industrial Relations Machinery	5,705	5,695	5,813
No. of failure reports received	625	737	750
(i) Of (2) above, No of disputes referred to adjudication	291 (47%)	255 (35%)	230 (31%)
(ii) Of (2) above, No. of disputes referred to arbitration	169 (27%)	108 (15%)	108 (14%)

It will be seen that there was a slight decrease in the percentage of cases referred to arbitration and adjudication in 1967 as compared to 1966. In order to promote greater recourse to voluntary arbitration for resolving disputes, a tripartite National Arbitration Promotion Board had been set up.

Joint Consultation.- Joint Management Councils were set up in 46 establishments in the public sector and 85 establishments in the private sector. More or less similar arrangements were made in the State Bank of India.

Wage Boards.- During this year the Wage Boards for working journalists, non-journalists employees of Newspapers and the second Wage Board for Cement submitted their final reports. The recommendations of the first two were generally accepted by the Government; these of the third were also accepted with certain modifications. Government also accepted the main recommendations of the Coal Wage Board. The interim recommendations made by the second Wage Board for the Sugar Industry and the Wage Board for Road Transport Industry have been accepted by Government. The following table indicates the position in regard to the Wage Boards set up since 1957:

Wage Boards which have given recommendations and which have been implemented

Cotton Textiles, Cement, Sugar (1st Wage Board), Jute, Iron and Steel and Coffee Plantations.

Wage Boards which have given final recommendations and which are now being implemented.

Tea and Rubber Plantations, Non-Journalists Employees of Newspapers. Working Journalists, Iron Ore Mining, Lime Stone and Dolomite Mining, Coal Mining and Second Wage Board for Cement Industry.

Wage Boards which have given interim recommendations and which have been more or less implemented.

Port and Dock Workers' Wage Board (D.A. and 1st Interim increase).

Wage Boards which have given interim recommendations and which are being implemented

Wage Boards for Port and Dock Workers (2nd interim increase), Engineering Industries, Leather Goods Industries, Heavy Chemicals and Fertilizers, Road Transport and Electricity Undertakings and Second Sugar Wage Board.

Wage Boards which have not yet made any recommendations.

Second Wage Board for Cotton Textiles.

The Minimum wages Act 1948 continued to provide wage protection to persons employed in unorganized industries. The question of minimum wages for agricultural labour was discussed at a seminar in 1965. A committee set up by this Seminar considered the question of Fixation and revision of minimum wages for agricultural labour ~~was~~ and made certain recommendations which have been brought to the notice of the State Governments.

Social Security.- In the field of Social Security, the coverage of the employees State Insurance and Employees Provident Fund Schemes has been enlarged. During the current year the ESI scheme was extended to an additional 16,100 employees bringing the total number of workers covered to over 3.23 million in 285 Centres. In 274 centres medical benefits were extended to the families of insured persons bringing the total number of beneficiaries to about 13.44 million.

Steps were also taken to improve the quality of the services rendered by the Corporation.

The Employees Provident Funds Act was extended to six new industries in the current year bringing a total of 112 industries and classes of establishments under the purview of the Act. The membership of the Fund increased from 4.90 million at the end of 1966-67 to 5.1 million at the end of November 1967. The rate of contribution under the E.P.F. Act was increased from $6\frac{1}{2}\%$ to 8% in 17 more industries, bringing the total number of industries to which the enhanced rate of 8% now applies to 71.

The Coal Mines Provident Fund Scheme 1948 was extended to 10 new Coal Mines raising the total to 1,297 at the end of December 1967. There were 3.68 lakh subscribers to the Fund on March 31, 1967. During the period April 1967 - February 15, 1968, 30,606 persons were enrolled as new members. A pilot Scheme of unemployment insurance for the members of the Coal Mines Provident Fund has been formulated and is being processed in consultation with State Governments.

Working Conditions and Welfare.- The Working Conditions in factories and mines are being regulated by the Factories Act 1948 and the Mines Act 1952. Apart from these legislative measures, there was considerable activity for popularising various safety measures.

National Safety Council for industries other than mines was set up in March 1966. The council enrolled 120 members during the year. The main aims of the council are promotion of safety measures in industry and collection and dissemination of up-to-date information on accident prevention in various industries.

The National Council for Safety in Mines which was set up in July 1963, continued to provide Safety education and propaganda in mines. In addition to its normal activities like holding of Safety and accident prevention classes and observation of safety weeks in various mines, the council held a training course for the instructors of a vocational Training Centre. The Council was also rendering assistance in organising Pit Safety Committees. At the end of October 1967, the number of such Committees functioning in Coal Mines was 408 and that in non-coal mines 217.

The activities of the Welfare Funds for Coal and Mica mines continued to expand. The Iron Ore Mines Labour Welfare Fund provided medical, educational recreational and other facilities for the iron ore miners. Central Advisory Boards were set up during the year for the Mica Mines Labour Welfare Fund and the Iron Ore Mines Labour Welfare Fund.

The number of consumer stores on fair price shops opened so far for the benefit of Industrial Workers comes to 2789. Twelve whole-sale Central Stores and 373 primary stores were functioning in the Coal fields. These stores have set up with financial and managerial assistance from the respective welfare funds.

Training and Education.— Training of officers administering labour policies and programmes continued to receive adequate attention. Advantage was taken of the training facilities under the Indo-US Technical Co-operation Programme, Colombo Plan, Indo-French Technical Programme, and the ILO Expanded Programme of Technical Assistance. Training facilities were also rendered to other countries under the programmes. The ILO and USAID provided the services of experts in vocational guidance, Industrial Physiology and Labour Statistics. It was also possible for the department to place the services of three more officers at the disposal of ILO and one officer under Colombo Plan Programme.

The Central Institute for Training in Industrial Relations provided training facilities to officers of the Central and State Governments as well as public undertakings. The Institute which was set up in 1964 had so far conducted ten courses and trained 204 officers including those from foreign countries.

The Scheme for workers Education operated through the Central Board for workers Education continued to maintain progress over 6 lakh workers and 12,000 worker-teachers were trained under the scheme. The Board brought out a number of publications. The Scheme of grants-in-aid was expanded to include short-term courses like one-day schools, three-day seminars, one-week camps and study-circles.

Plan for 1968-69.- The Plan proposals of the Department for 1968-69 were discussed with the Planning Commission and the State governments in November-December 1967. The bulk of the Plan provision is for craftsmen training Programme and Employment Service Schemes. For the other Schemes of the Department a sum of Rs.88 Lakhs has been provided for. The following table gives the outlays, for different groups of schemes:

	<u>Rs.in lakhs</u>
(i) Safety, productivity, etc.	24.7
(ii) Industrial Relations	20.1
(iii) Labour Welfare and Social Security	13.6
(iv) Research and Surveys	11.6
(v) Dock Labour Housing	18.0

Under Safety and Productivity it is proposed to impart training in the field of productivity to the managerial and supervisory staff as well as workers and to make the mining and industrial safety legislation more effective. In the field of industrial relations, the programme envisages the establishment of a Research Commissioners organisation to undertake research in Industrial Relations, under the Labour Welfare Schemes emphases will continue to be placed on workers Education Programme. Under research and surveys major part of the outlay will be ear-marked for field surveys and studies to be undertaken by the Labour Bureau. Under Dock Labour Housing it is proposed to construct about 788 new houses during the year.

National Commission on Labour.- The National Commission on Labour is making satisfactory progress in its work. Of the 37 study groups/Committees set up by the Commission, twelve have already submitted their reports. Its recommendations, which are expected to be available next year will provide guidelines for the reshaping of labour policy for the future.

Among other things, Volume II of the report deals with programmes of craftsmen training and manpower and employment. The Directorate-General of Employment and Training is in charge of the development and instruction of programmes, relating to Employment and vocational Training on a national basis.

A copy each of the volume I & II of the Report of the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) was sent to Geneva on 14 May 1968 vide this office minute D.2/3772/68 dated 14.5.1968).

(Report 1967-68, Ministry of Labour and Employment and Rehabilitation (Department of Labour and Employment) Government of India, New Delhi Vol I PP. 96 Vol.II pp.45.

Chapter 6. General Rights of Workers.

33

61.A. Discrimination in Employment and Occupation

India - March-April 1968

Linguistic Minorities Report placed before Rajya Sabha on 8 May 1968: States Urged not to insist on language qualifications for Recruitment

The Commissioner for Linguistic Minorities placed his eighth report on the table of Rajya Sabha on 8 May 1968. The Commissioner said in the report that in many cases there was "a big time lag" between complaints by linguistic minorities and decisions on them by State Governments which tended to create a sense of frustration in the minds of minority language groups". Any impediment in the machinery which hindered prompt action should be removed in the interest of growth of mutual understanding among groups and national integration.

On recruitment to State services, the report criticized the Orissa Government's insistence on the regional language qualification at the time of recruitment though it had earlier dispensed with the language qualification. "Thus the recent action of the State Government amounts to putting back the clock of national integration". The report also mentions UP, Punjab and Maharashtra among States which insist on the language qualification at the time of recruitment. The Commissioner has pointed out to the concerned State Governments that insistence on knowledge of regional languages at the time of recruitment amounts to "indirect imposition of domiciliary restrictions" which were abolished by legislation in 1957.

(The PATRIOT, 10 May 1968)

Men can be promoted as Nursing Superintendents:
Andhra Pradesh High Court Ruling

The Andhra Pradesh High Court struck down on 28 April 1968 in Hyderabad a Government order, dated November 16, 1960, and Rule 2(A) of the Andhra Pradesh Medical Rules by which, men were barred from promotion to the posts of Nursing Superintendents of hospitals.

The High Court delivered the judgement, while allowing a writ petition of a Male Head-Nurse in a Government Hospital, who was the seniormost Head-Nurse in the State by 1955, and was qualified for promotion as Nursing Superintendent, but it was denied to him, under the impugned Government order and the rule and a lady candidate, much junior to him was promoted instead. The Court directed the Government to consider the petitioner for his promotion for the post of Nursing Superintendent.

(Article 16 lays down that in employment under the State, there should be no discrimination on the ground of sex only).

The defence of the Government was that the duties of a Nursing Superintendent were peculiar to women and, therefore, could be discharged efficiently only by women.

Pointing out that men were still being recruited to the Nursing Profession, in the Andhra Pradesh State, the court took note of the fact that there was no distinction between men and women in the matter of recruitment into the Nursing service or their emoluments etc.

(The HINDU 30 April 1968).

Reservation of Seats for Backward Classes in
Andhra Pradesh Medical Colleges held Invalid:
Judgement of Supreme Court

The Supreme Court upheld on 27 March 1968 the judgement of the Andhra Pradesh High Court declaring unconstitutional the orders of the State Government reserving 20% of the seats in medical colleges for candidates of the backward classes.

Dismissing the appeal by the State against P. Sagar on Wednesday Mr. Justice Shah said that the test of the validity of a law alleged to infringe a fundamental right did not lie in the belief of the maker of the law that it was made properly but in the demonstration by evidence and argument before the courts that the guaranteed right was not infringed. In this the material on record did not establish that the criteria adopted for reservation of seats complied with constitutional requirements.

Andhra Pradesh has six medical colleges and the State Government issued two orders on June 15, 1966 reserving the seats for these courses partly for certain categories of persons and a further 20 per cent. for members of the backward classes. It also prepared a list of the backward classes for whom this reservation was designed.

The respondent challenged these reservations in the High Court on the ground that they infringed the fundamental right which guaranteed that the State shall not discriminate against any citizen only on the ground of religion, race, caste, sex or place of birth. The High Court held that the list of backward classes prepared by the State was based on caste and hence offended Article 15 of the Constitution and was ultra vires.

It was argued in the appeal to the Supreme Court that Article 15(4) empowered the State to make laws for the advancement of any socially and educationally backward classes of citizens. In preparing the list of backward classes caste was only one factor and the expert knowledge of the Director of Social Welfare and the Law

Secretary was the basis of the classification. The lists were therefore, within the exception of Article 15(4) and valid.

Dealing with this argument, Mr. Justice Shah said that the criteria for determining a backward class for the purpose of Article (15)4 of the Constitution could not be based solely on religion race, caste, sex or place of birth. The validity of the present law had to be determined by the court on the basis of the material placed before it and it was not sufficient for the Government to assert that it was made after full consideration. Their Lordships found no reason to differ from the view taken by the High Court that the reservation for the backward classes were invalid.

(The STATESMAN, 28 March 1968)

67. Conciliation and Arbitration

India - March-April 1968

Annual Conference of Indian Institute of
Personnel Management held at Calcutta,
2 March 1968.

The annual conference of Indian Institute of Personnel Management was held at Calcutta on 2 March 1968. The conference was inaugurated by Mr. V.V. Giri, Vice-President of India and attended, among others by labour officers or personnel managers drawn from different parts of India.

Inaugural Speech.- In his inaugural address Mr. V.V. Giri, Vice-President of India explained single union formula. According to Mr. Giri's formula the Chief Labour Commissioner at the national level should scrutinize the membership of various unions and cause an election to be held on the basis of the principle of proportional representation by single transferable vote. This body should be able to negotiate with the employers "usefully and on equal terms" on fundamental issues like conditions of service, hours of work and rationalization.

The same process should be followed at the State level too, with the Labour Commissioners doing the job. This Mr. Giri thought will give employers confidence in the "capacity of the new body to deliver the goods" and recognize it without hesitation or reluctance. If this organisation acted in a constitutional and democratic manner, "a time may come when workers will realize the efficacy of a single organization and gradually the unions will emerge together."

In Mr. Giri's view "appropriate labour policy appears essential" to secure workers' co-operation for higher productivity. His prescription, mainly meant for employers, had seven points. These included an all-round determination to co-operate; strengthening of trade union organization; a move to-wards fair wages; an assurance that gains of higher productivity would be shared with workers; and consultation with workers in personnel policy.

The Institutes president, Mr. S. Nageswaran was extremely critical of the "Government's interference" in industrial disputes. In his view instead of imposing a disincentive to industry in all forms of collective bargaining the Government should legislate for recognition of the majority union. He preferred plebiscite to verification of membership as a method of recognition. But whatever the method he added an independent quasi-judicial body should be entrusted with its execution.

The group or syndicate (to use the conference terminology) on the "changing pattern of industrial relations" felt that collective bargaining and compulsory adjudication or voluntary arbitration were not mutually exclusive and could be used to strengthen and supplement each other. And then, it went on to suggest that only after convincing himself that all collective bargaining possibilities had been exhausted by the parties in a dispute, an officer should refer the issue for adjudication.

The syndicate on "Evaluation of the working of wage boards" said that since wage boards "as at present conceived and constituted have not produced the desired results", it was better to rely on collective bargaining for settling wage disputes; and points which were not settled through direct negotiations should be referred to mutually agreed arbitrators and not to compulsory adjudication.

Though there was much emphasis on collective bargaining, the discussions either by the syndicate or at the plenary session did not throw much light on the methods of selection of the bargaining agent. One syndicate thought it desirable that the principles of recognition should be clearly enunciated. But then it went on to merely record in the report: "The principle of recognising unions by ballot as distinct from recognition by verification of membership was examined. There were obviously strengths and weaknesses in both and there was no specific conclusion about the need to change the existing procedure".

(The STATESMAN, 3 & 6 March 1968.)

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES
OF WORKERS

INDIA - MARCH-APRIL 1968.

71. Employees and Salaried Intellectual Workers

Higher DA for Indian Airlines Pilots Recommended
by National Industrial Tribunal

The National Industrial Tribunal has recommended specified grade of dearness allowance for the pilots of the Indian Airlines Corporation with retrospective effect from 28 January 1966. This directive was given on 6 March 1968 by Mr. Veereswar Tyagi who had been appointed arbitrator to settle the dispute between the IAC and the Indian Commercial Pilots Association.

The DA (within brackets) to be paid to the pilots apart from their other emoluments against the respective pay-scale which would include basic pay plus efficiency bonus and command pay is as follows:

Rs.900 (Rs.205); Rs.950(Rs.211); Rs.975 (Rs.214); Rs.1000 (Rs.217); Rs.1050 (Rs.222); Rs.1100 (Rs.227); Rs.1150 (Rs.232); Rs.1250 (Rs.242); Rs.1350 (Rs.252); Rs.1450 (Rs.262); Rs.1550 (Rs.272); Rs.1650 (Rs.282) Rs.1750 (Rs.292); Rs.1800 (Rs.297); Rs.1850 and above Rs.300).

(The HINDUSTAN TIMES, 7 March 1968)

40

Salaries of Reserve Bank Employees Raised:
Award by Arbitration

Under the award of the arbitrator, Mr. T.L. Venkatarama Iyer, retired Supreme Court Judge, the Reserve Bank employees belonging to class III and certain categories of class II will get higher emoluments from 1 January 1966.

The award has raised the basic grade starting from Rs.155 to Rs.192-540 and made it applicable to 25 categories of employees. The arbitrator has categorized the employees covered by the award into nine groups, the first group with 25 categories including clerks and coin-note examiners with the revised scale of Rs.192-8-200-10-230-15-290-EB-15-425-20-465-EB 25/3-540 (23 years).

The scales for Group II and Group III begin at Rs.230 and end at Rs.540 or Rs.560. The starting pay of other groups ranges from Rs.275 to Rs.600 at the maximum ranges from Rs.535 to Rs.960.

The provisions of the award relating to scales of pay and special pay, officiating pay, family allowance, dearness allowance, house rent allowance and hill and fuel allowances will have retrospective operation from January 1, 1966. The other provision will take effect from the day the award becomes enforceable.

(The STATESMAN, 13 March 1968)

CHAPTER 8. MANPOWER PROBLEMS

INDIA - MARCH-APRIL 1968

81. Employment Situation

Central Staff Training and Research Institute to be set up in Calcutta with the aid from Federal Republic of Germany

An agreement for the establishment of a Central staff training and research institute at Calcutta with assistance from the Federal Republic of Germany was signed at New Delhi on 26 March 1968.

The Institute will conduct research on a continuous basis to ensure that the standard of training conforms to the most modern techniques. It will evolve syllabi and other teaching devices for technical courses. It will also give advance training in teaching methods to senior officers of training establishments under the Directorate General of Employment and Training.

Of the total cost of Rs.82 lakhs the assistance from the Government of Federal Republic of Germany is estimated to be of the order of Rs.34.50 lakhs. The remaining amount of Rs.47.50 lakhs will be borne by the Government of India.

(The HINDUSTAN TIMES, 28 March 1968,
the AMRITA BAZAR PATRIKA, 18 March 1968)

42

3,087 Engineers Unemployed in Delhi
Admission for new entrants to be
Regulated

According to a survey of unemployed engineering personnel conducted by the Directorate of Employment, Training and Technical Education of Delhi Administration, as many as 803 graduates and 2,284 diploma holders in engineering are jobless in Delhi. The number of job-seekers has been increasing steadily every year. There were 277 jobless graduate engineers in December 1964; the figure rose to 504 in 1965 and 550 the next year. Diploma holders have fared a shade worse. The queue was 817-strong in 1964; the next year it lengthened to 1,261 and in 1966 to 2,146.

The problem is likely to get worse in the next couple of years. The effect of the increases in admission capacity made during the third Plan, particularly under the stress of the border conflict with China, are already showing up in out-turn at the diploma level, but the full impact at the degree level has still to materialise.

A reduction in admissions is now accepted as "inescapable". But to avoid ad hoc cuts by States - technical as well as general education are State subjects - it is proposed to set up a full-time highpowered committee to recommend a new policy for admissions in time for the next session in the light of its assessment of future needs.

(The STATESMAN, 26 March 1968)

CHAPTER 9. SOCIAL SECURITY

INDIA - MARCH-APRIL 1968

XI. Provident Fund

Employees' Provident Fund Scheme - Development Development and Future Plans*

An article on Employees' Provident Fund Scheme - Development and Future Plans, published in March 1968 issue of the Indian Labour Journal briefly describes an outline of the Scheme, the benefits it provides, the manner in which it is administered and the manner in which the funds collected are interested and made available for plan purposes. The Employees' Provident Fund Scheme now covers 110 industries/classes of establishments all over the country and there are plans to extend the Scheme to another 30 industries/classes of establishments within the next year or so. This will bring in the purview of the Scheme practically all defined industries or classes of establishments and there will no longer be any need for drawing a distinction between one type of industry and another for purposes of the Scheme. In fact the present classification has resulted in substantial amount of confusion and administrative inconvenience, both to the establishments as also to the administration. There are several instances where doubt arises whether a particular establishment falls in a particular classified group or not and this has led to several disputes between the establishments and the organisation, which have to be resolved in the court of law. The author of the article suggests that a better alternative at this stage would be to define the scope of the Scheme by reference to the number of persons employed in an establishment irrespective of the type of work they are engaged in. The minimum number for coverage may be reduced to 10 to be ultimately brought down to 5. This will eliminate a large number of disputes on the question of the number of persons employed in a particular unit. In most other countries where statutory provident fund schemes have been established, there is either no minimum employment limit or it is kept at 5 persons.

(The Indian Labour Journal, Vol.IX, No.3, March 1968
pp. 277-284.)

92. Legislation

India - March-April 1968

Recommendations of the Committee on Employees State Insurance Scheme accepted by Government

The Government has accepted 115 of the 164 recommendations of the Committee on Employees State Insurance Scheme either fully or with modifications or in principle. The remaining 49 recommendations are under consideration.

Some of the important recommendations accepted are: Provisional payment upto 75 per cent of permanent disablement benefit, to disabled employees; Time limits for payments for maternity permanent disablement and dependents' benefits may be reduced to 14 days, one month and three months respectively; Appointment of an expert committee to review the schedule pertaining to assessment of loss of earning capacity on permanent disablement. Discretionary powers to medical boards in cases involving schedule and non-schedule injuries; decentralisation of the scheme to ensure that all matters concerning determination of claims for short-term benefits are settled in the local offices; Increase the duration of sickness benefit from 56 days to 91 days and ultimately to 28 weeks.

(The HINDU, 11 March 1968)

Kerala, Mysore and Orissa: Employees' State Insurance Scheme extended to certain areas in the States

^{In} The exercise of the powers conferred under the Employees' State Insurance Act, 1948, the Central Government has appointed 24th day of March 1968 as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force) and Chapters V and VI (except sub-section (1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the following areas.

Kerala State.— The areas within the revenue villages of Perunad, Kulasekharapuram, Krishnapuram; Thazhava, Thodiyoor, Mynagapally. Thevalakkara, Panmana and Karunagapally in the Karunagappally Taluk in the Quilon District.

The area comprising the revenue village of Thiruvallam in the Trivandrum Taluk in the Trivandrum District.

Mysore State.— Area situated within the Municipal limits of Harihar Town.

Orissa State.— Area comprising the revenue villages Kansbahal, Chungimati, Dholua and Panposh, Police Station Rajgangpur in the District of Sundergarh.

(Notification S.O. 1062, 1063, 1061 and 1064 dated 18 March 1968, the Gazette of India, Part II Sec3, sub-section (ii), 23 March 1968, pp.1634-1635).

Madras and Gujarat: Employees State Insurance
Scheme Extended to certain areas in the States

In exercise of the powers conferred under the Employees' State Insurance Act, 1948, the Central Government has appointed the 31st March 1968 as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force) and Chapters V and VI (except sub-section (1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the following areas:-

Madras State.- The area within the Municipal limits of Koilpatti and the area within the revenue village of Ilappaiurani and Thittankulam and

II. The area within the limits of Inam Maniyatehi Panchayat, in Koilpatti taluk in Tirunelveli district.

The following revenue villages in the Tirunelveli Taluk of the Tirunelveli district:-

1. Tiruppanikarisalkulam.
2. Kandiaperi
3. Vagaikulam; and
4. Karuvelankulam.

The revenue village of Uthukuli in Pollachi taluk in Coimbatore district.

G Gujarat State.- (i) Area with Municipal limits of Jamnagar town, Jamnagar Taluk, district Jamnagar.
(ii) Area of Jamnagar town outside the Municipal limits and known as Jamnagar (Sim) of Jamnagar Taluka, district Jamnagar.
(iii) Area of Bedi village of Jamnagar Taluka, district Jamnagar.

(Notifications SØ 1165 dated 18, March 1968
1166 " 19 March 1968
1167 " 23 March 1968
1168 " 26 March 1968, Gazette
of India, Part II Sec.3, sub-sec.(ii) 30 March 1968
p.1711).

Kerala and Madras: Employees' State Insurance Act, 1948, extended to certain areas in the States

In exercise of the powers conferred under the Employees State Insurance Act, 1968, the Central Government has appointed the 28th day of April 1968 as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force) and Chapters V and VI (except sub-section(1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the following areas.

Kerala: The area comprising the revenue village of Sooranad South in Kunnathur Taluk in the Quilon District in the State of Kerala.

Madras: The following revenue villages in Tirumangalam taluk, in Madurai district:-

- (a) Maravankulam;
- (b) Palakkapudupatty;
- (c) Kappalur;

2. The following revenue villages in Madurai taluk, Madurai district:-

- (a) Thoppur; (b) Nilayur; (c) Silaiman
- (d) Puliankulam; (e) Varaganur;
- (f) Iravada Nallur; (g) Vandiyur;
- (h) Mela Madai; (i) Managiri;
- (j) Sathamangalam.

The area comprised within the revenue village of Manaloor, in Manamadurai sub-taluk of Sivaganga taluk, in Ramanathapuram district.

(Notification SO 1480 dated 16 April 1968
SO 1481 dated 20 April 1968,
the Gazette of India, Part II Sec.3 sub-sec.(ii)
dated 27 April 1968, p.2013).

Madras: Employees' State Insurance Scheme
Extended to certain areas in the State

In exercise of the powers conferred under the Employees State Insurance Act, 1948, the Central Government has appointed the 28th day of April, 1968 as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force) and Chapter V and VI [except sub-section (1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force] of the said Act shall come into force in the following areas in the State of Madras, namely:

The area comprised within the limits of the revenue villages of Odapalli Agraharam and Pallipalayam in Tiruchengode taluk, in Salem district.

(Notification SO 1378 dated 4 April 1968 the Gazette of India, Part II Sec.3 sub-sec.(ii) 20 April 1968, p.1878).

LIST OF ARTICLES

India - March-April 1968.

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

Role of Trade Unions in Democracy by
Jaisukhlal Hathi - The Indian Worker,
6 May 1968, p.9

CHAPTER 3. ECONOMIC QUESTIONS

The Economic Situation: A challenge
to Management: A speech by J.J. Anjana,
Deputy Director, Reserve Bank of India to
the Baroda Management Association, Baroda
on 11 February 1968, RBI Bulletin February
1968, p.168.

Determination of Wages through Collective
Bargaining vis-a-vis Wage Boards by
Mr. M.N. Rao, The Indian Worker, 27 May 1968,
p. 4.

Automation and Labour by Mr. J.R. Chhabra,
I & II The Indian Worker, 27 May and 3 June
1968 p. 5.

Price Policy in a Developing Economy -
lecture by Mr. L.K. Jha, Governor, R.B.I.,
RBI Bulletin, April 1968, p.477

Some Problems of Economic Growth in Under-
developed Countries by C. Subramaniam,
AICC Economic Review, 15 May 1968, p.9.

CHAPTER 6. GENERAL RIGHT OF WORKERS

Gheraos, Trade Unionism and Democracy by
V.G. Mhetras, Maharashtra Labour Gazette,
March 1968, p.910.

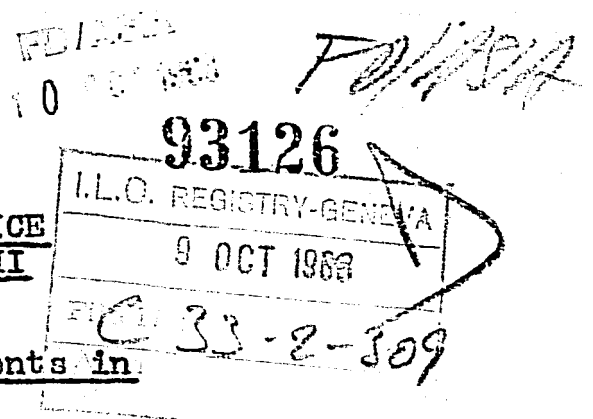
Essentials of Personnel policy by P.C. Chopra,
Maharashtra Labour Gazette, March 1968, p.910.

CHAPTER 8. MANPOWER PROBLEMS

Manpower Planning for Economic Growth by
Mr. C.B. Padmanabhan, Commerce, 11 May 1968,
p.1292.

INTERNATIONAL LABOUR OFFICE
BRANCH OFFICE, NEW DELHI

Industrial and Labour Developments in
May-August 1968



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

<u>Contents</u>	<u>Pages</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION</u>	
<u>11. Political Situation and Administrative Action</u>	
28th Session of the Standing Labour Committee held at New Delhi on 18 July 1968 -	1 - 3
<u>CHAPTER 2: INTERNATIONAL AND NATIONAL ORGANISATIONS</u>	
<u>28. Employers' Organisations</u>	
I.L.O. Director-General inaugurates Seminar on Job Security and Recognition of Trade Unions, New Delhi 27-28 August '68	4 - 6
<u>CHAPTER 3: ECONOMIC QUESTIONS</u>	
<u>34. Economic Planning, Control and Development</u>	
Allocation made by Planning Commission 1968-69	7
<u>36. Wages</u>	
Madras: Revised minimum wages fixed for employment in Cinckona Plantations	8
Madras: Revised minimum wage fixed for employment in Salt Pans	9 - 10
Central Government accepts recommendations for Central Wage Board for Electricity undertakings	11
<u>CHAPTER 4: Problems Peculiar to Certain Branches of National Economy</u>	
<u>41. Agriculture</u>	
Kerala Land Reforms Bill: More benefits for Tenants.	12 - 13
Twenty three percent of cultivators have no land.	14

Contents (contd.)

Pages

42.	<u>Cooperation</u>	
	Rise in the number of non-credit cooperative Societies	15
 <u>CHAPTER 6: GENERAL RIGHTS OF WORKERS</u>		
64.	<u>Wage Protection and Labour Clauses in Employment Contracts with Public Authorities.</u>	
	Working of the Payment of Wages Act, 1936 in Mines during 1966	16 - 17
66.	<u>Strikes and Lockout Rights</u>	
	Ordinance on Strikes	18 - 21
68.	<u>Labour Courts</u>	
	Workers' Union Leaders not Entitled to Special leave.	22
 <u>CHAPTER 7: PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS</u>		
71.	<u>Employees and Salaried Intellectual Workers</u>	
	Madras: Dearness Allowance of State Government Employees raised to Central Rates.	23
	Retirement Age at 55 upheld by Madras High Court	24
	Andhra Pradesh D.A. of Government employees brought on par with Central Government Rates.	25
 <u>CHAPTER 8: MANPOWER PROBLEMS</u>		
81.	<u>Employment Situation</u>	
	Employment Exchanges Working During May 1968	26 - 27
	Tea and Rubber Plantations planned for Ceylon Displaced Persons	28
83	<u>Vocational Training</u>	
	Seminar for providing vocational guidance to students held by the Bangalore University	29
 <u>CHAPTER: 9: SOCIAL SECURITY</u>		
92.	<u>Legislation</u>	
	The Public Provident Fund Act 1968	30
93.	<u>Application</u>	
	Review on the Working of the Workmen's Compensation Act 1923, during the year 1965	31 - 35

CHAPTER I. INTERNATIONAL LABOUR ORGANISATION

11. Political Situation and Administrative Action

INDIA: May-August 1968

28th Session of the Standing Labour Committee
held at New Delhi on 18th July 1968

One of the subjects discussed by the Indian Labour Conference on April 1968 was 'Automation - Problems in L.I.C. and other establishments and general principles to be followed'. After a brief exchange of views, it was decided that a Special Session of the Indian Labour Conference should be convened in July this year to discuss the matter. Instead of calling the Indian Labour Conference, a Session (28th) of the Standing Labour Committee was held at New Delhi on 18th July 1968.

Besides a paper prepared by the Ministry of Labour and Employment on Automation in India, the Employers' Federation of India, the I.N.T.U.C. and the A.I.T.U.C. also presented their papers on the subject to the Seminar.

Mr. Jaisukhlal Hathi, initiating the discussion, pointed out that in many developed countries automation had augmented production and productivity, raised the national dividend and increased the material wellbeing and prosperity of people. The main consideration for India should be whether Automation could not be made to subserve the same ends and whether its potential for harmful effects on Society could not be obviated by adequate and timely measures. Mr. Hathi pointed out that it had been agreed at previous Conferences on the subject that resource to automation should be selective and that the model agreement on rationalization evolved by the Indian Labour Conference in 1967 should govern its introduction and operation. He also recalled that the model agreement laid down, that there should be no retrenchment or loss of earnings of existing employees and that there should be an equitable sharing of the benefits of rationalization as between the Community, the employer and the worker. It also called for prior consultation with the trade unions before any changes were introduced.

2

On behalf of the Workers' representatives, it was stated that since the country had an enormous volume of unemployment and was short of technological and capital resources, the general orientation of policy should be against automation. Exceptions could, however, be permitted in special circumstances, when there was a compulsion for introducing automation. What constituted such a compulsion and the conditions under which such exceptions might be permissible had to be spelt out in detail. A small working group of the Standing Labour Committee might be constituted for laying down the necessary guidelines. Experts might be associated with this Working group and the guidelines formulated by the working group should be placed before the Standing Labour Committee of the Indian Labour Conference for final approval. Pending formulation of such guidelines there should be a freeze on automation. Where it had already been introduced employers should be asked to desist from the use of automatic machinery.

The Employers' representatives were of the view that the very largeness and the complicated nature of the operations of some Concerns made computerisation a necessity in the interest of efficient functioning. It was emphasised that automation eventually created more employment within the economy. The real question for consideration, therefore, should be introduced or not but what measures could be taken to deal with the problems of labour displacement that might arise. It was not desirable that in a technological age India should stay away from the main stream of progress and where industries had to compete with international market, introduction of automation might be almost imperative. It was the employers' view that fears of large scale displacement of labour were unwarranted as automatic processes had been introduced only in a few establishments and the existing resources available to industry would not enable it to introduce automation on a large scale. In any case, when no retrenchment was involved and when the employers and the Union at the plant level were agreed there should be no objection to the installation of computers.

The Labour Minister of Maharashtra suggested that a tripartite Sub-Committee of the S.L.C. should be constituted at the Centre for laying down policy guidelines in respect of introduction of Automation. This Committee should be assisted by experts and should undertake periodical review of the general effects of automation and study how the policy guidelines are working in practice.

The Chairman, Mr. Hathi stated that the view expressed had been noted and would be taken into account by Government in arriving at a decision on the subject.

(Press release received from
the Ministry of Labour and
Employment)

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

INDIA: MAY - AUGUST 1968

28. Employers' Organisations

I.L.O. Director General inauguration Seminar on Job Security and Recognition of Trade Unions, New Delhi, 27-28 August 1968.

A seminar on "Job Security and Recognition of Trade Unions" organised by the Council of Indian Employers was held on 27-28 August 1968 at New Delhi. The seminar was inaugurated by Mr. David A. Morse and attended by various employers' representatives from all over India. The Director of this office, Mr. P.M. Menon attended by special invitation.

Inaugural address:

Mr. Morse in his address said that last 50 years had been years of constant effort on the part of the ILO to promote the dignity and welfare of men through international cooperation of government, employer and worker representatives from independent and sovereign countries. These efforts have been limited by political, economic and social conditions within each nation and by the existence of certain national facts of life which were not easy to change and which sometimes went counter to the basic objections of the I.L.O. He said the experience gained by the I.L.O. so far was clearly indicative of the fact that it would only be through operation of goodwill in all countries that one could achieve even slowly and painfully the aim of providing dignity, welfare and the security of man. It was also realised that economic growth and social progress go hand in hand and that one of the existence of sound industrial relations.

conditions for the growth was the

Without this the pace of growth will be disturbed and retarded, and neither the worker nor the employer could find fulfilment of his aspirations.

Regarding the essential ingredients of Constructive Labour Relations policy, Mr. Morse said that there were certain simple truths which were easy to state but what was much more difficult was a practical means for achieving a new pattern for industrial relations that will stand the strains imposed by the technical changes taking place in both developing and industrialised economies. The I. L.O.'s role in this search was to provide a forum and a medium, through which ideas may take shape and be formulated into guidelines for practical action. There were an infinite variety of ways of achieving stable and constructive industrial relations.

Mr. Morse then dealt upon the subject of trade union recognition. He said that the trade union recognition was the corollary to freedom of association and that was the means whereby this right was translated into practical effectiveness for the social advancement of the workers. Union recognition did not necessarily mean placing all unions on equal footing, as soon as they were formed and registered and whatever the differences between them might be. He was of the opinion that in cases where the existence of the large number and variety of unions gave rise to difficulties with regard to collective bargaining, it was quite justifiable, on grounds of equity, to grant all recognition to the most representative unions. A vital prerequisite, however was that the criteria of representativeness or objectives were established in advance, along with agreed recognition procedures. Freedom to form and join unions without fear of discrimination because of trade union membership or activity, and the establishment of objective criteria for trade union recognition, he added, formed the springboard for dynamic trade union action for the improvement of working conditions and the standard of living of workers, through collective bargaining.

6

Referring to the issue of Job Security, Mr. Morse said that no worker should be dismissed without a valid reason and that the procedure for appeal against unjustified dismissal should be made available to him. Today it was increasingly being realized that merely giving protection to workers in the event of loss of job was insufficient as a means of dealing with rapid industrial change under the pressure of increasing productivity and technological change. Countries which sought to achieve rapid industrial progress were also developing their attention to the adjustment of workers to new situations in keeping with the best principles of social welfare. This involved new thinking concerning retraining, broadening of education, income maintenance during periods of reconversion and an imaginative approach to the question of adaptation to change.

(Background papers prepared by the Council of Indian Employers on the two topics of the Seminar are included as annexures to this Report).

CHAPTER 3. ECONOMIC QUESTIONS.

India - May-August 1968

34. Economic Planning Control and Development

34. Allocations made by Planning Commission for 1968-69

The Planning Commission has provided for a total outlay of Rs 5390 million for public sector industries in 1968-69 of which 94 percent is earmarked for continuing projects. The Commission has decided that no new major industrial project should be taken up in the public sector during the current financial year. Some token provision have been made for the Foundry Forge Project in Wardha. Among the other projects allowed during the year are the expansion of the Trombay Fertilizer, the Sindri Rationalization Scheme, the Co-operative Fertilizer Unit at Kandla, the Gujrat Aromatics Projects and the Textile Corporation.

The Commission has allocated larger outlay for Central Sector but has reduced the provision for State Government Industries by about 50 million rupees. Out of the total provision of 5,400 million, the outlay for the Centre is Rupees 5,060 million and that for the States Rupees 320 million. About 30 percent of the total outlay of Rupees 5,400 million for public sector industries has been earmarked for steel projects. A sizable portion of this will be absorbed by the Bokaro Steel Project.

Among others, a sum of Rupees 710 million is allocated to heavy engineering and machine building industries, Rupees 873.0 million for oil exploration and refining, Rupees 690 million to fertilizers, Rupees 240 million to coal and lignite and Rupees 166.0 million to non-ferrous metals. A provision of Rupees 350 million has been made for supporting the activities of financing institutions.

The Commission feels that 1968-69 will witness a turning point in industrial growth. They forecast significant additions to capacity and production in several industries this year as a result of the completion of schemes taken up earlier and better prospects for availability of raw materials and demand growth.

(The Hindustan Times, 9 July 1968)

36. Wages

Madras: Revised Minimum Wages Fixed for Employment in Cinckona Plantations.

In exercise of the powers conferred under the Minimum Wages Act 1948, the Government of Madras has fixed the minimum rates of wages for employment in Cinckona Plantations.

The Schedule

Class of Employees in Cinckona Plantations (1)	) All inclusive of minimum daily wages (2)
Grade I	Rs. 2.00
Grade II	Rs. 1.50
Adolescent	Rs. 1.25
Children	Rs. 0.95

Wherever wage periods are fixed as weekly, fortnightly or monthly, the rates of minimum wages for such wage periods shall be calculated by multiplying the daily rates of minimum rates of wages fixed above by the number of working days in the week, fortnight or month, as the case may be.

Wherever employees are paid wages higher than the rates fixed above, they shall continue to get the benefit of higher rates of wages.

(G.O. No. 1686, Industries, Labour and
Housing (Labour) 27th April 1968, First
St. George Gazette Part II Section I,
19 June 1968: P P 1080.)

9

Madras: Revised Minimum Wages Fixed
for Employment in Salt Pans

In exercise of the powers conferred under the Minimum Wages Act 1948, the Government of Madras, has fixed the following minimum rates of wages for employment in Salt Pans in Madras State from 1 June 1968.

Employment in Salt Pans

<u>Class of Employees</u>	<u>All inclusive minimum rates of wages</u>
(1)	(2) Rs
1) Workers engaged with operations, such as drying, cleaning, snapping, removal and transport of salt	
Grade I	2.50 per day
Grade II	2.25 per day
2) Maramathu	2.25 per day
3) Pumping Man	2.75 per day or 70 per mensem
4) Maistries	78 per mensem
5) Watchman	52 per mensem
6) Salt crushing	90 per mensem
7) Machine drivers	
7) Clerks	78 per mensem
8) Production of salt	0.25 passing per standard bag of 80 kilograms subject to a guaranteed minimum wage of Rs. 2.50 per day
9) Weighing, bagging, and stitching and loading of salt bags	5.25 per 100 bags of 75 to 80 kilo- grams each
10) Weighing, bagging, stitching and loading of salt	13.30 per 100 bags of 75 to 80 kilo- grams each
11) General Coolies	
Grade I	2.50 per day
Grade II	2.25 per day.

Note.

- 1) Children wherever employed shall be paid half the rates fixed above.

- 2) Wherever wage periods fixed vary, the wage shall be calculated for the wage period so fixed and paid, that is, where the wage period is fixed as a week, fortnight or month, the daily rates fixed above shall be multiplied by seven, fifteen or the number of days in the month respectively.
- 3) Wherever the wages are to be fixed by the day in respect of categories for which monthly rates have been fixed, the minimum rates of wages per day shall be calculated by dividing the monthly rates by the number of days in the month.
- 4) Where any category of workers are actually in receipt of higher rates of wages than the statutory minimum rates of wages fixed, they shall continue to get the benefit of the higher rates of wages.

(G.O.Ms No. 1966, Industries Labour and Housing (Labour) 17 May 1968: First St George Gazette Part II Section I, 22 May 1968 P.P: 883).

11

Central Government accepts Recommendations
of Central Wage Board for Electricity
Undertakings.

The Union Government have accepted the unanimous recommendations made by the Central Wage Board for Electricity Undertakings for the grant of interim relief to workers in electricity undertakings. The recommendations have been accepted subject to the following modifications:

- 1) The interim relief will be payable from 1 July 1967 instead of 1 January 1967 as recommended by the Board.
- 2) The recommendations will not apply to electricity undertakings run as Government departments.
- 3) Where relief has been given by way of increase in dearness allowance, after the continuation of the Wage Board, such relief could be adjusted against the relief recommended by the Board.

Following formulae was adopted by the Board for the grant of relief:

- a) that the employees in receipt of total emoluments upto Rs. 110 per month should be given 20 per cent as interim relief subject to a maximum of Rs. 123.50.
- b) that employees in receipt of total emoluments between Rs. 111 and Rs. 150 per month should be given Rs. 12.50 per month subject to a minimum of Rs. 124 and maximum of Rs. 158.50.
- c) that employees in receipt of total emoluments between Rs. 150 and Rs. 200 per month should be given Rs. 7.50 per month subject to a minimum of Rs. 159 and maximum of Rs. 200.
- d) that employees in receipt of total emoluments between Rs. 201 and 299 per month should be given Rs. 5 per month subject to a minimum of Rs. 207.

12

CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN
BRANCHES OF NATIONAL ECONOMY

INDIA - MAY-AUGUST 1968

41. Agriculture

Kerala Land Reforms Bill:
More benefits for Tenants

The Kerala Land Reforms (Amendment) Bill, which has been gazetted by the State Government provides more benefits for tenants and 'Kudikidappukars' (hutment dwellers) and compulsory vesting of Landlords' rights in the Government and assignment of these rights to the cultivating tenants.

Provision is made for constituting a new fund of not less than Rs. 10 million called the "Hutment Dwellers Benefit Fund". The minimum of the amount of the Agriculturist Rehabilitation Fund has been fixed as Rs. 20 million. There is also provision in the Bill for reducing the ceiling limit in the case of an adult unmarried person, if he is the sole member in a family from 12 acres to six acres or seven and a half acres whichever is greater.

The category of cultivators, who are deemed to be tenants, has been enlarged (other than, plantations of rubber, coffee, tea or cardamom) who on July 29, 1967 had completed thirty years of possession and effected substantial improvement therein and certain persons occupying lands, believing to be tenants. As for the resumption of lands for personal cultivation none of the existing rights is taken away or any fresh rights conferred except that all resumption applications from army personnel and minors have to be filed within six months from the commencement of the Act. The right of a hutment dweller to get ownership and possession of site for habitation is sought to be raised from three cents to five cents.

Among the changes proposed in respect of fair rent are that the fair rent for land adopted for paddy cultivation will be 50 per cent of the contract rent or 75 per cent of the fair rent settled under any law enforced prior to 1961, on fair rent in the present Act, whichever is less, according to the choice of the tenant. In the case of other lands, fair rent will be contract rent of 75 per cent of the fair rent settled under any law prior to 1961 or fair rent as in the present Act, whichever is less.

Tenants will be given the option to pay rent arrears, depending on the extent of land in their possession, and get the arrears accrued upto 1967, wiped out. If the tenant has more than 15 acres and the landlord is a small holder, there will be no wiping off. In certain cases tenants dispossessed after 1964 can get possession back.

The right of Civil Courts to decide the tenant-landlord relationship is to be taken away and entrusted to land tribunals.

(The Hindu, 18 August 1968)

14

41. Agriculture

Twenty Three Percent of Cultivators have no Land

According to a report, twenty three per cent of the Indian cultivators have no land of their own. The incidence of tenancy is the highest in Punjab, where 39% of the cultivating families hold land on lease. Next comes Bihar with 37% tenancy followed by Kerala 31% and Mysore 25%.

About 82 per cent of the tenants still do not enjoy permanency of tenure. This situation prevails particularly in Andhra Pradesh, Assam, Madras, Bihar, Orissa, Punjab and West Bengal. The report also brings out the enormous problem of "disguised tenancies" as reflected through the ratio between leases reportedly given and leases taken. This problem is widespread through out the country and is a major impediment in the effective implementation of land reforms.

Zamindaris, jagirs, and inams which covered nearly half the country before independence, have been almost abolished now with hardly 2.75 per cent of the farming families retaining their rights.

(The Hindustan Times, 1 June 1968)

42. Co-operation

Rise in the Number of Non-Credit Co-operative Societies

According to the Reserve Bank of India Statistics for 1965-66, published recently, the number of all types of non-credit cooperative societies rose from 1,26,219 to 1,32,173 during 1965-66.

Weavers' Societies	13,076
Other Industrial Societies	95,089
Consumers' Societies	13,349
Housing Societies	11,778
Milk Supply Societies	8,197
Sugar Can Supply Societies	8,144
Farming Societies	7,295
Marketing Societies	3,375
Fisheries Societies	3,338

The total membership of all types of non-credit societies increased from 148,47,965 to 162,93,845, during 1965-66. Their total working capital rose by Rs. 847.1 million to Rs. 6476.9 million during the year. In 1965-66 their total sales amounted to 13,037.4 million rupees as compared to 10,188.2 million rupees in the preceding year.

The Cooperative Marketing Structure consisted of the National Agricultural Cooperative Marketing Federation, with headquarters at New Delhi, 21 State Marketing Societies, 155, Regional or Central Marketing Societies and 3,198 primary marketing Societies. Of the primary societies 2,729 were general purpose societies while the remaining 469 were dealing in specific commodities like cotton, arecanut, coconut, tobacco, fruits and vegetables.

Primary marketing societies assisted in the linking of credit with marketing and 525 such societies recovered loans aggregating to 122.0 million rupees on behalf of 16,823 primary agricultural credit societies. The number of cooperative spinning mills increased by eight bringing the total to 65. They had 8,40 lakh spindles at the end of June 1966 and sold yarn worth 7540 million rupees during the year.

The number of wholesale consumer stores increased from 222 to 272 during the year and the number of primary stores increased from 12,352 to 13,077.

CHAPTER 6. GENERAL RIGHTS OF WORKERS

INDIA - MAY-AUGUST 1968

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

Working of the Payment of Wages Act,
1936 in Mines during 1966.

Introduction.— The two main objects of the Payment of Wages Act are i) to ensure payment of wages within the prescribed time limit and ii) to prohibit unauthorised deductions from wages. The Act applies to all persons employed in the mines drawing wages below Rs. 400 a month. The Payment of Wages (Mines) Rules, 1956, framed by the Central Government also apply to all persons employed in mines either by the owner or by the contractor. The following is a brief review of the Act in mines during 1966.

Inspections and Irregularities.— The number of inspections made during the year was 5062 as against 4472 during the previous year. 18,782 irregularities were detected during the year as against 18,377 during the previous year. The largest number of irregularities detected related to ~~Un~~-maintenance of registers, comprising 34.3 per cent of the total in 1965 and 26.9 per cent in 1966. Next in order came the irregularities relating to ~~Un~~-display of notices of dates of payment, wage rates and lists of Acts and omissions for imposition of fines which accounted for 29.0 and 24.1 per cent of the total number of irregularities detected during the years 1965 and 1966 respectively. The lowest number of irregularities detected related to imposition of fines in both the years. The number of irregularities pending at the end of the previous year was 5429. Thus of the 24,211 irregularities only 19,291 (79.7 per cent) of the total irregularities could be rectified during the year under review.

Rectification of Irregularities.— Of the 19,291 rectified irregularities as many as 7011 (36.3 per cent) were got rectified within three months; 7694 (39.9 per cent) within 3 to 6 months; 3565 (18.5 per cent) within 6 to 9 months; 235 (1.2 per cent) within 9 to 12 months and 786 (4.1 per cent) irregularities were however closed as they were not rectifiable and in view of the assurance given by the employers not to repeat such irregularities. ~~were~~ As many as 4,920 (20.3 per cent) irregularities were pending rectification at the end of the year under review.

17

Claims.- In all 251 claims cases were disposed of during the year of which 165 cases were in favour of the employees; 22 cases against the employees and 64 cases were withdrawn. The total amount awarded in respect of those cases which were decided in favour of employees was Rs.1,61,323.00

Prosecutions.- During the year under report 473 cases were filed and of these 189 cases were disposed of by the courts, of these as many as 170 cases resulted in conviction of the employees with fines amounting to Rs.9725.00.

Annual Returns.- As required under Rule 18 of the Payment of Wages (Mines) Rules 1956, during the year under review, 1873 mines employing 426,661 workers submitted the returns as against 1797 mines employing 372002 workers during the previous year. This shows a slight improvement in this respect. The total wages paid to these workers amounted to about 494 million rupees. Deductions of Rs.449.00, Rs.1221.00 and Rs.228.00 were made from wages of workers due to fines imposed, for damage or loss and breach of contract respectively. An amount of Rs.468.00 was disbursed from the fines Fund during the year.

Conclusions.- It will be seen that during the year as compared to the previous year, the number of inspections made has increased by 590 and the number of irregularities detected also increased by 405. The enforcement of the Act and the rule was quite effective and purposeful during the year under review.

(Indian Labour Journal Vol. IX No.8 August 1968 - pp. 952-954).

66. Strikes and Lockout Rights

India - May-August 1968.

Ordinance on Strikes

The Union Government issued an ordinance known as the Essential Services Maintenance Ordinance 1968 to prohibit strikes in any essential services, including strikes by the Central Government employees. This step was taken in the wake of the proposed strike by the Central Government employees on 19 September to press their demands which include, a need-based minimum wage.

The following is the text of the ordinance:

Whereas Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action:

Now therefore, in exercise of the powers conferred by Clause (1) of Article 123 of the Constitution, the President is pleased to promulgate the following ordinance:

1. (1) This ordinance may be called the Essential Services Maintenance Ordinance, 1968.

(2) It extends to the whole of India:

Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this ordinance relate to union employees.

(3) It shall come into force at once.

2. (1) In this ordinance -

(A) "Essential Service" means -

(I) Any postal, telegraph or telephone service;

(II) Any railway service or any other transport service for the carriage of passengers or goods by land, water or air;

(III) Any service connected with the operation or maintenance of aerodromes, or with the operation, repair or maintenance of aircraft;

(IV) Any service connected with the loading, unloading, movement or storage of goods in any port;

(V) Any service connected with the clearance of goods or passengers through the customs or with the prevention of smuggling.

(VI) Any service in any mint or security press;

(VII) Any service in connection with the affairs of the Union, not being a service specified in any of the foregoing sub-clauses;

(VIII) Any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of the opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the official gazette, declare to be an essential service for the purposes of this ordinance.

(B) "Strike" means the cessation of work by a body of persons employed in any essential service acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment, and includes:

(I) Refusal to work overtime where such work is necessary for the maintenance of any essential service;

(II) Any other conduct which is likely to result in, or result in, cessation or substantial retardation of work in any essential service.

(2) Every notification issued under Sub-Clause (IX) of Clause (A) of Sub-Section (1) shall be laid before each House of Parliament as soon as may be after it is made and shall cease to operate at the expiration of 40 days from the reassembly of Parliament unless before the expiration of period a resolution approving the issue of the notification is passed by both Houses of Parliament.

20

Explanation.- Where the Houses of Parliament are summoned to reassemble on different dates, the period of 40 days shall be reckoned from the later of those dates.

3. (1) If the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special order, prohibit strikes in any essential service specified in the order.

(2) An order made under Sub-Section (1) shall be published in such manner as the Central Government considers best calculated to bring it to the notice of the persons affected by the order.

(3) An order made under Sub-section (1) shall be in force for six months only, but the Central Government may by a like order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

(4) Upon the issue of an order under Sub-Section (1)-

(A) No person employed in any essential service to which the order relates shall go or remain on strike;

(B) Any strike declared or commenced, whether before or after the issue of the order, by persons employed in any such service shall be illegal.

4. Any person who commences a strike which is illegal under this ordinance or goes or remains on, or otherwise takes part in, any such strike shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees, or with both.

5. Any person who instigates, or incites other persons to take part in, or otherwise acts in furtherance of a strike which is illegal under this ordinance shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to one thousand rupees, or with both.

6. Any person who knowingly expends or supplies any money in furtherance or support of a strike which is illegal under this ordinance shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

7. Notwithstanding anything contained in the Code of Criminal Procedure, 1898, any police officer may arrest without warrant any person who is reasonably suspected of having committed any offence under this ordinance.

8. The provisions of this ordinance and of any order issued thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force.

PATRIOT

("The ~~Amritabazar Patriot~~" dated 14.9.1968)

68. Labour Courts

India - May-August 1968

Workers' Union Leaders not Entitled to Special Leave

Partly allowing an appeal of the Indian Oxygen Company management against the award of the Industrial Tribunal, Patna, the Supreme Court ruled that trade union representatives were not entitled to any special leave to attend the annual convention of their federation or of the Central organisation nor to attend executive committee meetings. The Court held that they were not even entitled to special leave to attend courts in matters connected with industrial disputes. The Court upheld the over-time allowances of one-and-half time of normal wage for the workmen awarded by the tribunal.

The tribunal had directed that representatives of the workmens union should be allowed Special leave with pay to attend law courts for matters connected with workers and management, to attend executive committee meetings of their union and to attend conventions of workmens' federation or unions.

The Supreme Court held the view that meetings of the federation or of the workers committees can be attended by union delegates by availing of their earned leave. Moreover management was giving different kinds of leave like casual, medical, earned and festival leave.

(National Herald dated 6.8.1968)

CHAPTER 7 - PROBLEMS PECULIAR TO CERTAIN
CATEGORIES OF WORKERS

INDIA - MAY-AUGUST 1968

71. Employees and Salaried Intellectual
Workers

Madras: Dearness Allowance of State
Government Employees raised to
Central Rates.

The Madras Government has revised the rates of dearness allowance of its employees 50 as to be on par with those of the Central Government with effect from 1 June 1968. The enhanced rates will benefit employees in receipt of pay upto Rs. 500- This rate will also apply to employees of local bodies and teachers in aided institutions.

The additional cost on account of the increased rates of D.A. is estimated at approximately Rs. 36 million in a full year and Rs. 27 million in the current year. The following will be the new rates of dearness allowance for various pay groups as against the old rates given in brackets below:-

Rs. 90	Rs. 65	(59)
Rs. 90 and above but below 150	91	(84)
Rs. 150 and above but below 210	114	(106)
Rs. 210 and above but below 400	137	(128)
Rs. 400 and above but below 450	150	
Rs. 450 and above but below 500	153	

Pay exceeding Rs. 500 but not exceeding Rs. 532 - amount by which pay falls short of Rs. 653.

There will be no change in the existing rates of dearness allowance payable to employees in the higher pay ranges.

(Hindu: 30. 5. 68)

34

Retirement Age at 55 upheld by
Madras High Court

In a judgment given by the Madras High Court on 21 June 1968, it has upheld the order of the State Electricity Board fixing the age of retirement in respect of all officers including engineers at 55.

The decision of the Board was challenged in a writ petition moved on behalf of Mr. K.V.O. Krishnamachar, Divisional Engineer (Electrical). He prayed for a direction to quash the order of the Board dated April 30 this year retiring him on three months' notice.

His Lordship Mr. Justice P.S. Kailasam, who gave this ruling, said that he was satisfied that the decision of the Board reverting the age of retirement from 58 to 55 was amply justified in the circumstances now prevailing.

The Hindu, 25 June 1968

Andhra Pradesh D.A. of Government
employees brought on par with Central
Government rates.

The dearness allowance of Government employees in Andhra Pradesh has been increased to the level of Central Government rates with effect from 1 June. The increase will mean an additional expenditure of Rs. 4 crores. The D.A. increase has been effected as follows. Employees drawing below Rs. 90 will get an additional D.A. of Rs. 7, increasing the total to Rs. 91. Those having a salary of Rs. 90 to below Rs. 150 will get Rs. 7, making a total of Rs. 91. Employees with a pay of Rs. 150 to below Rs. 210 get Rs. 8, the D.A. totalling Rs. 114. For those drawing a salary between Rs. 210 and below Rs. 400, the D.A. sanctioned is Rs. 9, making a total of Rs. 137. Those with a salary from Rs. 400 to below 450 get Rs. 10, making a total of Rs. 150. Employees drawing Rs. 450 to below 499 will get Rs. 13, raising the total D.A. to Rs. 153.

The Hindu, 9 June 1968

CHAPTER 8 - MANPOWER PROBLEMS

INDIA - MAY-AUGUST 1968

81. Employment Situation

Employment Exchanges Working during May 1968

According to the Review of the principal activities of the Directorate-General of Employment and Training for the month of May 1968, the position of registrations, placements, live register, vacancies notified and employers using employment exchanges is shown in the following table:

	April 1968	May 1968	+ Increase or - Decrease
Registrations	3,02,264	341,108	+ 38,844
Placements	31,811	34,306	+ 2,495
Live Register	27,18,824	2754, 634	+ 35,810
Vacancies Notified	67,666	70,014	+ 2,348
Employers who used exchanges	11,727	12,976	+ 1,249

The total number of Employment Exchanges in the country at the end of May 1968 was 442.

Displaced persons from East Pakistan

301 East Pakistan migrants were registered in the various Employment Exchanges during the month under report. 79 migrants were placed in employment. The live register of East Pakistan migrants stood at 10,871.

Repatriates from Burma

248 Repatriates from Burma were registered at various Employment Exchanges during the month. 246 Repatriates were placed by various Employment Exchanges during May. The Live Register of Burma Repatriates stood at 2,168.

27

Repatriates from Ceylon

24 Repatriates from Ceylon were registered at various Employment Exchanges during May. The Live Register of Ceylon Repatriates stood at 120.

Deployment of surplus and retrenched personnel

During the month ^{under} review, 109 persons were retrenched and were registered with the Special Cell of the DGET. Out of a total of 2863 persons who required employment assistance, 112 were placed in employment and 2751 were availing employment assistance at the end of May 1968.

Apprentices Act

The number of apprentices undergoing training under the Act was 32297 at the end of March 1968 of which 28066 were full-term Apprentices and 4231 short-term Apprentices. These apprentices were engaged in 2505 establishments.

(Review on the Principal Activities of the Directorate-General of Employment and Training for the month of May 1968: Ministry of Labour and Employment, Government of India, New Delhi)

Tea and Rubber Plantations planned for
Ceylon Displaced Persons.

The Central Government has sanctioned a number of plantation schemes to rehabilitate persons of Indian Origin, who will be rehabilitated from Ceylon.

Among major schemes on which work has already started is the project in Mysore State to develop 8000 acres for rubber plantations. The cost of the scheme is estimated to be 27.5 million rupees and a sum of Rs. 18.72 lakhs has already been released. Rubber plantations scheme in the Andamans and Nicobar islands are expected to absorb 1200 families over a period of four years. Estimated to cost 45.00 million rupees, the scheme is intended to develop 6000 acres of land in the Island. The Centre is awaiting a report from the Madras Government for their project to develop 3700 acres of forest land in Nilgiris which would absorb 1700 families over a 15 year period. The development of this land mainly for tea plantation is expected to cost 37.5 million rupees.

Under the SIRIMAVO - SHASTRI pact, 535,000 people of Indian origin are to be repatriated to India over a period of 15 years. The expenditure involved in rehabilitating them will be borne partially by the State Government and partially by the Centre. In this year's Budget, the allocation of Rs. 89.75 lakhs had been made to be given as loans to State Govts. There is also a provision for Rs. 46 lakhs as grants-in-aid.

Over 90 per cent of the persons to be repatriated from Ceylon are plantation workers.

(Hindustan Times - 1.6.68)

83. Seminar for providing vocational guidance to students held by the Bangalore University.

A three-day seminar was organised recently by the University of Bangalore for the benefit of about 40 teachers of its constituent colleges. The objective was to chalk out a plan to provide an efficient and reliable service of counselling to students on the choice of careers.

The formidable nature of the task of discovering the latent aptitudes of the students was pointed out by the Minister for Labour, Mr. K. Puttaswamy, who for his part preferred the idea of students acting for themselves in the light of suggestions offered by the University authorities to the university assuming for itself the responsibility of choosing the right job or career for a student. Skills in great demand in various walks of life not being found among youths coming out of the portals of the colleges and schools was also pointed out by the Minister at the Seminar.

While the need for making the secondary educational course both universal for all and also terminal, in the sense of equipping each student with a minimum knowledge of the sciences and the humanities was felt by the seminar to be important, the role of the well-trained teacher in counselling the right type of career or employment to a student in the light of his latent talent and aptitude at the time of admission to a college was also considered by the seminar to be vital. Frustration among youths who lacked a clear idea in regard to their future was thought by the seminar to be too much in evidence to-day to be left unnoticed.

(The Hindu, 17 June 1968)

30

CHAPTER 9. SOCIAL SECURITY

INDIA - MAY-AUGUST 1968

92. LEGISLATION .

The Public Provident Fund Act 1968

An Act to provide for the institution of provident fund for the general public known as the "Public Provident Fund Act 1968" received the assent of the President on 16th May 1968. This act extends to the whole of India.

The Central Government may frame a scheme to be called the Public Provident Fund Scheme for the establishment of a provident fund for the general public and there shall be established a fund in accordance with the provisions of the Act. Any individual may, on his own behalf or on behalf of a minor, of whom he is a guardian, subscribe to the fund in such manner and subject to such maximum and minimum limits as may be specified in the Scheme. All subscriptions made shall bear interest. A subscriber shall be entitled to make withdrawals from the amount standing to his credit in the fund, to such extent and subject to such terms and conditions as may be specified in the Scheme. A subscriber may be granted bonus out of the annual standing to his credit in the fund. If a subscriber dies and there is in force at the time of his death a nomination in favour of any person, all amounts standing to his credit in the fund shall be payable to the nominee. The amount standing to the credit of any subscriber in the fund shall not be liable to attachment under any decree or order of any Court in respect of any debt or liability incurred by the subscriber.

(The Gazette of India; Extraordinary Part II
Section I, May 17, 1968 PP. 271 to 273)

CHAPTER 9. SOCIAL SECURITY

INDIA - MAY-AUGUST 1968

93. APPLICATION -

Review on the Working of the Workmen's Compensation Act 1923, during the year 1965.

This Act extends to the whole of the Indian Union except the State of Jammu and Kashmir. This review is based on the annual returns received from all States and the Union Territories except Assam and Manipur. In addition, the annual returns were also furnished by Railways and Posts and Telegraphs Departments.

The following table shows the number of compensated accidents and the amount of compensation paid during the period 1957 - 65.

Table I

Number of Compensated Accidents
Resulting in

Year	Average daily No. of workers employed in establishments submitting returns	Death	Permanent Disablement	Temporary Disablement	Total
1	2	3	4	5	6
1957	4,123,610	1,032 (0.25)	6,661 (1.62)	64,215 (15.57)	71,908 (17.44)
1958	4,388,343	1,903 (0.43)	4,887 (1.11)	76,548 (17.45)	83,338 (18.99)
1959	3,447,521	1,075 (0.28)	5,066 (1.36)	70,086 (18.33)	76,227 (19.97)
1960	4,631,338	1,425 (0.31)	4,875 (1.05)	82,655 (17.85)	88,955 (19.21)
1961	4,770,185	1,238 (0.26)	4,897 (1.03)	87,603 (18.36)	93,738 (19.65)
1962	4,575,502	1,058 (0.23)	5,665 (1.24)	82,633 (18.06)	89,356 (19.53)
1963	5,228,610	1,466 (0.28)	5,425 (1.04)	110,368 (21.11)	117,259 (22.43)
1964	5,255,581	1,627 (0.31)	5,344 (1.02)	111,385 (21.19)	118,356 (22.52)
1965	4,792,040	1,575 (0.33)	6,170 (1.29)	156,656 (32.65)	164,401 (34.31)

Amount of Compensation paid (Rs) *

Death	Permanent Disablement	Temporary Disablement	Total
1	2	3	4
22,75,026 (2,204)	19,78,525 (297)	19,33,195 (30)	61,86,746 (86)
37,00,225 (2,298)	26,61,492 (545)	21,26,078 (28)	84,87,795 + (102) +
26,30,565 (2,447)	26,59,701 (525)	18,53,418 (26)	71,43,684 (94)
44,29,908 (3,109)	28,12,984 (577)	22,50,412 (27)	94,93,304 (107)
27,66,389 (2,235)	25,58,495 (522)	26,74,112 (31)	79,98,996 (85)
26,48,079 (2,503)	24,09,658 (425)	23,79,410 (29)	74,37,147 (83)
60,41,306 (3,439)	35,34,702 (652)	36,10,862 (33)	1,21,86,870 (104)
71,78,939 (4,412)	49,40,372 (924)	40,98,935 (37)	1,62,18,246 (137)
87,28,600 (5,542)	60,11,232 (974)	39,89,290 (25)	1,87,29,122 (114)

+ Amount of compensation paid in respect of
+ 293 cases of death not known.

* Figures in brackets show average compensation paid per case.

~~xxx Figures in brackets show rate per 1000 workers~~

It will be seen from the above table that a sum of Rupees 18.7 million was paid as compensation for 164401 accidents. The accident rate per one thousand workers employed was 34.31 during the year under review as against 22.52 in the previous year.

Analysis of the compensated accidents during 1965 shows that 95.3 per cent of the cases related to temporary disablement, 3.7 per cent to permanent disablement and only 1.0 per cent to death. The average amount of compensation paid per case during 1965 was Rs. 5,542, Rs. 974, Rs. 25 and Rs. 114 in respect of death, permanent disablement, temporary disablement and "all cases" combined respectively.

33

The average amount of compensation paid per case of death was the highest in Building and Construction (Rs. 7,618) followed by Docks and Ports (Rs. 7024) and Mines (Rs. 6,985). The average amount of compensation paid for permanent disablement was the highest in industry group, Miscellaneous (Rs. 1,445) followed by Railways (Rs. 1,439) and Building and Construction (Rs. 1,400). The average amount of compensation paid per case has decreased during 1965 in Railways, Tramways, Municipalities and Miscellaneous Industries as compared to the corresponding figures in 1964.

The incidence of cost of compensated accidents per worker by important industry groups has been obtained by dividing the amount of compensation paid by the corresponding figures of average daily employment and the data are given below:-

Incidence of Cost of Compensated
Accidents per worker
(in Rupees)

Industry Group	1964	During 1965
Factories	2.36	2.09
Plantations	0.48	0.69
Mines	7.92	14.33
Railways	3.48	3.88
Docks & Ports	15.08	17.43
Tramways	4.99	4.54
Posts & Telegraphs	0.44	0.67
Buildings and Construction	2.79	12.12
Municipalities	0.41	0.40
Miscellaneous	3.32	4.90
All Industries	3.08	3.91

It will be seen from the above that in 1965 the cost was highest in Docks and Ports but was relatively much less in Municipalities, Posts and Telegraphs and Plantations.

The average amount of compensation paid per case was the highest in Himachal Pradesh (Rs. 1658) followed by Kerala (Rs. 1297) and

34

Uttar Pradesh (Rs. 635). The average amount of compensation paid per fatal case was the highest in Kerala (Rs. 34,650, while the lowest was in Orissa - Rs. 2,562). The average amount of compensation paid per case of permanent disablement was the highest in Madras (Rs. 2,521) and the lowest in Gujrat (Rs. 288). In case of accidents involving temporary disablement, average compensation was the highest in Delhi (Rs. 178) and the lowest (Rs. 0.50) in Orissa.

The Workmen's Compensation Act also provides for the payment of compensation in case of certain occupational diseases. Information in respect of occupational diseases is available for Andhra Pradesh and Mysore in the annual returns for the year 1965. In Andhra Pradesh a sum of Rs. 4,536 was paid as compensation for 9 cases of permanent disablement which occurred as a result of occupational diseases. In Mysore, five cases of death and 142 cases of permanent disablement were reported against occupational diseases. A sum of Rs. 16,800 and Rs. 384,524 was paid respectively as compensation in these cases. In Railways one case of permanent disablement was reported for which a sum of Rs. 23 was paid during the year.

Cases before Commissioners of Workmen's compensation:

The Commissioners for workmen's compensation are required to maintain particulars of the cases coming up before them. As many as 12.5 per cent of the accidents involved workers getting less than Rs. 50 per month. The percentages of accidents involving workers in the wage-groups of Rs. 50-100 and Rs. 100 and above were 35.7 and 51.8 respectively. Out of the 11,197 cases dealt by the Commissioners, 4066 (36.3%) related to temporary disablement, 4883 (43.6%) to permanent disablement and 2248 (20.1%) to fatal cases.

Under Section 10 for award of Compensation, 10,266 cases were pending for disposal at the beginning of the year in various States and 11,999 cases were received during the year under review. Out of this total of 22,265 cases 87,17 cases were disposed of and 13,548 cases remained pending with the Commissioners at the end of the year as against 10,379 cases at the end of the previous year. The Commissioners also disposed of or transferred to other Commissioners for disposal, 5122 cases under Section 8 pertaining to deposits and 2242 cases were reported pending at the end of the year.

31

At the beginning of the year under review, 116 appeals were pending. During the year 118 appeals were filed bringing the total number of appeals for disposal to 234. Of these only 72 appeals were disposed of. The number of appeals pending at the end of the year under review was thus 162.

(Indian Labour Journal - Vol. IX No. 8 -
August 1968 P.P. 937-939)

*Background paper on
Job Security*

SEMINAR

ON

JOB SECURITY
AND
RECOGNITION OF TRADE UNIONS

VIGYAN BHAVAN
AUGUST 27 - 28, 1968

COUNCIL OF INDIAN EMPLOYERS
FEDERATION HOUSE
NEW DELHI-1

CONTENTS

	Pages
INTRODUCTION	1
PRACTICE IN OTHER COUNTRIES	1
ILO RECOMMENDATION ON TERMINATION OF EMPLOYMENT	2
INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT:	3
— Simple discharge	4
— Dismissal	4
— Subsistence allowance	4
— Domestic enquiry	5
— Principles of natural justice	5
INDUSTRIAL DISPUTES ACT:	6
— Dismissal during the pendency of proceedings	6
— Scope of tribunal's powers in dismissal cases	6
SAFEGUARDS FOR RETRENCHED EMPLOYEES:	7
— Rationalisation and Automation without tears	8
— Lay-off	8
— Closures	9
— Section 2A—dismissal of an individual workman	9
— Individual grievance is an "industrial dispute":	10
— Proposed section 10B: unfettered discretion to tribunals	11
TENDENCY OF TRIBUNALS TO ORDER REINSTATEMENT IN ALL CASES	11
DISMISSAL FOR MISUSE OF E.S.I. BENEFITS BARRED	12
WHO ALL NEED JOB SECURITY	13
SOME POINTS FOR DISCUSSION	14

INTRODUCTION

Undoubtedly, security of employment is of fundamental importance to all employees. Employers also have a direct interest in the matter for, a contented labour force is an asset. However, unrealistic procedures under law or practice regulating job security can easily create barriers to production and to improvement of production methods.

1.2. Improvement in the conditions of employment of industrial workers has occurred gradually in all countries. In India also there has been a marked improvement in the working conditions of workers both because of economic advancement and by protective legislation. There can be no two opinions that real, meaningful improvement in working conditions could be possible only when there exist conditions that make rapid economic growth possible. Regulations which retard the pace of economic growth will ultimately work to the disadvantage of workers. The large volume of protective labour legislation enacted in the course of the last two decades have ensured the Indian workers a measure of security which their counterparts in other countries do not enjoy.

1.3. The determination of complement of employees, as also matters pertaining to discipline, are essentially a management function and any external intervention including courts would not be conducive for efficient functioning of an industrial organisation.

1.4. The insecurity of employment of a workman can generally arise from two causes—internal and external. By internal cause, we mean punishment of discharge or dismissal invited by a workman himself, upon committing acts of misdemeanour which violate the constitution of an industrial organisation. External cause ordinarily connotes prevalence of unfavourable economic factors in business which largely influence instability of employment. If there is contraction of business activities due to factors beyond the control of an employer, an establishment might be forced to retrench or lay off some or all its workers, or it may even be compelled to close down its business altogether.

1.5. However, an employer is not at liberty to dispense, unquestioned, with the services of a worker whenever any of the above reasons subsist. In point of fact, his decisions are invariably subject to the review by judicial authority who may or may not approve of the action taken by an employer. Unlike India, security of employment in U.K. and U.S.A. largely rests on the provisions of collective agreements concluded between employers and workers.

Practice in some other countries :

2.1 In foreign countries, for instance, in the U.K. and the U.S.A., the employers right to hire and fire is almost unquestioned. The only restraint is a watchful and strong

trade union. No domestic enquiry is required to be held except when the worker refers his dispute or grievance for settlement to internal joint bodies, like the Joint Committees set up under the agreements, from which it may go to a neutral umpire or the arbitration tribunal in the event of difference of opinion among members of the committee or if the aggrieved worker remains dissatisfied with the decision of the Committee. Under the common law (in the U.K.), the aggrieved worker may only institute a suit to secure compensation (damages) from his employer for a breach of contract if the employee thinks that he has been wrongfully dismissed. In the United Kingdom, such a suit is tried by the regular judicial tribunals. According to the Contracts of Employment Act, enacted in 1962, by the U.K. Government, an employer has to give a fortnight's notice to an employee before he can terminate his service.

2.2 Moreover, in many advanced countries, where a worker's service is terminated wrongfully, and when this is proved in a court of law, the normal relief awarded to him is an amount of compensation for wrongful dismissal, but he cannot claim reinstatement. These countries strictly go by the law of Master and Servant. In their view, an unwanted worker cannot be forced on an unwilling employer, in the same way as an unwilling worker cannot be compelled to serve an employer against his wish beyond the terms of his contract. In India, however, the worker is (definitely) better off, not only because he has an ultimate remedy in labour courts, but also an inherent right of being reinstated in his job. Such rare job security is unheard of even in industrially advanced countries.

ILO Recommendation on Termination of Employment :

3.1 The ILO Recommendation (119) on Termination of Employment of Workers at the initiative of employees, adopted in 1963, lays down certain standards of general application concerning individual dismissals, such as grounds of dismissal, remedies for unjustified dismissals, period of notice, certificate of service, severance allowance, reduction of work force, etc. Let us analyse some of the important aspects of this Recommendation in the light of the position obtaining in India.

3.2 The ILO Recommendation lays down that "termination of employment should not take place unless there is a valid reason for such termination connected with the capacity or conduct of the worker or based on the operational requirements of the undertaking, establishment or service."

3.3 The following, inter alia, should not constitute valid reasons for termination of employment :

- “(a) Union membership or participation in union activities outside working hours, or, with the consent of the employer, within working hours;
- (b) seeking office as, or acting or having acted in the capacity of, a worker's representative;
- (c) the filing in good faith of a complaint or the participation in a proceeding against an employer involving alleged violation of laws or regulation; or

(d) race, colour, sex, marital status, religion, political opinion, natural extraction or social origin."

3.4 The ILO instrument further states that "a worker who feels that his employment has been unjustifiably terminated should be entitled unless the matter has been satisfactorily determined through such procedures within the undertaking, establishment or service, as may exist or be established, consistent with this Recommendation, to appeal, within a reasonable time, against the termination with the assistance, where the worker so requests, of a person representing him to a body established under a collective agreement or to a neutral body such as a court, an arbitrator, an arbitration committee or a similar body."

3.5 For cases of dismissal the ILO instrument provides :

"(1) In case of dismissal for serious misconduct, a period of notice or compensation in lieu thereof need not be required, and the severance allowance or other types of separation benefits paid for by the employer, where applicable, may be withheld.

(2) Dismissal for serious misconduct should take place only in cases where the employer cannot in good faith be expected to take any other course.

(3) An employer should be deemed to have waived his right to dismiss for serious misconduct if such action has not been taken within a reasonable time after he has become aware of the serious misconduct.

(4) A worker should be deemed to have waived his right to appeal against dismissal for serious misconduct if he has not appealed within a reasonable time after he has been notified of the dismissal.

(5) Before a decision to dismiss a worker for serious misconduct becomes finally effective, the worker should be given an opportunity to state his case promptly, with the assistance where appropriate of a person representing him."

Law and practice in India

4. It will be pertinent to point out that the Indian law and practice not only fulfils every requirement indicated in the ILO instrument, but, in some respects, provides for more liberal provisions than the ILO Recommendation. For example, the ILO Recommendation is that a worker, who is dismissed without justification, should, unless reinstated, be paid adequate compensation. In other words, it is optional for the employer either to reinstate or pay compensation to the worker; the choice is left to the employer. In India, Industrial Tribunals, in almost every case, order reinstatement of discharged workers with back wages. Thus, reinstatement is obligatory and not an alternative course to follow, as envisaged in the ILO Recommendation.

Industrial Employment (Standing Orders) Act :

5.1 An important statute safeguarding workers' right to job is the Industrial Employment (Standing Orders) Act. Under this Act, every establishment employing 100 or more

workers is required to adopt Standing Orders which govern the conditions of service of its workmen. These Standing Orders have to be certified by an authority approved by Government. This authority looks into the reasonableness or otherwise of the Standing Orders as proposed by the employers and may modify before certifying them. Under the Standing Orders, the basic conditions of service are prescribed including circumstances under which a workman may be discharged, dismissed or laid-off.

5.2 Simple Discharge : As regards termination of service of individual workers, it is generally provided in the Standing Orders that no worker can be discharged without giving at least 14 days' notice or pay in lieu of notice. There must, however, be full justification for such termination of service. In practice, it is extremely difficult for management to discharge a worker by giving notice, because an aggrieved worker can immediately take recourse to conciliation or adjudication and have the order examined by the appropriate Governmental machinery. The Tribunals do not permit the use of this provision to terminate the service of a workman, except on genuine grounds such as, loss of confidence in employee and similar valid reasons. The employer must establish *bona fides* of his action. It has been held by the Supreme Court that management cannot resort to termination of service of workmen by a colourable exercise of power under Standing Orders. The Supreme Court has, in many cases, disallowed the action of the management and upheld the workers case.

5.3 Dismissal : There are two sets of misconduct under the Standing Orders. For some minor and first offences, a workman is liable to be warned, censured or fined in accordance with the provisions of the Payment of Wages Act. But there are other acts and omissions which are of a serious nature and for which disciplinary action in the form of suspension or dismissal without notice would be merited. A worker who commits any of the misconducts listed in the Standing Orders becomes liable either to suspension from service for 4 days and hence loss of wages for that period or to a summary dismissal without notice or compensation *in lieu* thereof. In either case, the management is required to follow a strict procedure of enquiry which is intended to ensure that the workman concerned has an adequate opportunity to rebut the charges against him.

5.4 In the case of suspension for misconduct the procedure requires that the worker must be given (a) an order in writing setting out in detail the alleged offence and (b) an opportunity to explain the circumstances. If, after hearing the worker, the management comes to the conclusion that the workman is guilty of misconduct, the suspension order may be confirmed and the worker shall not be entitled to wages for the period of suspension which cannot exceed four days. If the enquiry shows that the worker has not committed the misconduct or that this is not established to the satisfaction of the management, the order of suspension is rescinded and the workman treated as on duty and paid the wages due to him.

5.5 Subsistence Allowance : The Government of India has lately amended the Industrial Employment (Standing Orders) Central Rules. Model Standing Order No. 14 provides, *inter alia*, for payment of subsistence allowance to workman placed under suspension. The

rate of payment is 50 % of the normal wages, but in special circumstances specified in the new amendment the rate goes up to 3/4th of the wages. The new Order even compels an employer to pay subsistence allowance to workman during suspension even when the latter is involved in a criminal case and arrested by the Police. The amendment also further provides that subsistence allowance already paid to a worker, who has been dismissed, shall not be recoverable from the employee. The payment of subsistence allowance is subject to the workman concerned not taking any employment during the period of suspension.

5.6 Domestic Enquiry: Where a workman has committed a misconduct which, in the opinion of the management, would merit dismissal, as for example, theft or assault, the law and practice require that the management observes a detailed procedure designed to ensure that no hasty decision is taken against, or injustice done to, the workman. The various steps of the enquiry which have been laid down by law and court decisions are, in brief, as follows : First, the management should hold a preliminary enquiry into the alleged offence of the workman; secondly, if satisfied *prima facie* that the workman has committed the alleged offence, he should be given a charge-sheet setting out exactly what acts or omissions were committed and what was the alleged misconduct; thirdly, an independent officer should be appointed to enquire into the offence; fourthly, the management should consider his report and, finally, if the finding of the enquiry officer is that the workman is guilty of the misconduct, it may pass the order of dismissal. In issuing the dismissal order, the management should take into account not only the fact that the worker was guilty, but must give due weight to the gravity of the offence, the previous record of the workman and any other extenuating or aggravating circumstances.

5.7 Principles of natural justice : The domestic enquiry, although conducted by an independent officer of the undertaking concerned, must conform to the principles of natural justice. The Courts and Tribunals have laid down that the enquiry must be fair and proper, that both the management and workers may call their witnesses, cross-examine them and adduce such other evidence as they deem fit, to prove their case. In cases where witnesses are not examined in the presence of the person charged, he should be given a copy of the statement made by the witnesses which are to be used at the enquiry well in advance before the enquiry begins. There have been many instances where an order of dismissal has been set aside by the Court even on the ground that the procedure followed by the employer was defective and resulted in injustice to the workman. It has also been held by the Supreme Court that although domestic enquiries need not be conducted in accordance with the technical requirements of Criminal trials, they must be conducted fairly. Where the Enquiry Officers are themselves witnesses to the alleged misconduct, the enquiry should be left to be held by some other person who is not an eye-witness to the impugned incident and that the Enquiry Officer should not import his personal knowledge or the knowledge of his colleagues to the enquiry and should not rely on reports received from other witnesses. Dismissal orders have also been challenged before Labour Tribunals on the ground that the action of management was *mala fide* or actuated by motives of unfair labour practice or victimisation. The Supreme Court has also held that Industrial Tribunals have power to hold a *de novo*

enquiry and come to their own conclusions, if they find that there was a travesty of the principles of natural justice in domestic enquiry.

Industrial Disputes Act :

6.1 *Dismissal during the pendency of proceedings* : Under Section 33 of the Industrial Disputes Act, an employer is under an obligation to seek prior permission of the conciliation officer or the adjudicators concerned for dismissal or discharge of a workman guilty of misconduct connected with the dispute pending before the conciliation officer or the adjudicator. In cases of misconduct, not connected with the dispute, an employer may discharge or dismiss an employee, provided—

- (1) the employers pays one month's wages to the worker; and
- (2) makes an application to the authority for approval of action taken by him.

6.2 Another class of workmen who have been given protection against victimization is the "protected workmen". In every establishment a certain number of men who are officers of a registered trade union connected with establishment are recognised as "protected" workmen. In the case of these "protected" workmen, express permission in writing of the Labour Court is essential, when an employer desires to alter the service conditions or to punish a 'protected' workman for misconduct. The permission has to be applied for whether or not the misconduct is connected with the industrial dispute.

6.3 *Scope of Tribunal's Powers in Dismissal Cases* : Let us now consider the scope of the powers of the tribunals, as laid down by the Supreme Court decisions to interfere with decisions of the management regarding termination of service and dismissals of workmen and to see whether they are adequate or inadequate to ensure security of service of workmen.

6.4 Taking the case of dismissals first, the power of tribunals to interfere with decisions of the management has been defined by the Supreme Court in the Indian Iron and Steel Company's case reported in 1958 I LLJ 260. In this case, the Supreme Court has only confirmed the decision of the Labour Appellate Tribunal reported in 1951 II LLJ 314 which laid down that a tribunal may interfere with decisions of the management

- (1) when there is a want of good faith,
- (2) when there is victimisation or unfair labour practice,
- (3) when the management has been guilty of a basic error or violation or a principle of natural justice, and
- (4) when on the materials the finding is completely baseless or perverse.

In laying down these rules for the guidance of tribunals, the Supreme Court has emphasised that undoubtedly the management of a concern has power to direct its own internal administration and discipline but this power is not unlimited and, therefore, the above safeguards have been provided for the workmen. The Supreme Court has not lost sight of the right of workmen with regard to security of service.

6.5 In any event as the law interpreted by the Supreme Court stands at present, if an employer terminates the services of an employee by giving him notice or wages in lieu of

notice without assigning any reason and if the employee raises a dispute the tribunal has power to enquire whether the discharge has been effected in the *bona fide* exercise of power conferred by the contract. In other words, it can examine the reason for the discharge and interfere with the decision of the management on the ground that the decision is *mala fide*.

6.6 As the law stands at present, the management has to hold a proper and fair enquiry and not just a formal enquiry. This is the law as laid down by the Supreme Court. If the tribunal comes to the conclusion that an enquiry is not proper and fair, it is open to the tribunal to reverse the decision of the management. Further if the conclusions reached in the enquiry are held to be perverse or if the punishment is held to be vindictive and *mala fide*, the tribunal has power now to interfere with the decision of the management and grant appropriate relief.

6.7 Personal prejudices, *mala fides* and other forms of undesirable human behaviour are not peculiar to the industrial world. They are present in varying degrees in almost all organisations including Government service and the law as it stands cannot provide complete protection against the working of such forces. But there is no reason whatsoever to give the industrial worker special treatment which is not enjoyed by other persons who work in similar services.

Safeguards for retrenched employees :

7.1 Economic factors beyond the control of an employer often compel him to curtail production or completely close down the factory. Some times, the introduction of better working, modern upto date machinery and adoption of advanced technique of production may result in some surplus labour. In all such cases, the employer is not free to make necessary man power adjustments.

7.2 With a view to ensuring that the reasonable interests of workers are safeguarded, several provisions have been incorporated in the Industrial Disputes Act, 1947. The sections relating to retrenchment in the Act apply to employees who (a) have put in continuous service of one year and (b) are employed in industrial undertakings employing 50 or more workers. The Act, *inter alia*, lays down that, where a workman is retrenched, he must be given one months' notice or pay in lieu of notice; besides, he must be paid monetary compensation at the rate of 15 days' pay for every year of service put in by him in the establishment. Moreover, the workers' rights to provident fund, gratuity and leave wages remain unaffected by his retrenchment. The retrenched worker has also a right to be re-employed in the same establishment in the event of a future vacancy.

7.3 The employer is required to observe a specific retrenchment procedure. Under this procedure, unless the employer and the workman agree otherwise, the employer must ordinarily follow the principle of "last come, first go" in effecting retrenchment in a particular category of workers. If, however, he wishes to retrench any other workman, the reasons for so doing must be recorded. In practice, the rule of seniority is generally followed except where the union agrees to a different arrangement.

Rationalisation and Automation without tears :

7.4 The 15th Session of the Indian Labour Conference held in July 1957 made specific recommendations on the conditions which should precede the introduction of any scheme of rationalisation. These recommendations, among other things, are : (i) the existing employees should not be discharged or their individual earnings reduced; but advantage may be taken of natural separation of personnel or wastage and (ii) advance notice of three weeks to three months should be given to the unions before a change is effected.

7.5 The Tripartite national forum has also discussed the question of Automation. Although this term 'Automation' is loosely used to include not only such sophisticated instruments as computers, but also any form of rationalisation of work force, mechanisation of work or adoption of improved methods which reduces number of persons presently engaged in performing a specific work. The twenty-fourth Session of the Indian Labour Conference held in July 1966 generally considered that what was called for was a regulation of the pace of technological change to facilitate a smooth and orderly transition with the minimum of social costs. It was agreed that the requirements of the Model Agreement on Rationalisation should be fully complied with while introducing Automation also. This matter was reopened at the 25th Session of the Indian Labour Conference held in April 1968. However, no discussion took place, and it was decided to convene a special session; accordingly, a special session of the Standing Labour Committee was convened on the 18th July 1968. At this special session, from the workers side, earlier conclusions were questioned; there was a tendency not to differentiate, as was previously done, between "production work" and "table work"; an attempt was made to ensure the placing of a ban on all automative devices and machines, at any rate for placing further safeguards, such as, clearance by a Tripartite Committee for proposals to introduce automation so as to better protect the interests of workers. At the end of the Session, the position, if anything, is more confused than before, for no agreed conclusions as such were arrived at.

7.6 There are no such legal obligations in industrially developed countries with market economies. Although some collective bargaining agreements provide for prior consultation with the trade unions regarding redundancy plans, this practice is by no means widespread. Besides, re-employment is not always made on seniority basis, as in India, but on the basis mainly of efficiency and the past record of the employee.

Lay-Off :

7.7 Sometimes the employer may be unable to provide continuous employment to workers on the muster roll of his establishment on account of shortage of power, coal or raw materials required for full working even when they present themselves for work. In such circumstances, the workers will have to be "laid-off".

7.8 When workers are thus "laid-off", the law provides for the payment of compensation to them. Whenever a workman is laid off, he is to be paid by the employer for all

days during which he is laid off, except for such weekly off days, as may intervene compensation to be equal to 50% of the total of the basic wages and dearness allowance that would have been payable to him had he not been so laid off : If during any period of 12 months, a workman is laid off for more than 45 days, no such compensation is payable in respect of any period of the lay off after the expiry of just 45 days, if there is an agreement to that effect between the workmen and the employer.

7.9 In advanced countries like the U.S.A. and the U.K. no such 'lay-off' compensation is payable to industrial labour. In the United States, for instance, the security provisions applicable to lay-off cases obtain only under a few agreements, whereas in the United Kingdom, such cases are dealt with under the provisions of the redundancy plans which have been drawn up by some employers on their own accord. Since 1966, the U.K. Government has enacted a law providing for redundancy schemes and payment of compensation arising out of redundancy of workers.

Closures :

7.10. Due to certain factors, as for instance, the decline in demand, shortage of raw materials, power or fuel, accumulation of stock, expiry of licence, financial difficulties, etc. the employer may have to close down his undertaking. In all such cases, the workers' interests have been safeguarded by law. The workman concerned are treated on the same footing as workers who are retrenched and are entitled to the same terms of notice and compensation. Even workers employed on temporary work such as construction of bridges, dams, canals, and buildings are entitled to these privileges and must be given compensation when the work closes down, provided that construction work is not completed within two years.

7.11 In industrial adjudications on closure of industrial undertakings the Industrial Tribunals have generally held that it is the fundamental right of a citizen to discontinue his business; nevertheless, a tribunal, if it so wishes, can examine whether the alleged closure of the undertaking was on account of financial difficulties or accumulation of undisposed stock and as such was beyond the control of the employer. It is only when these difficulties are coupled with other circumstances that a closure may be said to have been caused by unavoidable circumstances beyond the control of the employer.

Section 2A—Dismissal of an individual workman :

8.1 The suggestion to amend the Industrial Disputes Act in order to enable individual employees to approach directly an appellate authority regarding their termination of employment or dismissal was discussed at the 17th Session of the Indian Labour Conference held in Madras in July 1959 and it was decided at that Conference that—

- (a) Disputes relating to individual cases including dismissals should, as far as possible, be sponsored by a union.

- (b) In the absence of a union to sponsor such cases or the union concerned declining to sponsor them, the aggrieved individual might approach the Government conciliation machinery for redressal.
- (c) The Government official authorised for the purpose should be empowered to refer such cases to a labour court for adjudication.

8.2 The Conference further agreed that there should be careful screening of cases before these were referred for adjudication, and that the model principles approved by the Conference should be followed in making reference of disputes to adjudication. In the model principles, the criteria for referring individual disputes to adjudication are the following :—

“Industrial disputes raised in regard to individual cases, *i.e.* cases of dismissal, discharge or any action of management on disciplinary grounds, may be referred for adjudication when the legality or propriety of such action is questioned, and, in particular :—

- (i) if there is a case of victimisation or unfair labour practice,
- (ii) If the Standing Orders in force or the principles of natural justice have not been followed, and
- (iii) if the conciliation machinery reports that injustice has been done to the workman.

NOTE : If there is *prima facie* evidence in the possession of the appropriate machinery to show that the workman concerned has committed a serious breach of the Code of Discipline, adjudication may ordinarily be refused.”

8.3 Should an individual workman have such a right ? Any workman who is aggrieved is free to go to the trade union and the trade union, if it comes to the conclusion that the action of the management is not justified, is free to raise an industrial dispute. The 17th Session of the Indian Labour Conference had provided for cases where there were no trade unions functioning, although it is hard to find industries in which some trade union is not operating.

Individual grievance is an “industrial dispute” :

9.1 The Government of India amended in 1965 the Industrial Disputes Act by inserting a new section 2A so as to provide that where any employer discharges, dismisses, retrenches or otherwise, terminates the services of an individual workman any dispute or difference between that workman and his employer connected with or arising out of such discharge, dismissal retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is a party to the dispute. In amending the Act, the Government explained that Courts have taken the view that a dispute between an employer and an individual workman cannot *per se* be an industrial dispute, but it may become one, if it is taken up by a union or a number of workmen, making a common cause with the aggrieved individual workman. As a result, the appropriate Government is now empowered to refer for arbitration or adjudication the individual case of dismissed or discharged employees.

9.2 While Government has undoubtedly the authority to enact a legislation on any matter it deems fit, nevertheless an objective view of the implications of any legislation, particularly in relation to above amendment, is necessary. No substantial relief is going to be gained by an individual worker as a result of the amendment. On the other hand, such kind of legislation will tend to disturb industrial peace, give rise to multiplicity of disputes, weaken an organised union, and finally erode faith in mutually accepted Grievance Procedure. Above all, the amendment tends to encourage litigation.

9.3 Thus, even an individual workman is entitled to seek a remedy through the machinery provided in the Industrial Disputes Act although the main object of the Act is to settle collective disputes.

9.4 The vires and validity of Section 2A of the Industrial Disputes Act, 1947 has been challenged in Delhi High Court and the case is pending before the Division Bench.

The Study Group of the National Labour Commission on Port & Dock has in its report recommended that Section 2A of the Industrial Disputes Act should be deleted as it undermines the influence of a representative union.

Proposed Section 10B : unfettered discretion to tribunals :

10.1 Recently a Bill to amend the Industrial Disputes Act has been introduced in Parliament which further widens the jurisdiction of industrial tribunals and labour courts to enable them to virtually sit as appellate authorities over disciplinary action taken by management and also to vary or modify the punishment meted out to workmen after a full and proper domestic enquiry. If the proposed amendment is written into law, it means that Tribunals would be vested with power to review management's orders of dismissals or discharge of workers for misconduct. In other words, the Tribunals would no longer be restricted by the decisions of the Supreme Court which in its wisdom has laid down the principle that in cases of dismissals for misconduct, the Tribunal should not act as a court of appeal and substitute its own judgment for that of management.

10.2 In the present economic state of the country where enhanced production is of paramount importance and in the prevailing circumstances of increasing indiscipline, it is not known as to what compelling reasons induced the Government to disturb this healthy balance established by the existing law. There is no doubt that the proposed amendment would tend to increase litigation, keep industry in a ferment, encourage indiscipline in industry and ultimately affect production.

Tendency of tribunals to order reinstatement in all cases :

11.1 The Standing Orders as well as the codified law on the subject of reinstatement, etc., assure sufficient protection to the employees governed by Industrial Law. Time has now come to consider the advisability of some of the principles laid down by the Courts and Tribunals in regard to reinstatement of an employee whose services are found to be

wrongfully terminated. The courts generally order reinstatement of a worker if employer fails to observe strictly even some minor legal procedure. The Seminar might consider whether in cases where the employers fail to follow only the proper procedure and where the employee does not deserve to be reinstated on merits, would it be proper for the Tribunal to order reinstatement.

11.2 Similarly in the case of retrenchment there have been recent decisions by Tribunals that when the employer fails to abide by the procedure laid down in Sec. 25-F and the relevant rules the retrenchment is illegal, and, therefore, the retrenched worker is ordered to be reinstated with full back wages. The Seminar might discuss that in a case of this type where the employee is found surplus to the requirements and therefore is bonafide retrenched, would it be proper that such an employee should be reinstated merely because the employer fails to observe one or two conditions such as immediate payment of wages to the employee at the time of retrenchment. The utmost that the employee would be entitled to, is the unpaid amount of compensation and wages and additional compensation for the failure of the employer to pay the statutory compensation in time. There is certainly no justification for reinstatement of an employee who is genuinely found to be surplus.

11.3 In a decision given by the Punjab High Court a retrenched worker was ordered to be reinstated because the employer failed to send the amount to the workman by money order immediately after the order of retrenchment as required by Sec. 25-F. The Seminar might agree that such order of reinstatement is hardly in keeping with the spirit of Sec. 25-F of the I.D. Act, the object of which is to offer compensation to the employee by way of payment of compensation.

Dismissal for misuse of E.S.I. Benefits barred :

12.1 The provisions in the Employees' State Insurance Act lending protection from dismissal, discharge, during the period an employee is in receipt of sickness benefit, has imposed further restrictions on employees to dispense with the services of defaulting employees and led to gross indiscipline. Whilst the principle underlying such provisions is good it is often abused by workers who obtain E.S.I. benefits to delay the management action in disciplinary cases.

12.2 To sum up, the job security which the Indian worker enjoys today compares very favourably with that of his counterpart elsewhere in the world. This is the result partly of the legislative measures and partly of the principles and procedures laid down by industrial courts and tribunals. In certain respects, the law and practice for ensuring job security goes far beyond the provisions contained in the ILO Recommendation. Moreover, the institutional factors, such as the influence of trade unions and a Government comparatively sympathetic to labour have also contributed a great deal of security to industrial workers india.

Who all need Job Security :

13.1 The definition of the term 'workman' varies from statute to statute. For regulation of industrial relations, we are led by the definition of this term under the Industrial Disputes Act, 1947 and the corresponding State laws. Section 2(s) of the Industrial Disputes Act defines the term 'workman' as—

“any person (including any apprentice) employed in any industry to do any skilled or unskilled manual supervisory, technical or clerical work for hire or reward, whether the terms of employment be express or implied and for the purposes of any proceedings under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute” except those employed mainly in a managerial or administrative capacity or supervisory capacity drawing monthly wages exceeding Rs. 500/-.

The definition of this term under the State laws is more or less similar to the one under the Industrial Disputes Act. The definition is wide enough to cover skilled, unskilled operatives, technicians, apprentices, clerks and supervisory staff. Though it excludes managers and administrative staff and such of the supervisory staff who draw more than Rs. 500 per month as wages, it covers engineers and pilots, drawing salary as high as Rs. 2000 to Rs. 3,000 per month. Definitely, in an undertaking, all employees cannot be treated alike for purposes of industrial relations. The whole staff could be rationally divided into three categories : Top Management; Middle Management; and the Workmen. A clear line of demarcation has to be drawn between the Workmen and the Middle Management. Certainly between the Workmen and Top Management.

In more than one way, the employees who form Middle Management cannot be treated like Workmen for purposes of industrial relations. There are definite responsibilities which the Middle Management has to discharge vis-a-vis Workmen for regulation of industrial relations. A maintenance engineer or a pilot in an airlines has undoubtedly a greater responsibility as compared to an ordinary machine operator in a factory. The rights and obligations of the employee should, therefore, be in consonance with the level at which he functions. Provisions of the industrial law as they stand now have made effective and efficient management almost impossible. If the persons who have to discharge the management functions start participating in trade union activities like strikes, etc. and they are over protected by law, enforcement of the management policy decided by the Top Management becomes impossible.

13.2 The Council of Indian Employers in its Memorandum to the National Commission on Labour has urged that the existing definition of the term 'workman' should be substituted by a simpler one to cover all employees getting Rs. 500 per month as wages, subject, however, to the exclusion of the managerial categories.

13.3 It would be pertinent to mention here that the Study Group on Labour Relations of the National Commission on Labour has in its interim report suggested a uniform labour code and that the definition of the term 'employee' in the Code should be sufficiently wide to cover all categories of employees who should normally be brought within the ambit of the Code. However, in the case of those employees who fall normally in the category of managerial, the Study Group feels that they could have their own trade unions. It should, however, be permissible through legislation or collective bargaining to circumscribe their activities in certain spheres. As an alternative, the Study Group has suggested that certain percentage of employees be excluded from the purview of the Code.

13.4 As compared to the practice in India, in the United Kingdom an employee is not a 'workman' if manual labour is not the real or substantial part of his employment. In the United States the definition of 'employee' in the Fair Labour Standards Act excludes executives, administrators, supervisors, etc.

14. In the light of the above discussions, the following points are placed for consideration of the Seminar :

- (1) Definition of the term "job security"—Does it exclude dismissal for misconduct, lay-off and retrenchment ?
- (2) The quasi-judicial procedure for disciplinary action—Does it not provide sufficient job security ? —The difficulties encountered by the small and middle scale establishments in adhering to the requirements of the quasi-judicial procedure.
- (3) The Standing Orders—Do they ensure job security ?
- (4) Section 2A of the Industrial Disputes Act—Has it contributed to job security ? Sections 33 and 33A of the Industrial Disputes Act—Have they contributed to job security ?
- (5) The suggestion from the National Commission on Labour regarding decision on all enquiry proceedings being taken not by management but by a third person, e.g., an arbitrator—What has been the impact on discipline and efficiency of the existing safeguards and protections ?
- (6) Has job security in Government services contributed to efficiency ?
- (7) If trade recession causes redundancy, how should surplus workmen be dealt with ?
- (8) The proposed Section 10B empowers Tribunals to review cases of discharges and dismissals of employees. Will this not impinge on the right of an employer to carry out his business activities in the best interests of the organisation e.g. maintenance of morale of the supervisory staff, uninterrupted production, etc. ?
- (9) In view of misuse of sickness benefits under the Employees' State Insurance Act, 1948, is it not advisable to amend Section 73 and provide for necessary deterrent against malpractices ?
- (10) How can economic development, which in essence means, technological improvement be reconciled with job security only for those who are already in employment.

- (11) Who all need job security under law ?
- (12) In view of the need for accelerated economic growth, are the present agreements on 'rationalisation and automation without tears' desirable, or these work as a drag ? If the latter, what should be the form of agreements which reconcile the interests of workers already employed and the needs of economic growth which will increase the total employment strength ?

*Background paper on
Recognition of Trade Unions*

SEMINAR

ON

JOB SECURITY
AND
RECOGNITION OF TRADE UNIONS

VIGYAN BHAVAN
AUGUST 27 - 28, 1968

COUNCIL OF INDIAN EMPLOYERS
FEDERATION HOUSE
NEW DELHI-1

CONTENTS

	Pages
INTRODUCTION	1
"TRADE UNION" DEFINED.	1
RECOGNITION OF UNIONS IN:	2
— United Kingdom	2
— U.S.A.	3
I. L. O. CONVENTIONS ON THE SUBJECT.	4
BACKGROUND TO RECOGNITION OF UNION IN INDIA	5
— Statutory recognition past efforts.	6
— The Trade Unions (Amendment) Bill, 1947.	6
— Conditions for recognition under 1947 Act.	7
— The Trade Unions Bill, 1950.	8
— State legislation on recognition of unions.	9
PLAN POLICY ON RECOGNITION	10
— Second Five-Year Plan	10
— Third Five-Year Plan	10
— Voluntary recognition of unions under the Code of discipline in Industry.	11
RIGHTS OF RECOGNISED UNIONS	12
— Under legislation.	12
— Voluntary	13
RIGHTS OF NON-RECOGNISED UNIONS	13
DIFFICULTIES ENCOUNTERED BY EMPLOYERS	14
DETERMINING A REPRESENTATIVE UNION	14
— Verification of membership	14
— Drawbacks of the verification method	15
SECRET BALLOT	15
EMPLOYERS' SUGGESTIONS	15
— Memorandum of the Council of Indian Employers	15
— Appropriate collective bargaining unit.	18
OTHER SUGGESTIONS	19
SOME POINTS FOR DISCUSSION.	21

RECOGNITION OF TRADE UNIONS

A cordial relationship between management and labour is imperative to bring about the accepted objectives of greater production and higher productivity increase. Even with the best of efforts aimed at harmonising their interests by mutual understanding and co-operation, differences may, and do often, arise between them. These differences must ideally be resolved through a process of collective bargaining which is regarded as *sine qua non* of an effective democratic system of industrial relations throughout the world. The right of workers to join unions of their choice is now firmly established in law and practice. In India out of total working force in both industry and agriculture amounting to 188.7 million, only about 2.3 million workers are affiliated to one or the other of four central Trade Unions viz. INTUC, AITUC, HMS or UTUC. Besides there are many independent Trade Unions, with membership strength of about 2 million.

1.2 Collective bargaining involves an employer and a union of his employees freely negotiating an agreement and writing the results of that agreement into a binding contract or collective agreement. It is, therefore, essential that there should be a recognised union supported by a majority of the employees who should be able to speak for and deliver goods on behalf of workers. The question of recognition of a representative union is central to the system of collective bargaining.

Trade union defined:

2.1 Before we discuss the question of recognition of unions, it may be necessary precisely to know what we mean by 'unions'.

2.2 According to section 2(h) of the Indian Trade Unions Act, 1926 "trade union" means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more Trade Unions."

2.3 It will, thus, be seen that the connotation of the term "trade union" under Indian law is wide and includes even employers' associations. The discussion in this paper is, however, confined to the *unions of workers*. For the purpose of this paper, the traditional definition of trade unions seems to be more appropriate, namely, that "a Trade Union is a continuous association of wage-earners for the purpose of maintaining and improving the conditions of their working lives."

2.4 Two important issues connected with the recognition of unions are (1) what should be the procedure for ascertaining the strength of rival unions for the purpose of recognition,

and (2) whether or not the recognition should be statutory or voluntary. The following paragraphs seek to discuss, in brief, the practices prevalent in the U.S.A. and the U.K. The choice of these two countries is mainly on the ground that they provide examples of alternative methods viz. statutory recognition of unions by secret ballot (U.S.A.) and purely voluntary recognition of unions by the employers (U.K.).

RECOGNITION OF UNIONS IN OTHER COUNTRIES

United Kingdom:

3.1 In the United Kingdom, recognition of trade unions by employers is voluntary. The English and Scottish Law, however, implicitly recognise the moral right of employees "to bargain collectively through representatives of their own choosing"; but they do not translate it into a legal duty imposed upon employers to bargain with the unions. An employer who refuses to 'recognise the freedom of his workpeople to be members of trade unions' may not obtain government contracts. He cannot, however, be ordered by an administrative authority or by a court to stop this practice. Some of the public corporations, which administer nationalised industries, have, however, been placed under a duty to 'enter into' or 'to seek consultation with organisations appearing to them to be appropriate with a view to establishing machinery for collective bargaining and joint consultation.'

Substantial proportion:

3.2 To secure recognition a union usually has to show to the employer that it represents a 'substantial' proportion of employees in the branch of activity concerned—though not necessarily in the particular undertaking which as a rule means neither a majority nor a minimum percentage. In practice, it is a matter of tradition and common sense. Much of the collective bargaining is carried on an industry—wide basis, and, where this happens, the terms of an agreement signed by a nationally recognised union will also apply within the industry concerned in which that union may have only a few members.

3.3 The criterion of "substantial" representation has been applied through various occupations. For instance, as regards the non-industrial civil service generally, recognition depends on the degree of organisation attained by the unions, though Government has never laid down any percentage of trade union membership which would establish a claim to national recognition or raise the question of its withdrawal.

Inappropriate category or occupation:

3.4 The second basic requirement of trade union recognition is that the union should be appropriate to the particular occupation or category of employees. This requirement, which has evolved from the idea of craft-unions, is followed with respect to both industrial and non-industrial occupations.

3.5 It is clear from the above that trade unions are generally recognised by employers on fulfilling certain conditions. But this does not mean that recognition would be granted to any union. Industrial relations in the U.K. have already been moulded into a pattern and the existing trade unions cover the field quite effectively. Both the unions and managements hold the view that, by and large, the existing trade union net-work provides enough scope for the workers, whether manual or non-manual, to choose the most appropriate union. Further, they are both wary of 'splinter unions' which might have a disruptive effect on the trade union movement and upset the relationship carefully built up between workers and employers.

3.6 The British Government never encouraged the formation of break-away unions. Lately, they have been, in fact, discouraged by legislation. Under the Industrial Disputes Order, 1951, only unions that habitually took part in the settlement of terms and conditions of employment were empowered to report a dispute or an issue to the Minister of Labour, and in addition the reporting of dispute was confined to unions that represented a substantial proportion of the workers in the trade or industry concerned. Thus, such unions were the only ones that could take advantage of the services of the Industrial Disputes Tribunal. Under the Terms and Conditions of Employment Act, 1959, the requirement of representing a substantial proportion of the workers in an industry is preserved as a qualification for the reporting of claims by a union in order to enforce the observance of negotiated agreements to which it is a party.

U.S.A.

4.1 Two important features of the U.S. Industrial Relations system are (1) the election of representative unions, as bargaining agents, by secret ballot, and (2) the recognition of unions by statute. These provisions, among other things, are administered by the National Labour Relations Board, set up under the Wagner Act, 1935 and later retained under the Taft-Hartley Act (Labour—Management Relations Act) 1947. According to Section 9(a) of the Taft-Hartley Act, the representatives designated for collective bargaining purposes by the majority of the workers in an appropriate bargaining unit must be regarded as the *exclusive representative* of all the workers in that unit in matters relating to the negotiation of wages, hours of work and other conditions of employment. Under Section 9(c) of the Act, any worker or group of workers or organisation of employees or an employer may call upon the National Labour Relations Board to carry out inquiries as a preliminary to certifying a union as a bargaining agent in a particular unit.

4.2 Intervention in, and supervision of, the elections are not an unvarying practice of the Board since it is quite lawful for an employer to agree informally with a particular union that the latter should act as the representative of all the workers in a particular plant once the employer has satisfied himself that the union does in fact represent the majority of the employees.

A minimum of 30 per cent:

4.3 Whenever a worker, a group of workers or organisation of employees requests the Board to intervene, it must be proved that not less than 30 per cent of the workers in the unit concerned support the union. This evidence is insisted on by the Board and is usually provided by the production of authorisation cards signed by the workers.

The bargaining unit:

4.4 The Wanger Act had stipulated that it was for the Board to decide "whether the employer unit, the craft unit, the plant unit or a sub-division of any of these was the most appropriate for collective bargaining purposes".* Generally speaking, the Board in its decisions takes into account the unit that has evolved in collective bargaining over the years. The Taft-Hartley Act imposed certain restrictions on the Board thus: Professional workers (defined mainly as employees engaged in work predominantly intellectual and varied in character as opposed to routine non-manual or manual worker) could not form a unit together with other workers unless the professional workers themselves decided to do so; the Board could not refuse to allow the establishment of a craft-unit on the ground that it had previously established a different unit for the same workers unless a majority of the employees in the proposed craft unit voted against separate representation; in other words, craft unions will be given preference if they wished to split off from a bigger unit; persons employed guards (watch and ward staff) in an establishment could not belong to the same unit as the other workers.

4.5 The Board can intervene to decide whether a union is no longer sufficiently represented to act as an exclusive bargaining agent on the workers' behalf. No new elections may be held within 12 months of any valid election. If a contract already exists, it must be allowed to expire before application is made for decertification of the union provided that the contract is not for more than 2 years.

4.6 In determining what is the appropriate unit for collective bargaining, the Board generally takes into account the following factors:

- (a) the history, extent and type of organisation of the employees;
- (b) the history of their collective bargaining, including any contracts;
- (c) the history, extent and type of organisation of the employers;
- (d) the relationship between any proposed unit or units and the employers' organisation, management and operation of his business, including the geographical location of the various plants or parts of the system; and
- (e) the skill, wages and working conditions of employees.

4.7 Once the appropriate bargaining unit is determined, if a union is unable, by agreement, to win recognition from an employer as the bargaining agent of an appropriate unit,

* Governmental Resolution of Industrial Relations by Hywell Evans P. 56.

it is free to file a petition with the National Labour Relations Board, which would demand satisfactory evidence from the union that it enjoyed substantial representation among the employees. On receipt of the application, the Board would set a date for a secret election to determine *whether the workers in the unit desired to be represented by a union and, if there was more than one in the field, by which one.* The union successful in an election becomes the representative of all the workers in the unit concerned.

I. L. O. CONVENTIONS

5.1 The I.L.O. Convention No. 87 (1948), on Freedom of Association and Protection of the Right to Organise, lays down that "workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorization." Other Articles give full freedom to workers' organisations to draw up their constitutions, to elect representatives, to organise their activities to establish and join federations etc. Article 8 of the Convention lays down that "workers and employers and their respective organisations, like all others, shall respect the law of the land. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in the Constitution."

5.2 The I.L.O. Convention No. 98 (1949), the Right to Organise and Bargain Collectively, says that workers shall enjoy protection against acts of anti-union discrimination in respect of their employment. The protection is, in particular, directed in respect of acts calculated to (a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership, and (b) cause the dismissal of, or otherwise prejudice, a worker by reason of union membership or because of participation in union activities outside working hours.

Background to recognition of unions in India

6.1 According to the Report of the Royal Commission on Labour (1933), the expression, "recognition of unions" owes its origin, as far as India is concerned, to the relations of Government with its servants. Until comparatively recent times, Government servants were prohibited from submitting collective memorials and petitions. When conceded, this right was granted only to combinations which conformed with certain rules. These are known as the Recognition Rules, and Unions which accepted them were then ordinarily granted formal 'recognition' and were able to conduct negotiations with Government on behalf of their members. Private employers, too, tended to adopt similar methods.

6.2 The Royal Commission observed: "Some (employers) seem to think that recognition means that the employer recognises the right of the union to speak on behalf of his workmen, or at any rate all the class for which the union caters. Influenced in some cases by this misconception and in others, we fear, by a desire to prevent the union from gaining

in strength, recognition has frequently been withheld on the ground that the union embraces only a minority of the class concerned. Other reasons given for refusing recognition are the prior existence of another union, the refusal of the union to dispense with the services of a particular official, the inclusion of outsiders in the executive and the failure of the union to register under the Trade Unions Act." The Commission recommended that "Government should take the lead, in the case of their industrial employees, in making recognition of unions easy and in encouraging them to secure registration."

Statutory recognition-past efforts

7 The progress of voluntary recognition of trade unions by employers as recommended by the Royal Commission was not considered satisfactory by Government. Accordingly, a Bill was introduced by the Government in the Central Legislative Assembly in 1943 providing for compulsory recognition of unions. The then Member for Labour, Dr. B. R. Ambedkar, justified the introduction of the Bill on the ground that it was felt by Government that the time had come when the compulsory recognition of trade unions must be provided for by legislation. To quote his words, "with all its limitations recognition by statute will at least clarify the position and give organised and well-conducted Trade Unions the status they deserve." The Bill (Indian Trade Unions (Amendment) Bill, 1943) was placed before the Fifth Session of the Standing Labour Committee held in New Delhi in June 1944. There was some discussion on the underlying principle and the proposed provisions of the Bill; but it did not lead to any agreed recommendation.

The Trade Unions (Amendment) Bill:

8.1 In the light of the opinion received on the Bill, it became necessary to amend the Bill referred to above. As the amendments were of a substantial nature, Government considered it advisable to introduce a revised Bill in the Legislature instead of proceeding with the old Bill. The Bill, as revised, was accordingly placed for discussion at the Seventh session of the Indian Labour Conference held in November 1945.

8.2 After some discussion, it was agreed that a small Committee representing two members from the employers' side and two members' from the workers' side, be appointed and that Government would be prepared to call them at short notice and place before them their final proposals with regard to the Bill. The Sub-Committee of the Conference met at New Delhi in January 1946. The Employers' representatives on the Committee opposed the principle of according recognition by means of compulsion, as it would not result in bringing about harmonious relations between employers and employees. It was their considered opinion that a union to be really representative of workers, should have in its membership not less than 25 per cent of the total number of workers. The Chairman, Dr. B. R. Ambedkar, however, opined that, in the present unorganised state of labour in India, it was absolutely inadvisable to lay down any rigid condition with regard to the percentage of membership. He agreed that the statement of Objects and Reasons appen-

ded to the earlier Bill, and about which employers had taken strong exemption, would be altered when the New Bill was introduced. The Government introduced the Indian Trade Union (Amendment) Bill in the Central Legislative Assembly on February 21, 1946, providing for obligatory recognition of representative trade unions by employers by an order of Labour Court, but was not proceeded with during that Session. Again, the same Bill was introduced in the Central Legislature on October 29, 1946, by Mr. Jagjivan Ram, the Labour Minister of the Interim Government. The Bill was referred to a Select Committee which submitted its report on February 28, 1947.

8.3 The Committee was of the opinion that the Bill had not been so altered as to require re-publication and that it might be passed as amended by it. Amongst the most important amendments made by the Select Committee, the following may be mentioned: (1) The Labour Court in deciding the representative character of a Union, shall have regard to the percentage of membership which might be prescribed either generally or in respect of any locality, any particular employer, or industry. (2) The Labour Court should be empowered finally to decide the question of recognition, and not merely to make a recommendation to the appropriate Government. (3) A proviso was added to the Section on 'unfair practices by employers', whereby the refusal of an employer to permit his workmen to engage in Trade union activities during their working hours shall be deemed to be an 'unfair practice' on his part. The Bill was passed on November 19, 1947, and received the assent of the Governor-General on December 20, 1947.

Conditions for recognition under 1947 Act :

9 Under the provisions of this Act, the recognition might be granted by the employer by agreement or a trade union might apply for grant of recognition by Labour Court, on fulfilling the following conditions:

- (a) That all its ordinary members are workmen employed in the same industry or industries closely allied or connected with one another;
- (b) that it is representative of all workmen employed by the employer in that industry or those industries;
- (c) that its rules do not provide for the exclusion from membership of any class of the workmen referred to in (b);
- (d) that its rules provide for the procedure for declaring a strike;
- (e) that its rules provide that a meeting of its executive shall be held at least once in every six months; and
- (f) that it is a registered trade union, and that it has complied with all the provisions of the Trade Unions Act, 1926.

The Act has not, however, been enforced so far.

THE TRADE UNIONS BILL, 1950

10.1 The anxiety of Government to bring into force either the Trade Unions (Amendment) Act, 1947 or some similar legislative provision incorporated elsewhere and to ratify I.L.O. Convention 87 and 98, without such ratification having, in any way, undesirable repercussions on the Civil Service of the country led to the drawing up of two important Bills by the Government, viz the Labour Relations Bills, 1950, and the Trade Unions Bill, 1950.

10.2 On February 23, 1950, the then Union Labour Minister, Mr. Jagjivan Ram, introduced in Parliament the Trade Unions Bill 1950. The Bill was primarily a consolidating measure, but there were a few new provisions. The new provisions were as follows:

- (a) A trade union of civil servants shall not be entitled to recognition by the appropriate Government if it does not consist wholly of civil servants or if such union is affiliated to a federation of trade unions to which a trade union consisting of members other than civil servants is affiliated.
- (b) A trade union shall not be entitled to recognition by an employer in relation to any hospital or educational institution by order of a Labour Court if it does not consist wholly of employees of any hospital or educational institutions, as the case may be.
- (c) A trade union consisting partly of supervisors and partly of other employees, or partly of the watch and ward staff and partly of other employees shall not be entitled to recognition by an employer by order of a Labour Court."

10.3 It was also laid down in the Bill that "where application for recognition is made by more than one registered trade union, the trade union having the largest membership will have preference to other trade unions."

10.4 The Ministry of Labour placed the Bill for discussion at the 10th Session of the Indian Labour Conference held at New Delhi in March 1950. The main point made by the employers' representative was that Chapter IV of the Bill relating to recognition of Unions should not be made applicable in the case of those workers who were covered by a certified bargaining agent under the Labour Relations Bill. This was in the interest of the proper growth of trade unionism and would avoid multiplicity of union shaving bargaining status at the same time.

10.5 The workers' representatives criticised the clause relating to the restriction of the number of outsiders on the executive of a trade union. They also pressed for the deletion of clause 32 which permitted an employer to recognise any number of trade unions. It was urged that such a provision would encourage unhealthy rivalry between various trade unions and result in employers promoting "company unions."

10.6 The Bill was referred to a Select Committee of Parliament. The Report of the Select Committee was not unanimous. There were three minutes of dissent appended to the Report. One important point made out was that the provisions relating to unions of civil

servants had the effect of denying to civil servants the right of Association and the right to organise. In contrast, another member suggested that workers in munitions and factories run by the Defence Department should not be brought under the trade union law, and that they should be specifically excluded from the purview of the Bill.

10.7 Other observations contained in the minutes of dissent related to the restriction placed on the number of outsiders on executives the need for making political levy compulsory, and the cumbrous procedure for securing the registration of a trade union.

10.8 Because of the opposition to the Bill from various quarters, particularly from workers' side, the Government of India did not proceed with it. On dissolution of the legislature, the Bill lapsed and has not since been brought forward by Government before the Parliament.

State legislation on recognition of unions:

11.1 Although there is no central legislation at present governing recognition of trade unions, there are State enactments which regulate recognition in a number of States. The *Bombay Industrial Relations Act*, 1946, contains elaborate provisions covering recognition and rights of unions. The B.I.R. Act distinguishes between three of unions, viz. (1) Representative Union, (2) Qualified Union and (3) Primary Union. These are defined as follows:

(1) Any union, which has for the whole of the period of three months next preceding the date of its so applying a membership of not less than 15% of the total number of employees employed in any industry in any local area, may be registered as a *Representative Union* by the Registrar of Trade Unions.

(3) If in any local area a Representative Union has been registered in respect of an industry, a union which has for the whole of the period of three months next preceding the date of its so applying a membership of not less than 5% of the total number of employees employed in such industry in the said area may be registered as a *qualified Union* for such industry in such local area.

(3) If, in any local area, neither a Representative Union nor a Qualified Union has been registered in respect of an industry, a union having a membership of not less than 15% of the total number of employees employed in any undertaking in such industry in the said area may be registered as a *Primary Union* for such industry in such local area.

With the bifurcation of Bombay State, the B.I.R. Act is applicable both in Maharashtra and Gujarat.

The *C. P. and Berar Act*, 1947 laid down the following conditions for recognition of unions:

(i) The membership of the Union is open to all the employees irrespective of caste, creed or colour;

(ii) The Union has for the whole of the period of six months next preceding the date of application a membership of not less than between 15 and 20% as the State Govern-

ment may prescribe for that local area of the employees employed in the industry in that area;

(iii) The constitution of the Union shall be such as may be provided by or under this Act, and in particular, shall require that :—

- (a) the subscription payable for membership shall not be less than two annas a month and that the account of the union shall be audited by an auditor appointed by the State Government;
- (b) the executive of the Union shall meet at least once in three months and that all resolutions passed by the executive and the General Body shall be recorded in a minute book; and
- (c) the union shall not sanction a strike as long as conciliation and arbitration are available and shall not declare a strike until a ballot is taken and the majority of the members of the Union vote in favour of the strike.

The Madhya Pradesh Industrial Relations Act, 1960, which replaced the above Act, however, lays down that a union for the purpose of recognition should have “not less than 25% of the total number of employees employed in the industry in such local area.”

PLAN POLICY ON RECOGNITION

Second Five Year Plan:

12 The Second Five Year Plan (1956-61) recommended that “since recognition has played a notable part in strengthening the movement (trade union) in some States, some statutory provision for securing recognition should be made, where such recognition does not exist at present. In doing so the importance of one union for an industry in a local area requires to be kept in view. It is equally important that while mere numbers would secure recognition to a union, it should, for functioning effectively, exhaust the accepted procedure and the machinery for the settlement of disputes before it has recourse to direct action.”

Third Five Year Plan:

13 The Third Five Year Plan (1961-66) laid stress on voluntary recognition of unions. It was stated therein that “the basis for recognition of unions, adopted as a part of the Code of Discipline, will pave the way for the growth of a strong and healthy trade unionism in the country. A union can claim recognition, if it has a continuing membership of at least 15 per cent of the workers in the establishment over a period of six months and will be entitled to be recognised as a representative union for an industry or a local area, if it has membership of at least 25 per cent of workers. Where there are several unions

in an industry or establishment, the union with the largest membership will be recognised. Once a union has been recognised, there should be no change in its position for a period of two years, if it has been adhering to the provisions of the Code of Discipline”.

VOLUNTARY RECOGNITION OF UNIONS UNDER THE CODE OF DISCIPLINE IN INDUSTRY

14 The Code of Discipline which was evolved in broad outline at the 15th Session of the Indian Labour Conference held in 1957 was finally adopted at the 16th Session of the Indian Labour Conference in 1958. It came into force from July 1, 1958. The Code is a statement, *inter alia*, of obligations of managements and unions. One of the obligations of management is to accord recognition to a union which fulfilled the criteria appended to the Code. These criteria are as follows:

(1) Where there is more than one union, a union claiming recognition should have been functioning for at least one year after registration. Where there is only one union, this condition would not apply.

(2) The membership of the union should cover at least 15% of the workers in the establishment concerned. Membership would be counted only of those who had paid their subscriptions for at least three months during the period of six months immediately preceding the reckoning.

(3) A union may claim to be recognised as a representative union for an industry in a local area if it has a membership of at least 25% of the workers of that industry in that area.

(4) When a union has been recognised there should be no change in its position for a period of two years.

(5) Where there are several unions in an industry or establishment, the one with the largest membership should be recognised.

(6) A representative union for an industry should have the right to represent the workers in all the establishments in the industry, but if a union of workers in a particular establishment has a membership of 50% or more of the workers of that establishment it should have the right to deal with matters of purely local interest, such as, for instance, the handling of grievances pertaining to its own members. All other workers who are not members of the union might either operate through the representative union for the industry or seek redress directly.

(7) In the case of trade union federations which are not affiliated to any of the four central organisations of labour, the question of recognition would have to be dealt with separately.

(8) Only unions which observed the Code of Discipline would be entitled to recognition.

Rights of recognised unions:

15.1 A recognised union has undoubtedly a right to negotiate with employers on terms and conditions of service of its members. However, the different State enactments lay down certain specific rights of unions.

15.2 The Bombay Industrial Relations Act, 1946 has laid down certain rights of a "Representative Union":

- (a) A representative union has the first preference to appear or act in any proceeding under the Act as the representative of employees in an industry in any local area, next in importance is a qualified or primary union.
- (b) No individual is to be permitted to appear in any proceeding wherein a representative union has appeared as the representative of employees. Nor can a Labour Officer appear in any proceedings in which the employees who are parties thereto are represented by representative union.
- (c) Any employer or a representative union or any other registered union may submit a dispute for arbitration.
- (d) A representative union is entitled to make a special application to the Labour Court to hold an enquiry as to whether a strike, lock-out, etc. is illegal.
- (e) Managements cannot dismiss, discharge or reduce any employee of such a union or punish him in any other manner merely because he is an officer or member of registered union or a union which has applied for recognition under the Act.
- (f) In the case of agreements, awards, etc., in which a representative union is a party, the State Government may, after giving the parties affected an opportunity of being heard, direct such agreements etc. shall be binding upon such employers or employees as may be specified.

15.3 The category of Approved Unions, under the B. I. R. Act, enjoy the following rights:

- (a) collect sums payable by members to the Union on the premises where wages are paid to them;
- (b) put up or cause to be put up a notice board on the premises of the undertakings in which its members are employed and affix or cause to be affixed notices thereon;
- (c) hold discussions on the premises of the undertaking with its members and to discuss with the employer or his representatives the grievances of its members for the purpose of prevention of settlement of an industrial dispute; and
- (d) inspect, if necessary, any place in the undertaking where any of its members is employed.

Rights of recognised union under the Code:

16 The question of rights of unions recognised under the Code of Discipline vis-a-vis unrecognised union was discussed at the 20th Session of the Indian Labour Conference (August 1962). While a decision on the rights of unrecognised unions was deferred for future consideration, it was agreed that unions granted recognition under the Code of Discipline should enjoy the following rights:

(i) to raise issues and enter into collective agreements with employers on general questions concerning the terms of employment and conditions of service of workers in an establishment, or in the case of a Representative Union, in an industry in a local area;

(ii) to collect membership fees/subscriptions payable by members to the union within the premises of the undertaking;

(iii) to put up or cause to put up a notice board on the premises of the undertaking in which its members are employed and affix or cause to be affixed thereon notices relating to meetings, statements of accounts of its income and expenditure and other announcements which are not abusive, indecent or inflammatory or subversive of discipline or otherwise contrary to the Code;

(iv) for the purpose of prevention of settlement of an industrial dispute:—

(a) to hold discussions with the employees who are members of the union at a suitable place or places within the premises of office/factory/establishment as mutually agreed upon;

(b) to meet and discuss with an employer or any person appointed by him for the purpose, the grievances of its members employed in the undertaking;

(c) to inspect, by prior arrangement, in an undertaking any place where any member of the union is employed;

(v) to nominate its representatives on the Grievance Committee constituted under the Grievance Procedure in an establishment;

(vi) to nominate its representatives on Joint Management Councils; and

(vii) to nominate its representatives on non-statutory bipartite committees, e.g. Production Committees, Welfare Committees, Canteen Committees, House Allotment Committees, etc. set up by management.

Rights of non-recognised union:

17 The question of the rights of unrecognised unions was raised and discussed at the 24th Session of the Indian Labour Conference held in 1964. The consensus of opinion at the Conference was that "the recognition of category/department-wise unions should not be encouraged. Unions not recognised under the Code of Discipline should, however, have the right to represent individual grievances relating to dismissal and discharge or other

disciplinary matters affecting their members." This conclusion has, however, been objected to by employers who have stated that they had not agreed to give any rights to a non-recognised union.

Difficulties encountered by employers:

18 Although a large number of employers have accorded voluntary recognition to unions in their undertakings under the Code of Discipline, there are various practical difficulties arising from the following factors: (1) the multiplicity of unions, (2) inter-union and intra-union rivalries; (3) outside leadership of unions and their political motivation. According to Section 4 of the Indian Trade Unions Act, 1926, any seven or more members may come together and form a Trade Union and by subscribing their names to the rules of the Trade Union and by otherwise complying with the provisions of the Act with respect to registration, apply for registration of the union. Thus, employers are confronted with the curious phenomenon of more than one union each claiming to represent the workers of the same plant/industrial enterprise. Even when the employer has recognised a union there is no guarantee that the recognised union will be able to deliver the goods on behalf of all workers or that the union will abide by the contract.

Determining a representative union:

19 The existence of more than one union in an industry unit/industry raises the question of ascertaining the strength of the union for the purpose of recognition. The system prevalent in India is the membership verification carried out usually by the Labour Commissioner under the Code of Discipline.

Verification of membership:

20.1 In 1960, a detailed procedure laying down the different steps that a Labour Commissioner was to take when verifying the membership of a union seeking recognition under the Code of Discipline in Industry was spelt out by the Government of India and subsequently agreed to by the Central Workers Organisations.

20.2 According to the procedure, on receipt of a representation from a Union for recognition, the Central/State Implementation machinery has first to ascertain (a) the names of unions functioning in the establishment; (b) whether any of the unions functioning in the establishment was responsible for an established breach of the Code during the past one year; and (c) whether the existing recognised union, if any, had completed a period of two years of recognition. The procedure, inter alia, involves production of a list of the members of respective trade unions before the Government authority within the stipulated period, checking of subscriptions paid by the members of each trade union, personal interrogation of those workers denied membership of a particular union, etc. The results of the veri-

fication are to be intimidated to the management which has to accord recognition to the majority union.

Drawbacks of the verification method:

21.1 The methods of recognising unions through membership verification is, however, criticised by its opponents, particularly the central organisations of workers other than the INTUC, on the ground that verification of membership is a farce and that the results are rigged up by the official machinery to boost the INTUC Union. According to them, there are various ways of inflating membership figures. One method is that money is shown as collected as membership fees from non-existent members and is shown as spent on union activities. It is not easy for Audit to find out the correctness or otherwise of such accounts. Another method is reported to be to collect from the employers against the names of the workers who, really are the members of some other unions. Thus, the membership of a union is boosted for claiming recognition.

21.2 It is further argued that, if the entire body of workers are to be represented by the recognised union, a membership check would not be an appropriate way of ascertaining the preference of workers. Membership then ceases to be a common yardstick for measuring the preference of union and non-union workers. In such situations, the recognised unions are not able to carry the rank and file with them. As such, the collective agreements, if entered into with them, may not be effective in actual implementation.

Secret ballot:

22.1 It is, therefore, urged by the central trade union organisations, other than the INTUC, that the representative character of the unions should be determined through elections conducted by secret ballot. The method of ascertaining the strength of the union through secret ballot is supported by its advocates on the following grounds:

22.2 If election through secret ballot is good enough for entrusting the reins of Government to a political party, it must be equally good enough for a much smaller purpose, namely, representing workers in collective bargaining and in various other labour—management questions. Election through secret ballot is the democratic way of ascertaining the wishes of the people and is followed in U.S.A. and other countries.

22.3 If a union has a record of performance, that is bound to be reflected in the election results. In an election each union is given an opportunity to counter the propaganda of the other union and can effectively place its views before the workers. If there has been no violence or intimidation in four General Elections held in the country there is no reason to apprehend that election for union representation would result in fights or other unfair practices.

22.4 The Council of India Employers has evolved a formula to meet the conflicting points of view regarding recognition of unions. In its Memorandum submitted to the National Commission on Labour, the Council has suggested that :

"A. Where there is only one union, the Registrar of Trade Unions or other independent Authority established for the purpose should certify the actual number of members covered by the union and the certificate issued by the Registrar in this respect should be conclusive as far as the employer is concerned;

B. Where there is more than one union,

- (a) The membership of each of two or more unions should be verified by the Registrar or other Authority to ascertain whether each union covered 30 per cent or more membership of the workers in the establishment or work group;
- (b) If it is found that, of two or more unions, each has 30 per cent or more membership and the difference in the verified membership between any two of them is 10 per cent or less, than a ballot should be taken by the Registrar or other Authority of all workers in the Establishment/work-group to decide which of the unions should be recognised as bargaining agent;
- (c) Where a ballot is taken, each union which has a duly verified membership of 20 per cent or more of the workmen in the ascertainable workgroup would have the right to stand as a 'candidate' in the election for ascertaining which union should be the recognised bargaining agent.

There should be provision in law for an appeal by an aggrieved union to the Labour Court against the result of a ballot".

22.5 The argument against secret ballot runs as follows:

In the election even workers who are not members of any union will have the right to vote and this cannot be accepted. Irresponsible trade unions are likely to make fantastic promises which will bring them the highest number of votes. After election, inter union rivalry will take a turn for the worse, particularly on the question of fairness or otherwise of the election. For conducting the elections a huge administrative machinery will be required, entailing heavy expenses.

22.6 In its Memorandum submitted to the National Commission on Labour, the INTUC, *inter alia*, states:

"The INTUC is convinced that verified membership is the only basis for ascertaining the strength of a trade union. Voting by secret ballot may not give the real strength of a trade union. Any contesting union may whip up an agitation on the eve of the elections and sway the electorate for a moment. The subscription paid by a member month after month is the best and solid vote; and a continuous payment of subscription over a year is the sustained vote to that organisation. Further if the representative union is to be decided by ballot, it will lead to endless trouble. There may be an allegation that membership verification has not properly been done by the defeated unions. But that cannot make the membership basis defective. For that matter even election by secret ballot may be questioned by the defeated union as not having been fair. These allegations by the defeated party will always be there and that therefore should not be the reason to give up the

membership basis. As to who would be the electorate will also create complications."

22.7 It is interesting to note that in Bihar, employers and workers have agreed to voluntary recognition of unions on the basis of a decision by an independent authority which may adopt either secret ballot or verification of membership method.

22.8 The Bihar Central Labour Advisory Board at its meeting held in January, 1968 passed a Resolution on "Recognition of Unions". The principles laid down in the said Resolution were as follows:

(i) Where there is a single registered trade union in an establishment, that union must be recognised by the employer provided it has had some standing, say of a year's work, irrespective of the strength of its membership.

(ii) In the case of intra-union dispute relating to the office-bearers, they should be referred to the State Branch of the All India Organisation to which the union claims affiliation and the decision of the said body should be accepted. If however, such a decision is not available within a specified time or where the union is not affiliated to an All India Organisation, the dispute should be determined either by verification or by secret ballot.

(iii) All cases of inter-union rivalry should also be determined by verification or by secret ballot.

(iv) The decision whether the dispute will be decided by verification or by secret ballot will be taken in each case by an independent tripartite body.

(v) The procedure of verification and secret ballot would be laid down by this independent body.

(vi) Only the members of the Registered Unions who are parties to the dispute and who have paid union subscription for at least a year before the dispute arose would be entitled to cast their votes in the secret ballot.

(vii) Where there is already a recognised union the rival union claiming recognition should get 75 per cent of the votes cast before it can be allowed to unseat a recognised union.

(viii) In case a secret ballot concerning intra-union disputes or in cases of union rivalry where no union is recognised, recognition should be given to the Union or the persons by simple majority.

22.9 Dr. P. B. Gajendragadkar, Chairman of the National Commission on Labour, is reported in the Press to have offered a compromise formula as follows:

"All the existing permanent employees in an existing unit and all the new entrants at the time of being made permanent should be asked to indicate to the employer the union to which they owed allegiance. The employer will maintain this record on the basis of which the representative character of the union and therefore the disputes regarding recognition and intra-union rivalry could be decided."

22.10 The suggestion obviously implies the direct involvement of the employer in ascertaining the wishes of an employee regarding his preference for one or another union. The unions may argue that this amounts to an interference by employers into their internal affairs; nor would employers like to undertake the responsibility. When there is more than

one union in an industrial enterprise, the employers will have to face the charge of supporting a particular union even when that enjoys the whole-hearted backing of the majority of the workers in that unit. An independent outside authority would not be subject to these objectives.

Appropriate collective bargaining unit:

23.1 Another question is: whether unions should be recognised unit-wise or industry-wise? or how to determine the bargaining unit? The Labour Relations Bills, 1950 (which lapsed on dissolution of the Central Legislative Assembly) had laid down as follows:

“The appropriate Government may, by notification in the official Gazette, declare any establishment or class of establishments to be appropriate for collective bargaining.

An application for certification as the bargaining agent in respect of any establishment or class of establishments in any local area may be made to the Labour Court by

- (a) a registered federation of trade unions having a membership in good standing of not less than 15 per cent of the total number of employees employed in that establishment or class of establishments in that area; or
- (b) a registered trade union having a membership in good standing of not less than 30 per cent of the total number of employees in that establishment or class of establishments in that area.

A membership of a registered trade union or registered federation of trade unions shall be deemed to be in good standing if such membership has not lapsed during the ninety days preceding the date of the application by the Union.”

It was further laid down that “two or more trade unions may join in an application for considering as a bargaining agent.”

23.2 In recognising an industry-wise union, one of the difficulties is that such a union may not have adequate membership in all the units of the industry. But the industry-wise recognition may be found useful in cases where a pattern of negotiations and collective bargaining between the industry and the representative union has developed or where terms and conditions of employment in all the units of the industry have been standardised. Collective bargaining should, however, ideally take place at the unit level.

Craft-unions:

24.1 A question may arise whether or not a union which does not represent a majority of workers but is confined to specific categories of employer such as technicians, weavers or spinners, watch & ward staff, clerks, supervisors or monthly rated workers could be recognised as sectional unions for such particular categories in addition to or in place of the majority union recognised for the entire establishment or industry. The Indian Labour

Conference at its 19th Session held in October, 1961, which considered the question of representation of technicians, supervisory staff, etc., by a representative union, recommended:

"Technicians, supervisory staff, etc. should be free to form their own unions to represent their interests. If, however, a majority of technicians etc. are members of a general union, and that union is a representative union, such a union would be entitled to represent the interests of technicians, etc. also."

24.2 The above recommendations has two parts—one dealing with the formation of a union of technicians, supervisory staff, etc. to represent their interests and the other with the representation of the interests of technicians, etc. by a general union which has its members a majority of such employees. There is no difficulty where such a general union exists and is recognised to represent the interests of technicians etc., in addition to others in an establishment or industry. The difficulty arises in the case where a majority of technicians, clerks etc. are not members of a general union but have formed a separate union of their own as is envisaged in the recommendation of the Conference.

24.3 If such a category-wise union is recognised in an establishment or industry in addition to the general union representing a majority of workers, there will be more than one recognised union in the establishment or industry. Where there are several such categories, recognition of department-wise unions may also give rise to a multiplicity of recognised unions, which, in turn, may adversely affect the scope and standing of the majority (recognised) union.

24.4 If, on the other hand, a category-wise or department-wise union is not permissible, the management may refuse to deal with it on the ground that it is not bound under the Code to do so when a recognised union exists in the establishment or industry. The position would be even more anomalous if the general union has no membership of such category of workers or department. In the absence of recognition, the category-wise or occupational union may carry on agitation against the management, unless the management agrees to deal with them even though they are not unions recognised under the Code.

Other suggestions

25.1 The National Commission on Labour has appointed a number of Study Groups and following recommendations of some of these Groups on recognition of trade union will be of interest to the participants in the Seminar:

Study Group on Labour Legislation:

25.2 "There must be statutory provision for recognition as that would help substantially towards greater stability of employer employee relations. Further, that where crafts are clearly defined, craft unions may also be permitted to be recognized."

Study Group on Industrial Relations (Southern Region):

25.3 "It would be ideal to have only one trade union in each establishment. However, where there are two or more unions, a proper method should be evolved for selecting the union for recognition. The relevant provision in the Code of Discipline which relates to the recognition of unions may be given statutory backing so that recognition of unions is made on objective and not on subjective consideration of employers or political parties to which the unions may belong.

Persons who are found guilty of committing, abetting, inciting or conniving the breach of the Code of Discipline should be debarred from holding trade union offices. In order to determine whether a person has been guilty of committing, abetting, inciting, or conniving the breach of the Code of Discipline, an independent machinery other than a Government Official should be created and this machinery should fix the period for which a person who is guilty of acts mentioned above should not hold an office in the trade union.

A safe method would be to recognise a union by proper verification of the membership by the independent machinery. Once a union is recognised on the basis of the highest membership, a check-off system should be introduced so that thereafter verification of membership of the recognised union will be on the basis of membership of those who agree to a deduction from their wages for paying union subscription. After the recognition, new unions should be allowed to be registered only if they have a membership of at least 25% of the workers in the establishment or industry as the case may be. If this is done, the mushroom growth could be arrested. Check-off system should be legalised by amending the Payment of Wages Act.

Once a union is selected by the independent machinery for recognition, the employer must recognise that union and it should be the responsibility of the employers' organisation to ensure that their members honour this obligation.

A union once recognised should continue to be recognised for at least three years before its status is challenged. When its status is challenged, the independent machinery should examine the rival claim and determine the union which should be recognised. The union which is recognised as a result of such investigation should have the status of a recognised union for a further period of three years so that frequent changes in recognition due to floor crossing may not take place."

Study Group for Ports and Docks:

25.4 "The Indian Trade Unions (Amendment) Act, 1947 should be forced 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."

Study Group on Industrial Relations (Northern Region):

25.5 "The right of recognition and collective bargaining should be secured to trade unions, through law. For the determination of the majority union for purposes of recognition,

some suitable method acceptable to all trade union organisations should be evolved as early as possible; and this will have to be through legislation. The recognised union should enjoy the sole right to represent the employers in the undertaking or industry in all industrial matters and general disputes. The recognised union should be given the facility of check-off subject to the written consent of the workers concerned.

We are not in favour of the recognised union being given the right to union shop. However, where a recognised union exists in a unit, all workers in that unit should be required to join either that union or any other union of their choice. The existing limited rights of the non-recognised unions should continue. For deciding the majority union, certifying the recognised union as the bargaining agent, for determining the areas of bargaining, for deciding issues of unfair labour practices and dealing with other related matters, it would be desirable to set up a judicial agency independent of the normal labour administrative machinery."

Points for discussion:

26 The above analysis throws up several issues for discussion. The important points are:

1. Should employers recognise a union?
2. What should be the criteria for recognition?
3. Should recognition be statutory or voluntary?
4. What should be the method for ascertaining the strength of unions for recognition?
 - (i) By membership verification?
 - (ii) By secret ballot?
 - (iii) Any other via-media?
5. If 4 (ii) above, who should conduct the elections: (a) Management (b) Government (c) Trade Unions or (d) An Independent quasi-judicial or judicial authority.
6. If 4 (iii) above, what should be the ideal formula? (a) Should management be involved in ascertaining the strength of the union? (b) If so, what are its implications?
7. Should all workers or only the members of trade unions be allowed to vote?
8. Should there be any minimum period of existence/minimum membership for a union to be eligible to contest the elections?
9. Should there be a periodical election to ascertain the strength of the recognised union? If so, what should be the frequency (interval) at which elections should be held?
10. Should unions be recognised plant-wise, industry-wise, region-wise or region-cum-industry-wise?
11. Should technicians, supervisory and watch and ward staff be allowed to join trade unions wherein all other category of workers are also members? or should they

have separate unions—craft-unions? If so, what should be the status of category-wise unions vis-a-vis general unions for collective bargaining purposes?

12. Apart from membership as ascertained by verification or secret ballot should there be any other condition for recognition of unions such as—(a) political acceptability; (b) exclusion of outsiders; (c) agreement not to indulge in unfair labour practices during the period of recognition etc.
13. What should be the rights and obligations of recognised unions?
14. Should any rights be given to minority i.e. non-recognised unions? If so, what?
15. If minority unions are allowed to take part in collective bargaining/negotiations, what should be the basis for giving them representation? (i) membership strength (ii) votes cast in favour of the union (iii) Ad hoc decision of the management.
16. What should be the precise role of management in such situations? i.e. should management seek and accept the advice of the recognised union or should it nominate representatives, *ad hoc*, on its own accord?
17. If the recognised union takes objection to the representation of minority unions in collective bargaining process and boycott the proceedings, how and who can and should break the deadlock?
18. In the context of the existence of minority unions, what steps are necessary to ensure the compliance of agreements reached between the recognised unions and the managements?
19. When and under what circumstances a recognised union should be derecognised?

14984

FILED
FEB 1969
File No. 33-2-310
With

F2/18/11

Copy No.

INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in September-
December 1968

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

<u>Contents</u>	<u>Pages</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION</u>	
13. <u>Press and Opinion</u>	1
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS</u>	
28. <u>Employers' Organisations</u>	
Annual Meeting of the Associated Chambers of Commerce and Industry held at Calcutta 14 December 1968	2-5
<u>CHAPTER 3. ECONOMIC QUESTIONS</u>	
36. <u>Wages</u>	
Running allowance of Rail Staff Revised	6
<u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY</u>	
41. <u>Agriculture</u>	
Plantation Labour (Kerala Amendment) Bill 1968	7-8
42. <u>Workings of the Plantation Labour Act</u> 1951, during the year 1966	9
42. <u>Co-operation</u>	
Rise in Credit Societies Membership	10

CHAPTER 5. WORKING CONDITIONS AND LIVING
STANDARDS

50. General

Kerala Industrial Establishments
 (National and Festival Holidays)
 Amendment Bill 1968 11-12

52. Workers' Welfare, Recreation and
Workers' Education

Report on activities financed from
 the coal mines Labour Welfare
 Fund during the year 1967-68 13-21

Running Staff Duty Hours not to
 exceed prescribed limit 22

Kerala Toddy Tappers Welfare Fund
 Bill 1968 23-24

56. Labour Administration

Twenty first year of Independence-
 work in the field of Labour 25

CHAPTER 6. GENERAL RIGHTS OF WORKERS

64. Wage protection and labour clauses
in Employment Contracts with
Public Authorities

Andhra Pradesh Payment of Wages Act
 (Andhra Pradesh Amendment) ~~Act~~
 1968 (Act No.21 of 1968) 26

66. Strikes and Lockout Rights

Essential Services Maintenance
 Ordinance 1968 27-28

17 Million Mandays lost in 1967 29

67. Conciliation and Arbitration

Annual Report on the Working of the
 Central Industrial Relations
 Machinery for the year 1966 30-33

(iii)

Pages

68. Labour Courts

Order for reinstatement of
Workers revised

34-35

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN
CATEGORIES OF WORKERS

71. Employers and Salaried Intellectual
Workers

Dearness allowance of Central
Government staff merged with
basic pay

36

Madras: Central Dearness Allowance
for all Government Employees

37

73. Official and Public Employees of
Regional, Local Administration of
Nationalised undertakings or under-
takings managed with the participa-
tion of the Public Authorities.

Essential Services Maintenance Bill -
Passed by Parliament

38

CHAPTER 8. MANPOWER PROBLEMS

81. Employment Situation

Employment Exchanges Working during
October 1968.

35-40

Development of Young Human Resources
in India

41

CHAPTER 9. SOCIAL SECURITY

92. Legislation

Assam Tea Plantations Provident Fund
and Pension Fund Scheme 1968

42-43

Mysore: Employees State Insurance
Scheme extended to Certain Areas

44

Working of Maternity Benefit Acts
during 1966

45-46

13. Press and Opinion

INDIA - September-December 1968

In addition to the attached clippings, the following references to the work of the ILO appeared in Indian Journals received in this Office.

1. The October issue of the 'Asian Labour' contains an article on the concluding address of the Director-General at the Asian Regional Conference and also the full texts of the speeches of Mr. Abid Ali and Mr. Skinner, Workers' representatives from India and New Zealand, respectively.

2. The October issue of the 'AIOIE' Labour News' publishes the full text of the World Employment Programme of the ILO.

3. The November issue of the 'Workers Education' contains the text of a discourse, Mr. S.L. Kashikar, Chairman of the local committee of Nagpur Centre of INTUC had with Mr. J.J. Favre, Assistant Chief, Workers Education Branch, on Workers Education.

4. The December issue of AIOIE Labour News publishes a note on the activities of ILO in the field of vocational Training Programmes.

5. 5. The September issue of the "Workers Education" contains a note about the decision of the Workers Education Board to celebrate the 50th anniversary of ILO.

6. The September issue of "Asian Labour" has written an editorial on the ILO Asian Regional Conference.

7. 7. The November issue of the "Asian Labour" published the full text of the Resolutions passed at the Asian Regional Conference held in Tokyo.

2

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

INDIA - September-December 1968

28. Employers' Organisations

Annual Meeting of the Associated Chambers of Commerce and Industry held at Calcutta, 14 December 1968

The annual general meeting of the Associated Chambers of Commerce and Industry was held at Calcutta on 14 December 1968, under the presidency of Mr. N.M. Wagle. Among others, the meeting was addressed by Shri Morarji Desai, the Deputy Prime Minister.

Deputy Prime Minister's speech.-
Addressing the meeting, the Deputy Prime Minister, Mr. Morarji Desai said the Government could not ignore the legitimate demand for "greater equality" or fail to take cognisance of the fact that the higher rural incomes must necessarily provide a large part of the finance for further investment needed in the coming years. In part, the farmers themselves would re-invest, not only in agricultural development but also in processing activities and even in large-scale industry. In some parts of the country, farmers were willing to purchase the shares of fertiliser companies, and the Planning commission had advocated the wide-spread issue of rural debentures to mobilise part of the increase in farm incomes for uses which would appeal to farmers.

Export effort.- Stressing the need for vigorous export promotion and import substitution, the Deputy Prime Minister announced that those industrial units which played an important part in the export drive would be given special consideration by the Government in matters of capacity expansion, import of equipment and raw materials and so on.

Referring to foreign investment and collaboration, the Deputy Prime Minister said the Government had, for its part, streamlined procedures for dealing with cases of foreign investment and collaboration. The industries in which the Government specifically desired foreign investment had been listed. The publication of the maximum rates of royalty that were acceptable should also help cut out delays.

Mr. Desai said the Government ^{could} ~~not~~ overlook the problems of monopoly and the concentration of economic power. It was necessary to devise and implement policies, which dealt with these evils with the least damage to production. "In my judgment, legislation regarding monopolies will play a useful role. It will at least dispel vague fears of monopolies and concentration by providing a proper machinery for assessing actual trends and for distinguishing the undesirable from the necessary or the advantageous".

On direct taxation, he said the Government would continue to press forward vigorously with the improvement of tax administration and with measures to tackle evasion. As regards the level of direct taxes, the contribution made by the relatively well-to-do had to bear a fair relation to the indirect taxes paid even by the least affluent in society.

President's speech.- In his presidential address, Mr. N.M. Wagle said when the country might indeed be on the verge of an economic upsurge, a policy of moderation in taxation - on agriculture and industry alike - was likely to provide just the fillip that was needed. Mr. Wagle felt that Mr. Bhoothalingam's recommendations would contribute very materially towards removing the complexities and uncertainties of the tax system. But he doubted the efficacy of the proposed capital tax and the general excise. Pleading for a new look at the level of direct taxes he said some reduction in their present very high level would be a sound investment. This investment would be repaid to the nation many times over by a rapid expansion in the tax base.

4

Mr. Wagle thought that too much emphasis had been placed on the dangers of concentration of economic power. The Planning Commission's desire to call in new entrepreneurs to redress the balance of the old was admirable but the scales were being weighted far too heavily in favour of small scale industries. Concluding his address Mr. Wagle said that for six long years the country had faced one crisis after another. External aggression, balance of payments difficulties and two successive years of drought imposed massive strains on the economy and planned growth. It should be a matter of considerable satisfaction that these crises had been weathered without abandoning adherence to a democratic constitution and without a breakdown in law and order. Surely there were signs of a slow but general improvement in the economy.

Resolutions.- The meeting adopted resolutions on Industry, Taxation, Transport Planning, Rural Marketing, Power Supplies and Tariffs, Labour and Productivity, Self-reliance on technology and Resources for the Fourth Plan. According to the resolution on labour and productivity there was need for a massive effort by employers as well as by Government to improve labour's awareness of the essential part that it must play in promoting industrial efficiency and growth. After all, the workers were among the principal beneficiaries from improvements in productivity and it was the larger national interest that suffered disproportionate damage from ill-judged industrial action at the unit level. In seeking the co-operation of labour in the task of economic betterment the Chambers especially urged that

- (1) Industrial efficiency and expansion are a pre-requisite for social advancement, and working conditions cannot be improved or remuneration increased unless the capacity to pay is first created.
- (2) The linkage between dearness allowance and the cost of living index is a self defeating form of remuneration which pushes up industrial costs, is inflationary and thus fails to protect the workers' real earnings. It should be replaced by a wage structure in which financial reward is directly related to productivity.

- 5
- (3) Higher productivity being the overriding objective of Government, employers and workers, it is in the workers' interests to co-operate in introducing productivity schemes and to refrain from opposing measures of rationalisation or automation which are designed to improve efficiency and increase prosperity, thus ultimately expanding employment potential.
 - (4) Industry cannot function efficiently unless there is whole-hearted co-operation between management and labour. This places an obligation on management to improve communications with labour and on the workers to eschew violence and coercion and to base negotiations on constitutional forms of consultation on the principle of collective bargaining.

(The Times of India - 15 December 1968)
Documents received in this office

6

36. Wages

INDIA - September-December 1968

Running Allowances of Rail Staff Raised

A departmental committee set up by the Railway Board, after detailed discussions with the National Federations of Indian Railwaymen had finalised the revision of the allowance rules. The revised rules incorporate a system of incentives related to specified norms of performance for various categories of staff and different sections on which they are employed.

About one hundred thousand railwaymen will be benefitted from 1 December 1968. The beneficiaries include drivers, motormen, guards, firemen, assistant drivers, brakesmen and shunters.

The new rates are inclusive of a factor of compensation in respect of certain payments which used to be made for detention prior to departure such as waiting duty allowance, and for shunting en route for which payments will be eliminated from 1 December 1968.

The rates for shunters and firemen hitherto on a day-basis will be effective from December 1968 on the basis of kilometre for which purpose, an hour's work has been equated to 15 kilometers.

The staff, other than running staff got a revision of allowances from 1 March 1968. So it was decided to give arrears to the running staff also from 1 March to 30 November 1968 on the following basis. All drivers, motormen, and guards 20 per cent., firemen, diesel assistants, assistant drivers and brakesmen 35 per cent., shunters, 15 per cent. and firemen on shunting duty 60 per cent. respectively of the actual individual earnings in respect of running allowance during the period March 1 to November 30, 1968.

(The National Herald, 6 January 1969)

7

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

41. Agriculture

Plantation Labour (Kerala Amendment) Bill, 1968

The Government of Kerala published on 23 August 1968 the text of the Plantation Labour (Kerala Amendment) Bill proposed to be introduced in the Legislative Assembly of the State. According to the Statement of objects and reasons of the Bill, Chapter III and IV of the Plantations Labour Act, 1951 (Central Act 69 of 1951), provide for various facilities to be provided or maintained by the employer for the welfare of the employees. Regarding medical facilities there is provision in the Act empowering the Chief Inspector to provide and maintain such facilities and recover the costs thereof from the employer, if the employer defaults in providing such facilities. There is no similar provision in respect of the other facilities. There have been complaints from the plantation workers and their unions that the employers are not providing such facilities allowed to them under the Act. The penalties provided under the Act for not providing such facilities are not considered sufficient. It is therefore considered necessary that the Chief Inspector should have similar power in the case of the other facilities also for better implementation of the Act.

The Bill is intended to achieve the above object.

The Amendment Bill seeks to add a new section 18A to the Act of 1951 providing that if any plantation, facilities are not provided or maintained by the employer as required by section 8 or section 9 or section 12 or section 15 or the rules made under section 11 or section 14 or section 17, the chief inspector may cause to be provided or maintained ~~therein~~ such facilities and recover the cost thereof from the defaulting employer.

6

Before providing or maintaining such facilities the employer shall be given an opportunity of being heard.

(Kerala Gazette, Extraordinary, 23 August 1968, pp 1-2)

41. Agriculture

INDIA - September-December 1968

Working of the Plantations Labour Act, 1951
During the year 1966

A review of the working of the Plantations Labour Act, 1951, during the year 1966 has appeared in September 1968 issue of the Indian Labour Journal. Among other things, the article gives the total number of estates/ plantations covered by the Plantations Labour Act, 1951, number of estates submitting returns, and average daily employment in various States/ Union territories during 1966. The article also deals with hours of employment, leave with wages, health and sickness and maternity benefits.

(Indian Labour Journal, No.9, September 1968)

42. CO-operation

INDIA - September-December 1968

Rise in Credit Societies Membership

According to a statement of the Reserve Bank of India, relating to the Co-operative movement in India 1966-67, the number of co-operative banks and credit societies of all types as on June 30, 1967 declined to 200,324 from 2,14,012 in the previous year due to reorganisation of primary agricultural credit societies in various States. The aggregate membership of all the credit societies at 38,431,000 however showed an increase of 7.9 per cent over the previous year's figure.

The owned resources comprising share capital and reserves increased by Rs.58.6 crores to Rs.472.1 crores which the borrowed funds comprising deposits, borrowing from higher financing agencies, debentures etc. increased by Rs.211.8 crores to 1,952.3 crores. The aggregate of working capital of all the credit institutions in the Co-operative Sector rose by 12.5 per cent. from 2,154 crores to Rs.2,424 crores as on June 30, 1967.

(Amrita Bazar Patrika - dated 2 January 1969)

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS

50. General

Kerala Industrial Establishments (National and Festival Holidays) Amendment Bill, 1968.

The Government of Kerala published on 26 August 1968 the text of the Kerala Industrial Establishments (National and Festival Holidays) Amendment Bill, 1968, proposed to be introduced in the Legislative Assembly of the State.

According to the Statement of Objects and Reasons of the Bill Section 3 of the Kerala Industrial Establishments (National and Festival Holidays) Act, 1958 (47 of 1958), provides for the grant of four festival holidays in every calendar year to employees of industrial establishments. But, the Act makes no mention as to the number of such holidays to be granted to the employees in the case of an industrial establishment which commences work after the commencement of a calendar year. It is considered that employees of such establishments should be granted proportionate number of festival holidays for the remaining part of the calendar year.

There is no provision in the Act enabling an employer to require an employee to work on any holiday allowed under the Act. It may be necessary to carry on work on such holidays also and therefore it is proposed to make a provision enabling the employer to require the employee to work on such holidays.

According to sub-section (3) of section 5 of the Act no employee shall be entitled to be paid wages for any of the holidays allowed under the Act if his name was not on the rolls of the industrial establishment continuously for a month immediately prior to the holiday or if he was enjoying leave with pay. It is considered that it is not fair to insist on a particular minimum period of service under the employee to entitle an employee to wages for the three

12

national holidays which are allowed without the option of the employees. In the case of festival holidays also, the existing condition is causing hardship to the employees. It is also considered that an employee on leave with pay should also be entitled to wages for such holidays. It is therefore proposed to amend the Act suitably to provide that in the case of national holidays, the employee shall be entitled to wages irrespective of the period of service under the employer and that in the case of festival holidays the employee shall be entitled to wages if he has been in service for a total period of thirty days within a continuous period of ninety days.

The Bill is intended to achieve the above objects. Opportunity is also proposed to be taken to recast sub-section (3) of section 12 to bring it in the usual form.

(Kerala Gazette, Extraordinary, 26 August 1968,
pp. 1-3).

INDIA - September-December 196852. Workers' Welfare, Recreation and Workers'
EducationReport on activities financed from the Coal Mines
Labour Welfare Fund during the year 1967-1968

The Ministry of Labour, Employment and Rehabilitation published on 7 December 1968 the report on the activities financed from the Coal Mines Labour Welfare Fund during the year 1967-68. A brief summary of the report is given below.

Medical Facilities

The two Central Hospitals at Dhanbad and Asansol and 9 Regional Hospitals situated at different parts in the Coalfields continued to function. The Central Hospital at Dhanbad was functioning with 300 beds. Expenditure for raising the bedstrength of the Central Hospital, Dhanbad from 300 to 400 was sanctioned during the year. Further action towards implementing the scheme was in hand. The bed-strength of the Central Hospital Asansol was increased from 300 to 350. For increasing bed-strength of the Central Hospital, Asansol from 350 to 400, steps for construction of O.P.D. as an annexure to the Hospital and shifting the children ward from the Hospital were under way. In the Korea Coalfield, the construction of the 100 bedded Central Hospital and 50 bedded T.B. hospital at Manendragarh made further progress. The proposal for expansion of the Regional Hospital Jamai into 150 bedded Central Hospital was agreed to in principle. Plans and estimates therefor were prepared which were under examination. A proposal for the establishment of 100 bedded Central Hospital at Jairangdih was under consideration and action to select a suitable site was in hand. The proposal for ungrading the Regional Hospital, Naisarai from 50 to 150 beds was also under consideration. Steps for transfer of land from Bihar State Forest Department to the Organisation, required for construction of the Central Hospital with staff quarters, were in hand.

14

The construction work of the Regional Hospital at Baghmara in Jharia Coalfield, and at Salanpur, in the West Bengal Coalfield was completed and the O.P.D. of these hospitals started functioning during the year. The construction of the Regional Hospital at Ramagundam was nearing completion. Proposals for ~~for~~ establishment of a Regional Hospital at Parasia in Madhya Pradesh Coalfield, were under consideration. The proposal for construction of a Regional Hospital at Korea in Korba Coalfield in Madhya Pradesh was ~~kept~~ in abeyance till such time as the financial position of the Fund in the General Welfare Account would improve or the rate of cess was increased. The work on the expansion of the Regional Hospital at Chora in West Bengal Coal from 30 to 50 was completed, and that of the Regional Hospital at Tisra in the Jharia Coalfield, was nearing completion. The proposal for expansion of Regional Hospital Dhanpuri from 30 to 50 beds was under consideration. Land acquisition proceedings for acquisition of 19.85 acres of land in village Kapuria for the Regional Hospital at Kapuria, and 25.60 acres of land in village Munudih and Gharkacha for the township and the Regional Hospital Pathardih in Jharia Coalfield were in progress. As regards the Regional Hospital at Girmint in the West Bengal Coalfield, the land selected for the purpose was found to be coal bearing and steps were taken to select another site. A site was selected for the Regional Hospital at Chinakuri in the West Bengal Coalfield and was referred to the Director General of Mines Safety for clearance from the mining point of view. Delivery of possession of 18.25 acres of land for the Regional Hospital at Pandaveshwar in the West Bengal Coalfield was expected to be received shortly. The delivery of the possession of land for the Regional Hospital at Parbelia in the West Bengal Coalfield could not be obtained during the year, because of an error in the notification published under Section 4 of the Land Acquisition Act, 1894. Action for rectification of the error was initiated.

Allopathic Dispensaries.— The two static Allopathic Dispensaries, one each at Mugma in the Jharia Coalfield and at Bhara in the Raniganj Coalfield, continued functioning. An estimate amounting to Rs.4,68,820 for conversion of the Mugma Dispensary into an 18 bedded Regional Hospital was under consideration.

Ayurvedic

Ayurvedic Dispensaries.— Twenty-eight Ayurvedic Dispensaries were functioning in the different coalfields. Proposals for establishment of more such dispensaries, one each in Jharial Talchar, Andhra Pradesh and 3 in Madhya Pradesh and Chanda Coalfields, were in different stages of consideration. For the manufacture of genuine medicines required for the use at the Ayurvedic Dispensaries, the Ayurvedic Pharmacy set up by the Organisation at Patherdih in the Jharial Coalfield continued to function.

Family Welfare, Maternity and Child Welfare Centres.— A family Welfare Centre attached to each of the Regional Hospitals, continued to function. Besides 8 such Centres already established by the Fund in the various coalfields were also functioning as independent units, each under the charge of a Lady Health Visitor. Besides 53 Maternity and Child Welfare Centres were being run by the Asansol, Jharial and Hazaribagh Mines Boards of Health for which the Fund continued to pay grant in aid.

A grant-in-aid amounting to Rs.87,605 was sanctioned to M/s. Andrew Yule & Company Ltd. for constructing and equipping a Gymnasium to function as a unit for physiotherapy re-medical exercise and diversional therapy at Sanctoria. Out of this amount, a sum of Rs.50,329/- was paid to the management during the year.

Financial Assistance for improving Dispensary Services.— With a view to encouraging the colliery managements for improving the standard of dispensary services at the collieries for the benefits of the workers and their dependents, the Scheme for payment of grant-in-aid introduced by the Organisation was continued and a sum of Rs.13,19,142.49 was paid during the year. Further, in order to give incentive to colliery managements to provide new dispensaries or to improve the existing dispensary services for the benefit of the workers employed by them, the Organisation had introduced a scheme of financial assistance in the form of payment of interest free loans equivalent to the actual cost of construction of new building or improvement of the existing building for the dispensaries including purchase of equipment subject to a maximum of 16 times of the annual grant-in-aid. A sum of Rs.5,48,000/- in this regard was paid to the colliery management during the period.

Other Medical Facilities;

Anti T.B. Measures.— The indoor department of the 100 bedded T.B. Clinic at Kalla started functioning from 1-1-1968. Besides the 262 beds provided by the Fund (12 at Katras, 100 each at Bhandad and Kalla and 50 at Searsol), 77 beds remained reserved in the various T.B. Sanatoria. The additional 25 beds provided for in the T.B. Clinic Katras did not start functioning during the year as the work of internal electric connections was being carried on.

The Domiciliary T.B. Treatment Scheme which was introduced in all the coalfields continued to be implemented. The Scheme of payment of diet and subsistence allowances to dependents of T.B. patients, who were undergoing treatment in the beds provided for and reserved by the Fund, also continued to function.

The work of construction of 30 bedded T.B. Clinic in Ramagundam in Andhra Pradesh Coalfield, the T.B. Clinic building at Jamia in Pench Valley Coalfield, and the staff quarters for the T.B. Clinic at Kurasia in Madhya Pradesh Coalfield was in progress. Plans and estimates amounting to Rs.3,72,000/- for construction of a 30 bedded T.B. Clinic to be attached to the Regional Hospital, Dhanpuri in the Vindhya Pradesh Coalfield was under consideration. An estimate amounting to Rs.39,100/- for construction of a 30 bedded Clinic to be attached to the Regional Hospital, Tisa in the Jharia Coalfield was kept in abeyance pending examination of the proposal to raise the bed strength of the T.B. Clinic at Katras. Revised estimates amounting to Rs.2,39,160/- each for construction of 30 bedded T.B. Clinic at Phusra and Naisarai were prepared by the Executive Engineer of the Organisation for obtaining expenditure sanction.

X-Ray Facilities.— X-Ray plants have already been installed at both the Central Hospitals and also at some of the Regional Hospitals of the Fund. Besides the Organisation also supplies X-Ray plants to be installed at Hospitals run by the Colliery Managements for the benefit of the Colliery workers and their dependents. Under this Scheme, 14 X-Ray plants have so far been supplied and are in commission at various colliery hospitals.

17

Treatment of Leprosy.- 54 beds are maintained for treatment of leprosy cases at 3 leprosy Hospitals, run by voluntary Organisation in Bihar and West Bengal. A proposal for payment of financial assistance to another Leprosy Institution for treatment of colliery workers affected with Leprosy was under consideration during the year. The Scheme of payment of diet and subsistence allowance on the same lines as in the case of T.B. continued.

Treatment of Mental Cases.- Arrangement existed for the treatment of colliery workers and their dependents suffering from mental diseases at the Mental Hospitals, Ranchi and Nagpur. In addition to this 12 beds at the Mental Diseases Hospital, Ranchi were reserved during the year for treatment colliery workers and their dependents.

Treatment of Cancer Cases.- Arrangement existed for the treatment of colliery workers and their dependents suffering from mental diseases at the Mental Hospitals, Ranchi and Nagpur. In addition to this 12 beds at the Mental Diseases Hospital, Ranchi were reserved during the year for treatment of colliery workers and their dependents.

Treatment of Cancer Cases.- For the treatment of cancer patients, Deep X-Ray Therapy plant installed at the Central Hospital, Kalla, Asansol continued to function. 2 beds already reserved at the Chittaranjan Cancer Hospital, Calcutta were continued. A proposal for reservation of 12 beds at the Patna Medical College Hospital for treatment of cancer patients was under consideration. Further, arrangements to have patients suffering from cancer treated at the P.M.C. Hospital also continued to be made.

Rehabilitation.- A Rehabilitation-cum-Physiotherapy Centre attached to each of the Central Hospitals continued to function.

Family Planning.- All the Family Planning Institutions as well as the family welfare centres of the Fund have a Family Planning Clinic attached to them which continued to function as usual. The $\frac{5}{3}$ Scheme for cash payment for those who underwent sterilisation operation also continued as usual.

The Scheme for setting up of 5 static Family Planning Units one each at the Central Hospitals, Dhanbad and Asansol and at the Regional Hospital, Naisarai in the Hazaribagh Coalfield and Jamai and Dhanpuri in the M.P. Coalfield was sanctioned during the year. Setting up of 3 Mobile Medical Units one each at the Central Hospitals, Dhanbad and Asansol and at the Regional Hospital, Bhuli was also sanctioned. Necessary staff were recruited and posted at different centres which started functioning during the year.

Vaccination squad at Chhindwara.- For organising vaccination squads against small pox in the Chhindwara District of Madhya Pradesh nine vaccinators and one Sanitary Inspector were appointed.

Others important activities of the Fund on the medical and public Health side were establishment of Blood Banks at both the Central Hospitals at Dhanbad and Asansol, establishment of Health Promotion Centres, maintenance of ambulance vans free supply of spectacles, dentures, Malaria Control Operations and Anti-filaria Measures. etc.

Water Supply Schemes

Jharia Coalfield: Damodar Water Supply Scheme.- Some of the materials which were indented for on behalf of the Jharia Water Board for this scheme by the Organisation were received by the Jharia Water Board. The work was in progress.

The independent water supply schemes submitted by M/s. Bird and Co. (P) Ltd., for their Munidih, Katras and Loyabad Collieries was in progress. The remaining 25 per cent. of the subsidy was to be paid as soon as the schemes were completed.

Water supply Scheme at Monidih Colliery submitted by M/s. National Coal Development Corporation Limited estimated to cost Rs.10,69,200.00 - 1st phase of the scheme was already completed. 20 per cent of the estimated cost of the 1st phase of the scheme was initial subsidy was recommended by the Public Health Engineer of the Organisation. Necessary action for payment was in hand.

Water Supply Scheme at North Tetulmari Colliery: M/s. North Tetulmari Colliery Company submitted a water supply Scheme estimated to cost Rs.20,775.00 25 per cent. of estimated cost was recommended by the Public Health Engineer as initial subsidy to the colliery company. The proposal was sent to the Jharia Coalfield Sub-Committee for consideration.

Bokaro and Kargali Coalfield.— An Integrated Water Supply Scheme at an estimated cost of Rs.40 lakhs was completed 20 per cent. of which was paid. The balance amount was to be paid as soon as the verification of accounts was done. The Water Supply Scheme for new selected Dhorri Colliery amounting to Rs.1,91,916/- was sanctioned and payment of initial subsidy was recommended.

Ramgarh-Karanpura Coalfield.— M/s. National Coal Development Corporation Ltd. submitted an Integrated Water Supply Scheme for Ramgarh-Karanpura Coalfield estimated to cost Rs.one crore. A sum of Rs. 15,43,084/- representing 20 per cent. of the estimated cost was paid. The work was in progress.

M/s. Bird and Co. P. Ltd., submitted a scheme for water Supply Scheme for Sounda Colliery estimated to cost Rs.66,765.77. The Work was in progress.

Mugma Coalfield.— Water Supply Scheme at Laikdih Deep Colliery and Chanch Colliery of M/s. Andrew Yule and Co. Ltd., were completed, 25 per cent of the Schemes as initial subsidy was paid to the colliery. As the Schemes were completed the balance amount was to be paid as soon as verification of the accounts was completed.

Bengal Coalfield.— Implementation of the Integrated Water Supply Scheme as drawn up by the Government of West Bengal for supply of water to the Raniganj Mining Population was in progress. Out of the grant payable by the coal Mines Welfare Organisation to the Government of West Bengal for implementation of the scheme, a sum of Rs.14 lakh was paid during the year under report.

Water Supply Scheme for Parbelia and Chinakuri Collieries submitted by M/s. Andrew Yule Co. Ltd., estimated to cost Rs.1,99,746.00 and Rs.1,84,000 respectively were completed. The remaining 25 per cent of the estimated cost was to be paid when the verification of accounts was completed.

M/s. New Satgram Colliery submitted the modified scheme was scrutinised and technically approved for Rs.1,73,634 by the Public Health Engineer of the Organisation. Action for payment of further sum of Rs.13,633.50 as initial subsidy was in hand.

Water Supply Scheme at Belbaid Colliery submitted by M/s. Belbaid Collieries Ltd., estimated to cost Rs.64,370 was scrutinised and technically approved by the Public Health Engineer of the Organisation who recommended a sum of Rs.16,092.50 as initial subsidy to be paid to the Colliery company, the payment whereof was effected during the period under report.

Madhya Pradesh Coalfield

The water supply scheme submitted by M/s.S.C. Rungta Colliery for an estimated cost of Rs.1,25,293.90 was under examination. The scheme when implemented would serve about 2,000 persons residing in the colliery.

Integrated Water Supply Schemes for Bankisura Khchar, Kobra and Bisrampur Collieries were completed.

Andhra Pradesh Coalfield

M/s. Singareni Collieries Co. Ltd. submitted a water supply scheme for Kothagudium Colliery estimated to cost Rs.17.44 lakhs. Payment of 3.85 lakhs representing 20 per cent of the estimated cost was made during the year under report.

M/s. Singareni Collieries Co. Ltd., submitted a water supply scheme at Bellampalli estimated to cost Rs.4,86,430 for consideration of subsidy. The scheme was under examination.

Sinking of Wells on 50 per cent subsidy basis.-
Fifteen wells under the scheme of 50 per cent subsidy basis were sanctioned during the period under report for construction at different coalfields. A sum of Rs.13,468.00 so far was paid as subsidy to the different collieries. 17 wells were completed and paid for during the period under report.

Co-operatives.- Upto the year under report, 197 Co-operative Credit Societies, 373 primary Co-operative Stores and 12 Wholesale Central Co-operative Stores were functioning bringing the total of all societies and stores to 582 at the end of March. 1968. The average monthly sales through the Central Co-operative Stores alone was 58 lakhs. During the year, financial assistance as loan for stock piling of food grain amounting to Rs.58 lakhs was granted to these cooperatives from the Coal Mines Labour Welfare Fund.

(The Statement of Account appended to the Report showed a sum of Rs.22.474 millions as receipts which included a sum of Rs.20.528 million rupees as opening balance; expenditure during the year amounted to 34.129 million rupees leaving a closing balance of Rs.8.846 million.

(The Gazette of India, Part II Sec. 3, Sub-sec.(ii) 7 December 1968, pp.5595-5599).

22

INDIA - September-December 1968

52. Workers' Welfare, Recreation and Workers
Education

Running Staff Duty Hours not to Exceed Prescribed
limit

The Railway Accident Inquiry Committee which has submitted its report to the Parliament has urged the Railway Board to take steps to ensure that the limit laid down in respect of duty hours of running staff is observed. On some of the Railways the trips of running duty hours of more than 12 hours ranged between 15 per cent. and 20 per cent. of the total number of trips performed by the goods train drivers during 1967-68. Every railway had instances of trips exceeding even 20 hours of running duty.

The Committee points out that the extent of shortage in the various categories of staff on 31.3.1968 ranged between 1.4 per cent. and 3.0 per cent. except in the category of assistant drivers where the shortage was to the extent of 5.9 per cent. The Committee which has given a statistical appreciation of important categories of train accidents says that the number of collisions came down considerably on all railways individually during the years 1963-64 to 1967-68 as compared to the number of accidents in each of the four categories namely collisions, derailments, accidents at level crossings and Fires in trains during the five years ending 1967-68 compared to the six year period ending 1962-63.

(Amritabazar Patrika - dated 3 December 1968)

INDIA - September-December 1968

52. Workers' Welfare, Recreation and Workers' Education

Kerala Toddy Tappers Welfare Fund Bill, 1968

The Government of Kerala published on 24 August 1968 the text of the Kerala Toddy Tappers Welfare Fund Bill, 1968, proposed to be introduced in the Legislative Assembly of the State. According to the Statement of Objects and Reasons of the Bill the question of making some provision for the welfare of the toddy tappers has been engaging the attention of the Government. At present the toddy tappers are not entitled to any social security benefits. The provisions of the Employee's Provident Funds Act, 1952 (Central Act 19 of 1952) which provides for the institution of provident funds for the employees in factories and other establishments are not applicable to the toddy tappers. It is therefore considered necessary to make legislation whereby the tappers are compelled to save some money for their future benefits.

It is proposed to establish a fund called the Toddy Tappers Welfare Fund to which the employer and the employee will contribute equally. The details relating to the fund will be settled in accordance with the scheme framed by the Government for that purpose. There will also be a Board called the Toddy Tappers' Welfare Fund Board which will administer the fund in accordance with the scheme so framed. The fund will be utilised for the general welfare of the workers. The Bill seeks to achieve the above purposes.

The Bill provides for the framing of a Toddy Tappers Welfare Fund Scheme for the establishment of a fund for toddy tappers. The contribution which shall be paid by the employer to the Fund shall be six and a half per cent. of the wages for the time being payable to each of the employees, and the employee's contribution shall be equal to the contribution payable by the employer in respect of him. Provision is made for the constitution of a toddy Tappers Welfare Fund Board consisting of an equal number of members representing the Government, employers and workers. One of the members representing Government in the Board shall be appointed by the Government as Chairman. Other provisions of the Bill deal inter alia with appointment of officers of the Board, mode of recovery of moneys due from employers, ~~protection~~

24
protection of amounts standing to the credit of
members against attachment, priority of payment
of contributions over other debts, and penalties.

(Kerala Gazette, Extraordinary, 24 August 1968
pp. 1-9)

56. Labour Administration

INDIA - September-December 1968

Twenty-first Year of Independence - Work in the Field of Labour

An attempt has been made to recapitulate some of the important events and developments in the field of labour in this article which has appeared in September 1968 issue of the Indian Labour Journal. There are broadly in respect of recommendations of Wage Boards, extension of social security benefits under the Employees' State Insurance and Provident Fund Schemes, progress made under the Workers' Education Scheme, progress of the work of National Commission on Labour, consideration of numerous specific labour problems, etc.

From all reckonings, the preceeding year may well prove to have been a turning point in the development of the Indian Economy. True, it was a period of considerable strain: acute food shortages, rising prices, unabated industrial recession and the inevitable concomitant of unstable industrial relations. There were certainly tribulations but there were also signs of economic breakthrough. Indeed, the best news of the year came from the farms when agricultural production touched a new high during 1967-68. According to present indications, the production of food-grains is placed around 95 million tonnes as against last year's final estimates of 75 million tonnes. The phase of so-called 'Pause in Planning' ended and the overall approach to the Fourth Plan was enunciated by the Planning Commission and approved by the National Development Council. The latest annual Plan for 1968-69 has been announced and a major effort to solve the ills of the economy was in evidence as the nation steps into the next year with the main aim of the fourth Five-year Plan as 'Growth with Stability' in the forefront.

(Indian Labour Journal, No.9, September 1968)

INDIA - September-December 1968

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

Andhra Pradesh: Payment of Wages (Andhra Pradesh
Amendment) Act, 1968 (Act No.21 of 1968)

The Government of Andhra Pradesh Gazetted on 26 October 1968 the text of the Payment of Wages (Andhra Pradesh Amendment) Act, 1968, which received the assent of the President on 11 October 1968. The Act which amends the Payment of Wages Act, 1936, in its application to the State of Andhra Pradesh, inserts a new section 15A after section 15 of the Act providing for exemption of court-fees in respect of proceedings under Sec.15. (Sec. 15 deals with claims out of deductions from wages or delay in payment of wages).

(Andhra Pradesh Gazette, Part IV B, Extraordinary,
26 October 1968, pp.1-2).

INDIA - September-December 1968

66. Strike and Lockout Rights

Essential Services Maintenance Ordinance, 1968
(No.9 of 1968)

The President of India promulgated on 13 September 1968 an Ordinance to provide for the maintenance of certain essential services and the normal life of the Community. The Ordinance provides that if the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special order, prohibit strikes in any essential service specified in the Order. Such an order shall be in force for six months only, but the Central Government may, by a like order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

Upon the issue of an Order under sub-section (1),-

(a) no person employed in any essential service to which the Order relates shall go or remain on strike;

(b) any strike declared or commenced, whether before or after the issue of the Order, by persons employed in any such service shall be illegal.

The term 'essential service' has been defined to mean -

(i) any postal, telegraph or telephone service;

(ii) any railway service or any other transport service for the carriage of passengers or goods by land, water or air;

(iii) any service connected with the operation or maintenance of aerodromes, or with the operation, repair or maintenance of aircraft;

(iv) any service connected with the loading, unloading, movement or storage of goods in any port;

(v) any service connected with the clearance of goods or passenger through the customs or with the prevention of smuggling;

(vi) any service in any mint or security press;

(vii) any service in any defence establishment of the Government of India;

(viii) any service in connection with the affairs of the Union, not being a service specified in any of the foregoing sub-clauses;

(ix) any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the Official Gazette, declare to be an essential service for the purposes of this Ordinance;

Any person who commences a strike which is illegal under this Ordinance or goes or remains on or otherwise takes part in, any such strike shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees, or with both.

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

The provisions of this Ordinance and of any Order issued thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force.

(The Gazette of India, Extraordinary, Part II Sec.I,
13 September 1968, pp.659-662)

INDIA - September-December 1968

66. Strikes and Lockouts

17 Million Mandays lost in 1967

Answering a question in the Parliament Mr. Jaisukhlal Hathi, Minister for Labour, Employment and Rehabilitation said that a total of 17,197,000 mandays were lost in 1967 as a result of strikes and lockouts. Of these 14,653,000 were lost in the Private Sector undertakings out of these 10,565,000 mandays were lost due to strikes and 6583,000 due to lockouts.

According to provisional figures 9,646,000 mandays were lost due to strikes and lockouts this year between January and September; of these 8,471,000 mandays were lost in the private sector.

(The Times of India dated 21 December 1968)

INDIA - September-December 1968

67. Conciliation and Arbitration

Annual Report on the Working of the Central
Industrial Relations Machinery for the year
1966

The Central Industrial Relations Machinery which was set up early in 1945 has been engaged in the promotion of industrial harmony in the Central sphere undertakings namely Major Ports, Railways, Mines, Oil Fields, Banking and Insurance Companies, Defence Undertakings, Posts and Telegraphs etc. The main function of the machinery are:-

1. Enforcement of Awards and Settlements.
2. Enforcement of Labour Laws and rules.
3. General verification of membership of unions affiliated to the four Central organisations of workers namely INTUC, AITUC, HMS and UTUC.
4. Promotion of Statutory and non-statutory welfare measures of the Central sphere undertakings excluding Coal and Mica for which separate organisations exist.
5. Advise the Ministry of Labour and Employment and Rehabilitation and other employing ministries in Labour problems as and when required.
6. Promotion of Emergency Production Committees, joint Management Councils and Production Committees.

Industrial Relations.- During the year 1966 as many as 6102 industrial disputes were referred to the Organisation as against 5708 during the previous year. Of this 114 disputes were considered unfit for intervention by the Industrial Relations Machinery and 3585 disputes were settled without recourse to formal conciliation proceedings. Formal conciliation proceedings were held in 1844 disputes of which settlements were arrived at in

1075 cases and in the remaining 769 cases the proceedings ended in failure. At the end of the year 559 cases were pending disposal with the Central Industrial Relations Machinery as against 339 cases pending at the close of the previous year. Of the 769 cases where the proceedings failed 231 disputes were referred for adjudication.

The number of strikes rose to 374 during the year under report as compared to 249 in the previous year while the number of lockouts was only 5 as against 7 during the previous year. Of the 382 cases of threatened strikes reported during the year, strike was averted in 364 of 369 cases in which the Machinery intervened.

Implementation of Labour Laws.

a) Minimum Wages Act. The field officers of the Organisation carried out 2088 inspections and detected 13790 irregularities during the year. Of the 17346 irregularities awaiting rectification the employers rectified 13,809 irregularities during the year under review.

b) Industrial Employment Act:

At the beginning of the year 68 draft standing Orders were pending certification and 39 fresh applications were received for certification during the year. Standing Orders in the case of 30 of the 107 cases were disposed of during the year. Consequently, the number of establishments having certified standing orders rose from 1796 in 1965 to 1825 at the close of the year 1966.

c) Payment of Wages Act.

i) Railways.— The field officers of the organisation inspected 9327 establishments under the Payment of Wages Act and detected 18620 irregularities during the year. At the close of the previous year 6309 irregularities were pending rectification. Thus out of a total of 21501 irregularities awaiting rectification as many as 12767 irregularities were rectified by the Railways.

ii) Mines.— As regards Mines, 5062 inspections were carried out and 18782 irregularities were detected during the year. The managements rectified irregularities in 19291 cases (including those pending from the previous year) during the year under report.

32

d) Coal Mines Bonus Schemes.- Out of 856 working collieries, inspections were carried out in 795 collieries during the year as against 750 during the previous year. In all 2030 inspections were carried out and 3793 irregularities were detected. At the beginning of the year 1135 irregularities were pending rectification. Thus out of a total of 4928 irregularities 4025 irregularities were rectified by managements.

e) Hours of Employment Rules (Railways)
Officers of the Machinery inspected 8982 establishments and detected 79031 irregularities while 28108 irregularities were pending rectification from the previous year. Out of a total of 107,409 irregularities awaiting rectification, the Railway Administration rectified 57952 irregularities during the year ^{leaving} a balance of 49,457 irregularities at the close of the year.

Implementation of Awards and Settlements.-
In all 226 awards were received during the year out of which 117 were duly implemented, 36 were in the process of implementation at the close of the year and 51 awards did not require implementation. In 16 cases appeals were filed against the awards and stay orders were obtained of the remaining 6 cases, prosecutions were launched in 5 and in one case it was under consideration.

The total number of settlements arrived at in the course of conciliation proceedings during the year, including those pending implementation from the previous year was 1350. Of these 1162 settlements were implemented, 182 were in the process of implementation and in the case of 6 the settlements were not implemented. In 3 cases prosecution was launched while in another 3 cases prosecutions were under consideration. During the year under review 200 mutual settlements were reported to the Machinery. Of which 159 were implemented and 6 were in the process of implementation.

Other Activities.

a) Works Committees.- During the year under review 40 new Works Committees were constituted, 6 were revived and 39 ceased to function in the Central Sphere undertakings.

b) Production Committees. - At the beginning of the year 205 Production Committees were functioning in the Central Sphere undertakings, 4 were constituted and 2 became defunct.

c) Training of Officers. - The Central Institute for Training in Industrial Relations conducted three courses of three months duration each during the year. In these courses 53 officers participated of which 3 were nominated by the Governments of Philippines and Malaysia, 25 by the State Governments, and 25 by the Machinery.

(Indian Labour Journal - pp. 1656 to 1660 -
December 1968)

INDIA - September-December 1968

68. Labour Courts

Order for Reinstatement of Workers Revised

The Supreme Court allowed an appeal by M/s. Parry and Co., Calcutta against its workmen and affirmed the right of the Company to reorganise its business and retrench workmen who were rendered surplus as a result of this.

The court set aside the award of the Second Industrial Tribunal, West Bengal, holding that the Company had failed to establish a case for the reorganisation of its business and directing reinstatement of 52 employees retrenched by appellant. The Court also reversed the judgment of the Calcutta High Court that the errors in the award by the Tribunal could not be connected in proceedings for a writ of certiorari.

The appellant company decided to reorganise its business by giving up some of its agency work and concentrating on manufacturing only. As a result it found that 52 employees were surplus and gave them notice of retrenchment in June 1961. The Government referred the demand of the retrenched workmen to the Industrial Tribunal for adjudication.

The Tribunal did not accept the Workmen's plea of victimisation and also rejected the Company's case about the policy of reorganisation. As a result it dismissed the claim of the Company to retrench the workmen. In appeal the single Judge of the Calcutta High Court held that the Tribunal could not examine the propriety of the management's decision to reorganise its business. He remanded the case to the Tribunal for enforcing retrenchment. In the second appeal the Division Bench of the High Court set aside the judgment on the view that the High Court could not interfere in such a case in Writ proceedings.

35

The Supreme Court held that it was within managerial discretion to organise and arrange business in such a manner as the management considered best. So long as that was done bona fide, a Tribunal was not competent to question its propriety. The case was referred back to the Tribunal for the limited purpose of determining the retrenchment of 52 workmen on the principle of last come first go'.

(The Statesman - 28 November 1968)

INDIA - September-December 1968

71 . Employees and Salaried Intellectual Workers

Dearness Allowance of Central Government Staff merged
with Basic Pay

The Central Government has merged the dearness allowance of its employees with the basic pay at the index level of 175 with effect from 1 December 1968. The present index is 215.

The following are the revised rates:

<u>Range of Basic Pay</u>	<u>Percentage of Mergere</u>	<u>Actual amount of DA being merged</u>	<u>Total DA received at present</u>
<u>Rupees</u>	<u>Percentage</u>	<u>Rupees</u>	<u>Rupees</u>
70-109	66	47	71
110-149	71	70	98
150-209	74	90	122
210-399	75	110	146
400-449	75	120	160
450-499	73	120	164
500-999	100	120	120

According to the Government spokesman the benefits due to this are four-fold - higher pensionary benefits, increased house rent allowance and travelling allowance and more city compensatory allowance. These will entail an additional financial burden of Rs.173.5 million during the initial stages and will increase by Rs.14 million every year until the index level stabilises in 10 to 20 years.

(The Times of India - dated 28 December 1968)

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN
CATEGORIES OF WORKERS

71. Employees and Salaried Intellectual
Workers

Madras: Central Dearness Allowance for all
Government Employees

The Madras Government has raised the rates of dearness allowance for its employees with effect from 1 January 1969, so as to bring them at par with Central rates.

The increase ranges from Rs.6 to Rs.11 for the different pay groups and will be applicable to the employees of local bodies and teachers in aided institutions also.

There will be no change in the existing rates of dearness allowance payable to employees in the higher pay ranges.

The additional commitment to the Government on account of the revision in the dearness allowance rates is estimated at Rs.36 million in a full year and Rs.6 million in the current financial year.

(The Hindu - 12 January 1969)

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

INDIA - September-December 1968

Essential Services Maintenance Bill: Passed by Parliament

On 19 December 1968, Parliament passed the Essential Services Maintenance Bill. Earlier on the eve of the token strike by the Central Government Employees, on 19 September 1968, Government had promulgated the Essential Services Maintenance Ordinance 1968 (vide page to of this Report)

The Bill, replaces the Ordinance empowers the Government to ban strikes in any essential Services, including strikes by the Central Government Employees.

The Minister of State for Home Affairs who introduced the Bill reiterated that the Governments approach to the problem of its employees ~~was~~ *are me* of sympathetic consideration. The Government was anxious that its employees should not be made tools in the hands of politicians. In the course of the discussion, opposition members severely criticised the Bill. They pointed out that any limitation in any form of the right to strike went fundamentally against the interests of the working class, the national and industrial peace withholding Labour is the fundamental right of the working class. If a ban was imposed on this under any conditions, it would not only be anti-working class, but anti-fundamental right and anti-social legislation.

The Government agreed to reduce the life of the Bill from five years to three years.

The Minister regretted his inability to bring in legislation regarding compulsory Arbitration and giving statutory status to the Joint Consultative Machinery along with the Bill.

(Hindustan Times dated 20-12-1968 and Trade Union Record dated 20-12-1968)

CHAPTER 8. MANPOWER PROBLEMS

INDIA - September-December 1968

81. Employment Situation

Employment Exchanges Working during October 1968

According to the Review of the Principal activities of the Director-General of Employment and Training for the month of October 1968, the position of negotiations, placements, live register, vacancies notified and employers using employment exchanges is shown in the following table:

Employment assistance

S.No.	Item	September 1968	October 1968	Increase (+) Decrease (-)
1.	Registration	3,36,127	2,90,378	(-) 45,749
2.	Placements	34,648	35,301	(+) 653
3.	Live Register	30,86,821	30,33,713	(-) 53,090
4.	Vacancies notified	54,460	60,250*	(+) 5,790
5.	Employers who used exchanges.	11,906	11,360	(-) 546

The total number of Employment Exchanges in the country at the end of October 1968 was 446.

Displaced Persons from East Pakistan.- 224 East Pakistan Migrants were registered with various Employment Exchanges during the month of October 1968 bringing the total number of EPMS so far registered to 44344. 46 migrants were placed in employment during the month bringing the total number of EPMS placed upto the end of October 1968 to 3245. The Live Register of East Pakistan Migrants stood at 10616.

Repatriates from Burma.- 400 Repatriates from Burma were registered at various Employment Exchanges during October 1968. 74 Repatriates were placed by various Employment Exchanges during October 1968. The Live Register of Burma Repatriates stood at 2556.

40

Repatriation ²²~~on~~ from Ceylon.- 46 Repatriates from Ceylon were registered at various Employment Exchanges during October 1968. The Live Register of Ceylon Repatriates stood at 150. 5 Repatriates from Ceylon were placed in employment by Employment Exchanges.

(Review on the Principal Activities of the Directorate-General of Employment and Training for the month of October 1968: Ministry of Labour and Employment, New Delhi).

81. Employment Situation

INDIA - September-December 1968.

Development of Young Human Resources in India

The proper development and utilisation of young human resources is of vital importance to all countries, developing and developed as it is the young persons who blossom forth into the citizens of the future and nourish, sustain and promote the well-being of the respective nations. This article which has been published in September issue of the Indian Labour Journal points out that while in the developed countries of Europe and America with their vast resources, there has been a steady and spectacular improvement in the condition of children and youth in all aspects such as facilities for education, health and nutrition, the same cannot be said of the developing countries which no doubt have been bestowing considerable attention for improving the lot of their youth and providing them with more and more facilities the efforts being put in and the results so far achieved by the developing countries could at best be considered as a good beginning. The author of this article details some aspects of the problems facing children and youth in India and the steps taken for promotion of their welfare by Government and other organisations, the various training and other facilities available for them, as well as their future prospects. The author is of the view that the youth in India are on the threshold of a new age. A bright future awaits them, affording opportunities for development according to their genius, capacity and capabilities. It is hoped that with the rapid economic development of the nation, the youth in India would contribute their due share to the prosperity of the nation.

(Indian Labour Journal, No.9, September 1968).

142

INDIA - September-December 1968

92. Legislation

Assam Tea Plantations Provident Fund and Pension Fund
Scheme, 1968

The Government of Assam published on 2 October 1968 the text of the Assam Tea Plantations Provident Fund and Pension Fund Scheme, 1968, made in exercise of the powers conferred under the Assam Tea Plantations Provident Fund and Pension Fund Scheme Act, 1955.

The Scheme provides for the composition of the Board of Trustees and Executive Committee and prescribes the procedure for filling up vacancies in the Board and for the disposal of business. Chapter II of the Scheme contains provisions regarding provident fund dealing with rate of contribution, procedure for collection, maintenance of members' accounts, procedure for withdrawal from the Fund, and advances from the Fund.

Chapter III of the Scheme contains provisions regarding pension fund. A Pension Fund shall be constituted with the approval of Government by transferring to it such amounts from the accumulated undistributed interest account of the Provident Fund, as may be considered necessary by the Board. A member of the Fund on attainment of the age of retirement having completed the minimum period of ten years of continuous membership of the Fund shall be entitled to pensionary benefits calculated on the credit balance in the provident fund account on the date of his retirement in such scales and manner and with effect from such date as the Board may, with the approval of Government prescribe.

Member of Provident Fund retiring before completion of the minimum period of ten years of memberships of the Provident Fund, may be paid additional interest on their provident fund balance at such rate as may be decided by the Board.

Other provisions of the Scheme deal with preparation of annual report on the working of scheme, functions of inspectors and Government's power to issue directions for the proper implementation of the Scheme.

The Scheme repeals the Assam Tea Plantations Provident Fund Scheme, 1959

(Assam Gazette, Part II A, 2 October 1968, pp.2965-2988).

119

92. Legislation

INDIA - September-December 1968

Mysore: Employees' State Insurance Scheme
Extended to Certain Areas

In exercise of the powers conferred under the Employees State Insurance Act, 1948 the Central Government has appointed the 24th day of November, 1968 as the date on which the provisions of Chapter IV (except section 44 and 45 which have already been brought into force) and Chapter V and VI (except sub-section (1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the villages specified below in the State of Mysore, namely:

Peenya, Hebbal, Nagasandra Village, Agrahara Dasarahalli, Herohalli, Nagasandra, Medaraling nahalli, Jakkasandra, Bilekanahalli, Koramangala, Bhattarahalli, Jayamahar Extension, Madanayanakanahalli.

(Notification No. SO 4202 dated 21 November 1968 the Gazette of India, Extraordinary, Part II Sec. 3, sub-sec. (ii), 21 November 1968, pp.1331-32).

92. Legislation

INDIA - September-December 1968

Working of Maternity Benefit Acts During 1966

The November 1968 issue of the Indian Labour Journal, contains a review of the Working of the Maternity Benefit Acts during 1966.

During the year under report, the percentage of establishments submitting returns to the total number of establishments governed by the State Acts/Central Act varied from 9.7 in Madhya Pradesh to 100.0 in Bihar, Uttar Pradesh and Pondicherry in respect of factories and 40.8 in Tripura to 100.0 in Bihar and West Bengal in respect of plantations.

Among the various States Kerala reported the largest number of cases in which maternity benefit was paid either fully or partially. Next in order came Mysore, Madras and Gujarat. In plantations, Assam reported the largest number of cases in which maternity benefit was paid during the year under review. The number of claims as well as the amount of maternity benefit paid was the highest in Kerala in factories. The proportion of women workers who were paid maternity benefits in full or in part in factories and plantations, to the total number of women workers who claimed such benefits during the year under review was fairly high in all states.

The percentage of claims to the total number of women employed in 'Factories' and in plantations was the highest in Kerala and West Bengal respectively. As compared to 1965, the overall percentage of claims to the total number of women employed were higher in factories and mines and lower in plantations, in 1966.

46

The average amount of benefit paid per case in factories varied from State to State, the highest (Rs.533.00) being in Uttar Pradesh and lowest (Rs.43.00) in Pondicherry. The average amount of maternity benefit paid per case during 1966 was Rs.107.00 Rs.115.00 and Rs.208.00 for factories, plantation and mines respectively .

The number of complaints received was the highest in Kerala in respect of factories as well as plantations. Prosecutions were launched only in a few cases as generally the violation of the Acts on the Rules thereof, which led to the complaints was reported to be of a minor nature.

(The Indian Labour Journal - Vol.IX No.11
November 1968 pp. 1530-1533).

List of Principal Laws Promulgated during
the period covered by the Report for September-
December 1968

INDIA - September-December 1968

CHAPTER 6. GENERAL RIGHTS OF WORKERS

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

Andhra Pradesh Payment of Wages Act
(Andhra Pradesh Amendment) 1968
(Act No.21 of 1968)

66. Strikes and Lockout Rights

Essential Services Maintenance
Ordinance 1968