

NATIONAL COMMISSION ON LABOUR

Record of decisions of the 9th meeting of the  
National Commission on Labour held at Bhopal  
on the 5th July, 1968.

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The ninth meeting of the National Commission on Labour was held in the Committee Room, Vallabh Bhawan, (M. P. Secretariat) Bhopal at 9.15 A.M. on the 5th July, 1968.

The following were present:-

1.	Dr. F.B. Gajendragadkar	Chairman
2.	Dr. Bharat Ram	Member
3.	Shri S.A. Dange	Member
4.	Shri Ranananda Das	Member
5.	Shri B.C. Ganguli	Member
6.	Shri Manohar Kotwal	Member
7.	Shri R.K. Malviya	Member
8.	Shri G. Ramanujan	Member
9.	Shri Raja Ram Shastri	Member
10.	Shri Naval H. Tata	Member
11.	Shri B.N. Datar	Member-Secretary

3. The following members could not attend the meeting:-

1.	Dr. Baljit Singh	Member
2.	Dr. B.N. Ganguli	Member
3.	Shri D.C. Kothari	Member
4.	Shri P.R. Rameshkrishnan	Member
5.	Shri S.R. Vasavada	Member.

Item No. 1 Confirmation of the record of decisions of the eighth meeting.

The record was confirmed.

Item No. 2            Progress report of the work done in the Commission since its seventh meeting held on the 3rd January, 1968.

The progress was noted.

Item No. 3            Consideration of the Paper. "A Tentative Approach".

The revised sections I and II of the 'Tentative Approach' and the 'Note on Perspective' which were circulated to the Members on June 14 and 15, 1968, were discussed at New Delhi on July 3, 1968 at the meeting of the Committee appointed by the Commission.

These papers were to be discussed at Bhopal in the light of the suggestions made by the Committee. This could not be done because of the unavoidable absence of some Members. It was important, however, that the Secretariat should have firm directives from the Commission on the points, which were posed in the Papers. For this purpose, the Commission should meet in Bombay on July, 31 and August, 1 prior to its visit to Bhubaneshwar. This will mean the postponement of the Commission's visit to Shillong.

The directives which the Commission will give to the Secretariat in the Bombay meeting should be final to the extent finality could be reached on the basis of information received in the Commission so far. If some minor changes in the approach become necessary these could be considered later.

Members should send comments to the Secretariat on the draft as it stands at present/ incorporation of the / after recommendations of the Committee. This will enable the Secretariat to consolidate these comments and place them before the Commission.

Item No. 4            Any other matter with the permission of the Chairman.

Member Secretary reviewed the progress of the technical work done in the Commission. He drew the attention of members to the note which was circulated by him in Calcutta.

Member Secretary undertook to draw up a list of items to be completed before the Commission sat down for general discussion for consideration at the next meeting of the Commission. He would like to receive suggestions from Members about the names of persons to be specially invited for discussion.

Item No.2:- Progress Report of the work done in the Commission since its ninth meeting held at Bhopal on the 5th July, 1968.

The progress of action taken on the decisions of the ninth meeting of the Commission held on the 5th July, 1968 is given in Annexure 'A'.

2. Visits to State headquarters and other places

The Commission completed its programme of visit to 14 States, Goa and Delhi Administration. The Commission will visit Bhubaneswar (Orissa State) from August 2 to 4, 1968 and Simla (Himachal Pradesh) on August 30 and 31, 1968. The remaining State, Assam, will be covered in October, 1968.

3. Conference of State Statisticians.

The Conference will be inaugurated by the Chairman at New Delhi on August 28, 1968 and will be held at Simla from August 30 to September 2, 1968.

4. Committees and Study Groups.

Since the ninth meeting of the Commission held on July 5, 1968, the Study Group for Newspaper Industry has presented its report. Study Group on Construction has finished its work. In all 22 Study Groups/Committees have sent in their reports, of which 11 reports have been printed and circulated to all concerned.

5. Progress of work on the Technical side.

The progress of work on the Technical side is summarised below:

- (1) On the basis of Chapter-headings approved by the Commission in its meeting on January 3, 1968, first drafts of Chapters 2 & 5 have been completed. It is expected that Chapters 3 & 4 will be completed by the end of this month.
- (2) Latest position with regard to industries to be included

in Chapters 6 to 13 is as follows:

(i) A paper on Agriculture and Allied Activities will be completed by the first week of August. This paper will be based on diagnostic studies undertaken by the Secretariat Officers with the help of the Officers of the Central Board of Workers Education. The material collected has been analysed State-wise and the material for all the States together run into over thousand typed pages. There have also been records of discussions by Member-Secretary and Director (Research) with the officials of different States on the basis of their observation visits/discussion notes with local people and these are being used in preparing the Chapter.

(ii) Notes on the industries listed below have been completed:-

- (a) Cotton textiles, (b) Heavy Chemicals,
- (c) Road-transport, (d) Air-transport, (e) Fertiliser,
- (f) Leather, (g) Oil Distribution and Oil Refining,
- (h) Manganese Mining, (i) Contract Labour, and
- (j) Stones and Quarries.

Notes on Iron and Steel, Railways, Ports & Docks, Jute and Coal, Banking, Plantations, will be completed by the middle of August.

(iii) There is yet no clear definition of small scale industries. It is difficult to provide a framework for inquiry through an agreed definition for small industries. Consultations by the Secretariat with Development Commissioner, Small Industries, Government of India, Federation of Small Industries and study of the Surveys undertaken by the Research Programmes Committee do not provide a definition which could be used. The guidelines which have been suggested by the Secretariat to the field officers have, therefore, been necessarily in terms of the state of organisation of industries as also the organisation of labour engaged in those industries. The total coverage would be partly smaller units falling under the Factories Act but not adequately inspected and also units which are not covered at all

under the Act and labour wherein is not organised. The Secretariat has so far received from the field officers about 14 Studies and the work on the remaining studies, equal in number, is in progress. From the studies received, so far it appears that though the industries covered are varied, labour conditions are somewhat similar. It is hoped that after the material from the other studies is available, it will be possible to prepare a paper describing the conditions of work in small industries. This work will be completed by the end of next month.

- (3) On the same lines as the industry-notes, the Secretariat is engaged in preparing notes on 'changes in labour conditions' in different States. Notes on Assam- and West Bengal are ready. For Bihar, Andhra Pradesh, Madras, Kerala and Rajasthan similar notes are under preparation.
  - (4) Analysis of data of the Census of Manufacturing Industries and the Annual Survey of Industries has been completed. One volume, containing 250 tables has been already sent to the press. Another volume containing an equal number of tables will be completed by the end of this month. A bigger volume providing analysis of data from the Annual Survey of Industries will be sent to the press by the end of August.
  - (5) Half of the work relating to mechanical tabulation is over. There will be in addition, manual tabulation of the replies/memoranda in greater detail. About 60% of this work is already complete. It is expected that both the manual and mechanical tabulation work in respect of all replies/Memos received upto the end of August, will be completed by the end of September.
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Progress of action taken on the decisions  
of the Ninth meeting of the Commission held  
at Bhopal on the 5th July, 1968.

Decisions.

Action taken.

Item No. 3. Consideration of the Paper  
" A Tentive Approach."

The revised sections I and II of the "Tentative Approach" and the 'Note on Perspective' which were circulated to the Members on June 14 and 15, 1968, were discussed at New Delhi on July 3, 1968 at the meeting of the Committee appointed by the Commission.

These papers were to be discussed at Bhopal in the light of the suggestions made by the Committee. This could not be done because of the unavoidable absence of some Members. It was important, however, that the Secretariat should have firm directives from the Commission on the points, which were posed in the Papers. For this purpose the Commission should meet in Bombay on July 31 and August 1, prior to its visit to Bhubaneswar. This will mean the postponement of the Commission's visit to Shillong.

The directives which the Commission will give to the Secretariat in the Bombay meeting should be final to the extent finality could be reached on the basis of information received in the Commission so far. If some minor changes in the approach become necessary these could be considered later.

Members should send comments to the Secretariat on the draft as it stands at present after incorporation of the recommendations of the Committee. This will enable the Secretariat to consolidate these comments and place them before the Commission.

Item No. 4. Any other matter with the  
permission of the Chairman.

Member Secretary reviewed the progress of the technical work done in the Commission. He dr<sub>aw</sub> the attention of members to the note which was circulated by him in Calcutta.

The tenth meeting of the Commission will be held at Bombay on July 31 and August 1, 1968.

The State Government of Assam has been informed of the postponement of the Commission's visit to Shillong.

Only one member has sent written comments so far.

Member Secretary has sent a d.o. letter to all Members regarding Commission's future programme of work on 8th July, 1968.

Member Secretary undertook to draw up a list of items to be completed before the Commission sat down for general discussion for consideration at the next meeting of the Commission. He would like to receive suggestions from Members about the names of persons to be specially invited for discussion.

Member Secretary also stated that from October onwards the Commission may have to meet more often. He proposed that at least two four-day sessions will be needed every month from October onwards.

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P. B. Gajendragadkar  
Chairman.

D.O. No. 8/1/67-NCL(C)  
Government of India  
National Commission on Labour

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Camp : Bhopal, dated the 5th July, 1968.

My dear

You would recall my letter of June 5, 1968 about the proposed meeting of the Commission to discuss issues leading to the Commission's report and the approach which we should adopt in framing our conclusions. This had reference to the Secretariat paper, 'A Tentative Approach' and the discussions which the Committee had on it in Calcutta. On the basis of these discussions and the talks which Member-Secretary had with Committee Members a redraft of Sections I and II of the 'Tentative Approach' was circulated to Members on June 14, 1968. 'A Note on Perspective' was sent on the following day.

The revised sections I and II of the 'Tentative Approach' and the 'Note on Perspective' were discussed again in the Committee on July 3, 1968 at Delhi. As suggested in my letter dated June 5, 1968, we were to discuss the two papers in the light of the decisions taken in the Committee during our stay in Bhopal. Because of the unavoidable absence of some Members, this has not been possible. It is important, however, that the Secretariat should have firm directives from the Commission on the points which have been posed in the papers circulated on June 14 and 15, 1968. I have, therefore, decided that before we reach Bhubneswar for the Commission's meetings on August 2, 3 and 4, we should have a discussion in Bombay on July 31 and August 1. Some Members have indicated to me that they would like to have a six-hour discussion in the issues involved. That is why following our usual practice I have fixed two days for the meeting. It should be possible for such Members who would like to visit Bhubneswar to leave Bombay on the morning of August 2, and reach Bhubneswar in time for the meetings to be held there.

I am anxious that all Members of the Commission should attend the Bombay meeting and that the directives which we give to the Secretariat in the meeting should be final to the extent finality can be reached on the basis of information received in the Commission so far. It is possible that some minor changes in the approach could be considered later on when the chapter drafts on the basis of decisions taken in the Bombay meeting come up for discussion.

I am asking the Secretariat to circulate the papers sent to Members on June 14 and 15, and also the conclusions of the Committee at its meeting on July 3, together for ease of reference. It would help the Secretariat if suggestions are sent to it on the approach as amended by the Committee,

Contd...2/-



so that before we have a discussion in the Commission it would be possible for the Secretariat to consolidate the comments received and place them before the Commission. May I add that the meeting to be held in Bombay should be regarded by every Member as a 'must'.

Yours sincerely,

sd/-

(P.B. Gajendragadkar)

To:-

All Members.

P.S. : The meeting will be held from 3.00 P.M. to 6.00 P.M. on 31st July and from 10.00 A.M. to 1.00 P.M. on 1st August at Bombay University, Bombay.

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RC/10.7.

No.1(20)/68-NCL

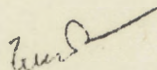
Government of India  
National Commission on Labour  
D-27, South Extension, Pt. II  
New Delhi-3.

June 14, 1968.

This has reference to the Chairman's D.O. No.1(20)/68-NCL dated 5-6-1968 by which the Secretariat was required to circulate the revised draft of Sections I & II of the N.C.L. Paper "A Tentative Approach". A copy of the same is sent herewith. The revised version takes into account the written comments sent by some Members of the Commission and also notes made on the Paper by others on these Sections. Points arising out of discussions by Member-Secretary with individual Members have likewise been taken into account in attempting this revision. Such additions as were needed in the Paper have been introduced as separate paragraphs for ease of reference. These new paragraphs have been numbered in such a way that the paragraph <sup>numbers</sup> /in the original Paper and this revised version remain the same. In case of some points it has been considered adequate to explain the position by inserting foot-notes.

2. One point which some Members had mentioned and which does not figure in the revised version is the perspective in which the Commission should view its problems. Apart from a brief reference to this in paragraph 10, a separate note on perspective will be sent in the next two days.

Encl: as above.

  
( B.N. Datar )  
Member-Secretary

To:

All Members of the  
National Commission on Labour .

NATIONAL COMMISSION ON LABOUR

Report of the National Commission  
on Labour - A Tentative Approach.

To begin with, it would be useful to recount the Commission's terms of reference. These are:-

- (1) To review the changes in conditions of labour since Independence and to report on existing conditions of labour.
- (2) To review the existing legislative and other provisions intended to protect the interests of labour, to assess their working and to advise how far these provisions serve to complement the Directive Principles of State Policy in the Constitution on labour matters and the national objectives of establishing a socialist society and achieving planned economic development.
- (3) To study and report in particular on -
  - (i) the levels of workers' earnings, the provisions relating to wages, the need for fixation of minimum wages including a national minimum wage, the means of increasing productivity, including the provisions of incentives to workers;
  - (ii) the standard of living and the health, efficiency, safety, welfare, housing, training and education of workers and the existing arrangements for administration of labour welfare both at the Centre and in the States;
  - (iii) the existing arrangements for social security;
  - (iv) the state of relations between employers and workers and the role of trade unions and employers' organisations in promoting healthy industrial relations and the interests of the nation;
  - (v) the labour laws and voluntary arrangements like the Code of Discipline, Joint Management Councils, Voluntary Arbitration and Wage Boards and the machinery at the Centre and in the States for their enforcement;
  - (vi) measures for improving conditions of rural labour and other categories of unorganised labour; and
  - (vii) existing arrangements for labour intelligence and research, and
- (4) To make recommendations on the above matters.\*

2. The terms of reference provide a clear indication of the tasks assigned to the Commission and of the kind of assessment, analysis

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\*NOTE: For the purposes of the Commission's work the terms 'labour' and 'workers' will include, in addition to rural labour, all employees covered by the Industrial Disputes Act, 1947.

and evaluation the Commission has to make. In the first paper considered by the Commission on January 18, 1967 certain decisions were taken about the interpretation of the terms of reference.

These have guided the Secretariat in its work so far. In specific terms the scope of the Commission's work as then envisaged extends to all workers and labour engaged in different sectors and segments of the economy excluding the self-employed persons; a fairly significant proportion of Indian working force.\* Direct employees of the Central and State Governments who in a sense are by themselves a separate category will be excluded with the exception of those who are covered by the Industrial Disputes Act, 1947. Employees of local bodies barring certain categories also come in more or less the same class as the employees of the Central and State Governments.\*\*

To the extent that some other categories are included for study and examination, the area to be covered would increase but only marginally.

It would not be incorrect to infer that in terms of essentials the problems of the not covered will not be significantly different from the rest.

3. The more important aspect, however, relates to the context in which the wide range of issues, remitted for the Commission's consideration, have to be viewed and the depth to which it will go in viewing them. The assessment has not merely to be confined to the factual and discursive review of labour problems since Independence but has to lead to certain concrete guidelines for the future. These guidelines have to be framed on the basis of both the experience so

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\* According to the 1951 Census the self-employed in the non-agricultural sector constituted about 51% of the working force in that sector. For the 1961 Census a comparable percentage is not available. Changes in the decade 1951- 61 are not such as would substantially affect the percentage of self-employed though one may concede that because employment opportunities developed in the non-agricultural sector in the 1st two plans the percentage of self-employed may be lower.

\*\* The Commission will have to take note of the fact of interdependence in conditions of work whether workers earn wages or salaries and also whether in public or private employment. To this extent what has happened to the fortunes of categories not within the Commission's terms of reference will be relevant.

far and the perspective for India's development in the next 20 years (say) in so far as it may be feasible to visualise the latter at this stage. For a review of the past and assessment of the future, more pertinently, the latter, the context as enunciated in the terms of reference viz. progress in (i) implementation of Directive Principles of State Policy in the Constitution on labour matters and (ii) achieving national objective of establishing a socialist society, is significant. In a sense both these merge into each other as the latter essentially flows from the former; and absence of an accepted concept of the latter introduces ambivalence in the interpretation of the former.

4. In attempting to study what may comprehensively be described as the industrial life of the country the Commission will have to locate and identify the problems which the industrial life faces at present and suggest some guidelines for the solution of these problems, so as ultimately to help the socio-economic progress of this democracy. The Commission naturally will take considerable guidance from the Directive Principles in the Constitution. The Directive Principles are, no doubt, not justiciable; but the framers of the Constitution have made it abundantly clear that as the said principles are described, they are 'directive' and they form the fundamental basis of the governance of the country. Articles 39, 41 to 43 of the Constitution broadly cover the aspects which pertain to labour. It is not necessary to restate them. It is in the light of these directives that the Commission may have to attempt to discharge its task.

5. The national objectives of establishing a socialist society and achieving planned economic development are again complementary. The task of policy in this regard is to devise ways for securing a closer integration between them. Developmental policies in the three completed Plans aimed at (i) a sustained increase in the national product, (ii) generation of new employment opportunities, (iii) laying the foundation for basic industries or strengthening them where they exist, (iv) a reduction in the disparities of income and wealth and

(v) an orderly development of national resources so as to secure, specially for the under-privileged sections of the society, a richer and more varied life. Each of these objectives has a place in the Indian concept of socialism. These objectives cannot be viewed in a static sense; they have to be considered as basic ingredients of the continually changing process of economic development and social progress. In each phase of development they acquire a new dimension and a new emphasis.

6. The basic approach which the Commission should accept is that the relative emphasis in its recommendations will have to be more on the national good than that of individual components comprising the nation. It goes without saying that since working class is the major element in the society, its claims will receive due consideration. Within the working class again there can be shades of emphasis depending upon the distance which different sections have to traverse in reaching what may be considered as the norm of common good. In the discussions which the Commission is having with parties, barring certain exceptions, this national view is very much in evidence. There is in all quarters an awareness of national interest which indeed gets an extra edge in national emergencies. This awareness requires to be adequately reflected in the recommendations of the Commission. For, given a dynamic process of development and social change, the welfare and interests of labour as such cannot be viewed in isolation from the trends and developments in other sections of the population in the economy; there will be a good deal of interdependence. Some feel that within the existing arrangements better benefits can accrue to workers through a more rational approach to the problems of the economy. While assessing the strength of this argument the possible impact of prospective developments will certainly have a relevance. Vertical and horizontal expansions in the system as a whole have to be such that they do not lead to a worsening of the relative positions at different points of time; the attempt has to be to

improve them.

7. As part of its work the Commission is expected to review the various steps taken since Independence, legislative and otherwise, and see how far these steps have served the purpose for which they were intended. This part of the Commission's work is in a sense an assessment of the Directive Principles of State Policy on labour matters. The main body of labour legislation in India, though most of it was enacted before the Constitution became effective, represents a framework for achieving some of the goals outlined in the Directive Principles. The analysis of this aspect has, therefore, to go into the deficiencies and scope for improvements not merely in terms of coverage but also the possibilities of simplification and the devices for more effective implementation. This does not mean that there can be no scope for further legislation though employers as a group have been referring to 'plethora of legislation'. This reference itself requires to be tested; but the point about more effective implementation seems to have a general acceptance in the evidence reaching the Commission so far. Each of these aspects represent a line of approach to the subject but the Commission will have to synthesize the different elements into a consistent set of recommendations.

8. A discussion of the subject of labour privileges would indirectly converge upon the objectives of India's planned development as elaborated from time to time in the three Five-Year Plans. The fourth plan is not yet on the scene. Enquiries reveal that by September, 1968, an indication of what is proposed to be achieved in the Fourth Plan - 1969-74 may be available. The current expectation in planning circles is that though the pace of planning may be dictated by the resources available as assessed by Government from time to time, the process will involve a fair rate of development. Over the three Plans - 1951-52 to 1965-66, this rate has been nearly 3.7% compound, though in the last completed Plan a much higher rate of

\* development was envisaged. Allowing for population increase in these 15 years at a rate of 2.1 to 2.2% compound, it is possible to work out the rate at which per capita income has gone up. Trend of changes in per capita consumption over these years can be established by adjusting national income estimates with the rate of investment as at the beginning and the end of the 15-year period and making a further allowance for the resources made available to India through foreign aid. This will provide a picture of changes in consumption which have taken place in the economy in monetary terms (or real if calculations are made at constant prices) but at the macro level.

9. It is, however, the distributional aspect of consumption which is more important from the Commission's point of view; and this indeed has raised many controversies. A broad pattern of these controversies could be judged from the public comment on the report of the Committee on Distribution of National Income (The Mahalanobis Committee) which in its report\*\* analysed the situation covering the decade 1951-1961. The comment is partly journalistic and partly emerging from a deeper study of the data which formed the basis of the report. The former concerns mainly with the conclusions which relate to the gains which have accrued to a small section at the top and the static, if not worsening, situation of the small section at the bottom of the economic ladder. The latter is in the nature of adequacies or otherwise of data on which the Committee's conclusions have been based as also the technical aspects of these conclusions. The appointment by Government of the Monopolies Commission at about the time when the Committee's

\* The contemplated and actual rates of growth for the 1st, 2nd and the 3rd Plan are as follows:

<u>Annual Growth Rate</u>	<u>1st Plan.</u> <u>1951-56</u>	<u>2nd Plan</u> <u>1956-61</u>	<u>3rd Plan</u> <u>1961-66</u>
Contemplated	2.2	4.5	5.5
Actual	3.5	4.0	2.9

Source: (a) Contemplated - First, Second & Third Plan Reports  
(b) Actual - Economic Survey 1967-68.

\*\* Part 1 of the Report was published in 1964. Part II is yet to be completed.



recommendations were published indicates the state of public concern for a better understanding of the circumstances that led to concentration. Following this appointment, or simultaneously with it, there have been closer investigations into the recent expansion of certain industrial houses, a debate on which still continues with Dr. R.K.Hazari's report as the basis. The Committee which investigated the working of the Managing Agency system has also reported. While all this discussion will help the Commission's assessment of facts about the real nature of concentration and the equity or inequity of distribution, the Commission's interest in it will be in understanding how the relative share of the working class had been affected thereby. For this purpose it will have to consider in the overall two aspects: (i) the relative share of wages, profits, etc., in the national product and (ii) the pattern of distribution of personal incomes. Again in considering the sharing of fruits of development one aspect could be the geographical distribution and the other sectoral.

A discussion on whether gains are fortuitous or are the result of improved productivity will also be within the scope of the Commission's report.

10. Coming now to the lowest rung of the economic ladder, and it is accepted that labour engaged in agriculture and allied activities forms a major component of it, public attention to a better understanding of this group has not been of the same magnitude. The 'anna' controversy in the Parliament and attempts made in some representative seminars to define the minimum and give a suitable phasing to achieve it are some stray indications of this interest. Apart from the two agricultural labour enquiries which provide a statistical base, the inclusion of "measures for improving the conditions of rural labour and other categories of unorganised labour" ..... "and make recommendations" as a specific term of reference for this Commission is perhaps the first attempt to understand what should be done to raise the level of living of these classes. There

have been some studies on the subject undertaken in the Planning Commission; the implications of fixing a national minimum wage taking into account certain minimum standards have been worked out in terms of a perspective upto 1976. The postponement of the 4th Five-Year Plan may perhaps take the country way beyond 1976 to reach those standards; how far beyond 1976 is a matter dependent on what the planners think of (a) the possible rate of development, (b) the assessment of the stages by which 'social justice' is to be achieved, and (c) imponderable external and internal factors including population increases.\* This is one part of the perspective.

11. No special proof is needed to establish that income distribution in India is skew. The area to be covered in what is statistically called the 'Lorenz Curve' to bring this distribution to something more equitable is vast and the process complex, almost to the point of generating pessimism. The means which are at the disposal of the people are laid down in the Constitution but public conscience may have to play a major role in using the Constitution to achieve this end. Whether the Commission which is appointed for recommending suitable measures for 'labour' would, within its terms of reference, be able to suggest Constitutional changes for a more rapid progress towards the objectives set out in the Plan or for putting some of the Directive Principles in practice, is a matter which is not above debate. For the present, while accepting that the Commission could recommend Constitutional amendments, one may go on the assumption that the Commission will not enter that area and confine its interpretation of the terms of reference to 'labour' as it is popularly known unless there are strong compulsions; indeed, Constitutional changes, in the future context may have to be recommended with extreme caution. A discussion

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\*Informal discussions at the official level have disclosed that the Commission can go ahead on this basis.

of the problems which the Commission may have to tackle may now proceed.

II

12. A possible overall approach on levels of living, has been mentioned already. Where comparisons are made within the national income concept of measuring the per capita expenditure, the indices useful will be those which bring out changes at constant prices. In the way it is described it could be considered as a monetary approach, but when levels of living are to be compared over a period of time, the changes may have to be measured in physical terms. But this again will be a 'macro' approach. To the extent it is possible to make an assessment for different sections of the population, the Commission's approach may have to be to determine different components of levels of living such as nutrition, housing, clothing, lighting, health, education, recreation, transport, etc. There is some work done in regard to defining the requirements of each of these components by the United Nations as far back as 1954. Levels of living is a dynamic concept and what was true in 1954, or the revised version which was accepted by the U.N. Statistical Commission in 1960, may not necessarily hold today. It is possible that the components require to be redefined in the global context. But more important is their definition in the Asian context. While some Asian Scholars have worked on the subject, there is no international stamp on their work yet. But even the Asian model may or may not be applicable to

\* In 1954 a Committee set up by United Nations prepared a Report on International Definitions and Measurement of Standards and Levels of Living giving a list of twelve components. This report was considered in 1955 in greater detail by two Committees appointed respectively by the International Labour Organisation and the World Health Organisation; the Committees recommended certain changes which were further considered by an inter-agency working party of U.N. which prepared revised recommendations on components and indicators; these recommendations were generally approved by the UN Statistical Commission in 1960.

Indian conditions. Between 1947 and now some qualitative changes are discernable in the working class but the quantification may not be possible. Also the concept is tied up with abstract notions of human satisfaction which in many cases may not be amenable to definition and much less to measurement. Subject to this proviso, the indicators suggested by the United Nations were referred to in some papers prepared for the Mahalanobis Committee. These references again are in terms of the population as a whole. Some of these components could now be discussed in the order in which they have been mentioned in the Commission's terms of reference.

Nutrition

13. For a long time many authoritative Commissions/ Committees have been using the nutritional 'norms' developed by Dr. Akroyd for the Indian working class. Marginal changes were made and refinements introduced as a result of later work in nutrition laboratories in the country. The Fair Wages Committee mentions these norms with approval; they came to be accepted as a basis for consideration of the food basket to be assessed for its money component in wage determination. The recommendations of the fifteenth I.L.C. on the subject constitute the next landmark. But almost immediately thereafter the attempts made by the Second Pay Commission to interpret the monetary equivalent of it at the level of prices then prevailing raised controversies which are well known. An expert review of the nutritional norms was therefore recommended in the Third Plan. The National Nutritional Advisory Committee (N.N.A.C.) which was approached in the matter by Government set up a Sub-Committee to examine the issue on the basis of the actual nutritional intake by working class as could be assessed with the help of data available from the 1958-59 family budget enquiries at 50 important industrial centres in the country. The assessment

which emerged out of the labours of the sub-Committee had the blessings of the N.N.A.C. The Study Group appointed by Panel on Labour Policy for the Fourth Plan approved the N.N.A.C. recommendations... In the meeting of Study Group Chairmen (May 1966) and also <sup>in</sup> the Labour Panel (October 1966) there was no adverse comment on ~~the~~ recommendations. While these facts need not be binding on the Commission, it should be possible to approach the problem of nutrition on the basis of these new norms which incidentally are not very different from those adopted in the 15th Indian Labour Conference for defining the food component of the need-based minimum.\* This is on the assumption that the intake on the basis of 1958-59 budgets could be considered as adequate for the Commission's exercise.

14. Once the calorie requirements and other nutrients which go with it to make a balanced diet are so settled, the combination of items which will provide the nutritional intake have to be determined. In determining them two aspects have to be kept in mind: (i) the cost of different combinations may have to be minimised to arrive at an expenditure of this component of minimum wage, and (ii) constraints which are necessitated by the overall availability of different components within the food group which provide nutrition may have to be introduced. For instance, it may not be possible to consume certain items beyond the limit imposed by the distributional system (rationing) from time to time. Even when formal rationing is not introduced and the availabilities are short of needs, adjustments in the working class budget are quite common. A computer exercise is at present in progress to understand how the minimum cost of diet varies with the introduction of constraints. This will provide some material for Commission's consideration. In any case this aspect of quantification in money terms is admittedly difficult of assessment

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\* The N.N.A.C. norms merely work out the calorie requirements. For six different regions in the country some diets have been suggested but their quantification in money terms was outside the scope of the Committee's work.

apart from other overtones it may have on labour-management relations.

But more of this later.\*

15. Two of the important consequences of changes in the Health

levels of living are changes in standards of health and efficiency.

The evidence in informal discussions at State headquarters and also emerging from observational visits outside State headquarters,

indicates that there has been some improvement in the health of workers. This is not a phenomenon restricted to working class; it is sharing better health standards with the rest of the population.

Calculations made at the time of writing the Third Plan showed improvement in health in terms of expectation of life at birth.

For a long time prior to Independence and in the early years thereafter estimates of expectation of life at birth ranged from 26 years to 30 years; these differed with different authorities. But even taking the higher estimate, the improvement

between Independence and 1961, the latest year for which Census data are available, has been substantial. But what is more

important for the working class is change in the expectation of life not at birth but at the working age. Relative changes which have taken place in expectation of life at birth and at age 21

show the improvement in health more clearly. This does not

necessarily mean that the height, weight and general medical

fitness have improved; nor would it establish that the present

worker is stronger than his father. Also what the calculations

show may be mainly due to improved medical assistance available

at the time of sickness and perhaps much more to successful

operations undertaken by Government in controlling the diseases

which were responsible for a sizeable toll of life. In areas

where the ESI Scheme is operating for a long time, a more definite

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\* Work on 21 out of the 50 Centres for which data were collected in the 1958-59 family budget inquiries is now complete.

\*\* In his comment to the Press immediately after signing the Third Plan, the late Pandit Jawaharlal Nehru referred to this aspect as an indication of the progress made by the nation.

picture confined to industrial workers may be available. The Commission would like to seek an assessment of what has happened through the E.S.I. Corporation. In plantations and mines also, evidence may not be lacking to understand changes in standards of health.

Education

16. One could take the view that except in pockets of industrial employment like mines and plantations, the urban worker at the time of his entry into the place of work will be having a better standard of education than his predecessor. Because of the change in work requirements in new plants of traditional industries and in new industries which are coming up the standard of education required of a prospective worker has gone up\*. Also in line with the rise in level of education in the community, employer expects a better educated worker. In the last twenty years a distinct improvement in this regard is noticeable. This apart, the item of education in the levels of living includes not only the individual worker's education but also the education of his dependents. It could be said that a substantial progress has been achieved in the last twenty years on this account; one notices that the desire to educate children has spread to the agricultural workers also. Educational efforts made by the State has to be supplemented by private cost which an individual has to incur. It is possible that in incurring this cost, adjustment in expenditure elsewhere may be necessary but here again the larger question of 'satisfaction' is involved.

Clothing.

17. In respect of clothing one notices a significant difference. Not only have sartorial habits changed but the quality of cloth used has improved also. The decline in production of coarse cloth is due to lack of demand for it from the working class. Difficulties created at some centres of textile industry which were at one time known for their coarse products are traced to this change in taste.

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\* If as has been pointed out in the Report on Literacy Among Industrial Workers (Planning Commission Nov. 1964) there are still pockets of illiteracy, they are expected to shrink in the perspective of the future.

But more about this could be said elsewhere.\*

18. The efficiency aspect is admittedly more difficult to Efficiency  
understand; much more so is its relation to changes in levels  
of living. The available evidence of changes in industrial  
efficiency show some improvement in it but such improvements are  
so much mixed with other factors of production that the crude ratio  
of volume of production and labour employed cannot give a firm  
indication of contributions by different factors. There is dispersed  
international experience available about the direct relationship between  
nutrition, and efficiency in unskilled operations. How this is to be  
related to Indian conditions is a matter which will require  
Commission's consideration, after it decides that this is a  
relationship relevant to its terms of reference.

19. On labour welfare, two views are possible from general Labour  
Welfare  
considerations: one is that workers should be allowed a fair wage  
and they should be left to arrange for their own welfare and the  
other points to active encouragement by the State, whatever be  
the operative agency, in promotion of labour welfare. The former  
view can be discounted because of the difficulties in defining a  
'fair wage' and quantifying it and also because of the changing  
nature of the concept itself apart from the larger problem of  
reaching the fair level of wage in a majority of establishments.  
Promotion of welfare as an item distinct by itself appears to be  
called for. According to the Welfare Committee's current  
thinking, irrespective of the number of persons engaged in a  
unit a small percentage of the total wage bill in the unit should  
be collected from its owner and funded separately for providing  
welfare facilities. If it is collected from every employer  
irrespective of the number of workers he engages, there will be  
no provocation for fragmenting the unit merely to avoid this  
obligation. This will be almost like a toll tax but restricted  
to persons who are employed in wage-paid-employment, which

\* Items like housing, transport and recreation are taken  
together for a separate discussion.



excluding labour engaged in agriculture and allied occupations, is estimated to number about 15 millions. How this fund should be decentralised and operated with a view to giving the workers adequate satisfaction, is a matter of detail.

20. Another way of raising resources for welfare will be the one which has been already tried out viz. the imposition of a cess on production. The amount of the cess could be small and it should be collected along with the payment of the royalty as in the case of mining or a small surcharge on excise in case of other production which is subject to such excises or a surcharge on sales-tax in case benefits have to reach employees in shops and establishments or in some similar form. There may be other ideas which will emerge out of the labours of the Welfare Committee. It may be useful at this stage to advise the Committee that unless it makes out a strong case for a cess by examining all its implications including the oft repeated argument of its effect on costs of the product/service, the idea may encounter difficulties in its being processed in the Commission. Cesses tied to provide a particular benefit are usually frowned upon in financial circles but since some are already in existence, an argument as strong as the one which created them will be necessary. It may have to be even stronger in the sense that criticism against the system as may have been voiced will have to be examined in relation to the original objectives with which the scheme was introduced and the extent to which they have been realised.

21. There are certain welfare measures which find a place within the scheme of some pieces of labour legislation itself. If it is not possible for an individual employer because of his size of operations to meet the statutory requirements in the spirit in which they have been framed, to the extent it is possible, a group of such employers should be enabled to come together and provide the relief prescribed in statute on the basis of sharing of costs. It goes without saying that such scope as exists in improving facilities by a better implementation

of labour laws should not be left unexplored by the Commission.

22. Then there is the broader question of integrating labour welfare with programmes of social welfare for the community as a whole. The Commission's approach on this point should be that where the programmes are to be run concurrently their integration should be attempted if as a result of saving on over-heads the content of welfare could be improved. If on this test there is a case for integration in certain areas, and this task has to be tackled areawise, social workers may have to be brought on committees which supervise labour welfare; in others labour representatives, and perhaps of employers also, should find a place on committees which organise programmes of social welfare. This elaboration should not be considered as a point of detail; it has a special place in making the process of integration smoother.

23. There will be yet another aspect in the welfare area of integrating labour welfare with the welfare of the community. One may have to think on these lines because in the years to come with the increase in industrial employment and also the suggestions the Commission may make for unprotected labour, the beneficiaries, who will be covered by its recommendations, will be larger. Also, with the current feeling in many quarters that some sections of labour have been pampered, and this itself cannot be accepted without its being tested, there will be dangers to single out a group of workers for special attention in terms of welfare. This again is a possible argument which may have to be fully discussed by the Committee on Labour Welfare.

24. Problems of housing have proved intractable so far for Housing older industries and even new industries which have been located at centres which have acquired or are acquiring industrial importance. Various solutions have been suggested including the provision of housing for a limited number of workers as a part of the conditions for giving a licence to set up a unit.\* Attempts

\* There is a Supreme Court judgment also on this subject.

have been made to coax industrial units to go to new localities through the instrument of the Licensing Committee. All these have proved to be of no avail. Such conditions/coaxing may have discouraged units from being set up in areas originally suggested by entrepreneurs but whether the encouragement to go to new places has actually operated in favour of dispersal of industries appears to be doubtful.

25. For mines, a solution has been evolved but only partially. This is because the Coal Mines Welfare Fund utilises a part of its receipts for providing housing. At one time the complaint was about some of these houses remaining unoccupied mainly for the reason that workers did not want to leave their old environment. Such difficulties/prejudices are now on the decline. One may expect that with more and more of mechanically operated mines coming into fashion and the change in the type of workers who would be involved in these operations, there will be a still better response for seeking improved housing. Mechanisation will mean more output per head and also larger collections of the cess on coal; it will also mean, because of a smaller number of workers relatively, less money to be provided for welfare and perhaps a smaller number of workers who need to be housed. One should, on this account, expect that coal-miners are likely to be housed better. This expectation has to be moderated by the consideration that there will be a reduction in the number of women in coal mining. To the extent that both husband and wife work in mines at present and woman is displaced in the new dispensation, a larger number of units may be required. The scattered nature of mines from where for a long time in the past a fair quantity of coal was being mined may perhaps be a thing of the past but may still present problems in housing of workers. But coal is perhaps one of the simpler cases of mining labour. Though cesses exist in the case of mica and manganese the position in units which are engaged in these and other mining operations and in small scale and larger scale quarrying will need attention.

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\*This raises a larger sociological question which will be discussed separately.

25A. In Bombay Docks also some attention is paid to housing. The tenements provided for workers appear to be well appointed and in the situation obtaining in Bombay, the accommodation and facilities provided are of a fair quality. There is community life in the sense that allotments are made strictly on the basis of a roster maintained. They appear to have evolved a system by which at the time of separation from the employer, the worker can be made to leave his quarter. Whether this can be a model which could be followed elsewhere requires to be examined.

26. In plantations, as a requirement of the Plantations Labour Act, 1951, there has been some progress in housing. The programme of housing labour in plantations as envisaged in the Act should have been completed within 12-15 years after Independence and this period is already over. There are, however, even now many sub-standard houses particularly on smaller plantations. Progress of housing and also welfare in plantations can be achieved better if arrangements similar to the coal mining are made effective in plantations also.

26A. One of the deplorable sights seen everywhere in industrial environment in its larger context is the housing, or an apology for it, provided by contractors. Whether it is dam construction or construction of a new plant or its expansion when production has already been started or in fact anywhere where contractors operate, one sees with a feeling of shock the living conditions of workers. The term of contract specifies vaguely that the contractor will provide housing but the type of house or specifications for it are nowhere indicated. Nor can official inspection be adequate to see that there is any housing at all. This is not to say that contractors have no difficulties. Obviously, they cannot sink capital in giving satisfactory housing to their workers; all that adds to their costs and ultimately to the project costs. But whether they spend on housing the moneys which they show in their contract is also doubtful. All this requires a closer look.

27. In factories again, two situations require to be distinguished apart from the labels which factories wear: public or private sector, (i) the setting up of new townships where units requiring large investments are located, and (ii) taking units to areas where housing is already available and providing other facilities. On the whole, units both public and private, if they are located in virgin areas, have provided a measure of housing accommodation which is not unsatisfactory though one finds that in places where production and construction has been going on side by side housing facilities are strained to the annoyance of workers who do not have company housing.\* This annoyance is aggravated by the fact that as a result of big plants coming in such areas private rents go up even for shabily constructed structures. That is for a poorer house both in quality and area workers who happen to come later have to pay comparatively higher rent. Whether it is private sector or public, financial stringency will claim workers' housing as its first victim. During the visit of some Members to public sector plants it was brought to their notice that difficulties in Governmental finance have made housing in those projects a fresh problem in industrial relations.

27A. In some areas, housing provided by management is made inaccessible to outsiders without the permission of the management. If such refusal is bona fide there can be no debate about it but the existence of this restriction is alleged to have been used at times to<sup>a</sup>/favoured treatment to some outsiders, a treatment which could expose management to the charge of 'unfair labour practices' including the building up of company unions. Whether this is in the public sector or in the private, it goes against what may broadly be considered freedom of association. This is one of the relics of the past and does not fit in at all with industrial democracy of any concept. At times justification for it is sought

\*The phenomenon of rising expectations overtakes these virgin areas also. Persons transplated from rural environment soon learn how to lead an urban life and compare housing privileges granted to persons senior in scale with their own.

on the ground that the industry is located in what is declared "a protected area". The criteria for such declaration can be variously interpreted and even bona fide exercise of this power is likely to be politically exploited. The Commission may have to take note of this situation and suggest remedies for it.

28. Industrial housing in areas which are already congested has been a difficult problem. One cannot wish it away by saying that this has been employer's responsibility and he will fulfil it some day. Legislation on the subject will be merely an addition to something which cannot be implemented and what is worse every State will be loathe to implement it if the consequence of it is a brake on industrialisation. It must be recognised that the problem is deeper. Land costs in areas which are near the place of work are prohibitive and moving away from areas of work means provision of adequate transport arrangements. Ceiling on land costs has become impracticable because it eats into the revenues of the State. Facilities which were given to employers under the Industrial Housing Scheme and which were adjusted in inverse proportion to the progress of the scheme have continued to remain inadequately utilised, not so much because of the unwillingness of the employers but because of the difficulties attendant on construction in times of shortage of building material, rising land costs, and procedural difficulties attendant on acquiring land, in some cases raw materials for constructing houses. An equally important reason can also be that an average employer would like to avoid the headaches attendant on management of the housing estate, or the townships built by larger industrial units, particularly when difficulties arise in not permitting a worker to continue staying in the tenement when he leaves the job for better prospects elsewhere in the locality but without privileges of housing. These are not imaginary difficulties. They have cropped up where large investments have been made.

Such investments attract ancillary and auxiliary industries requiring of workers likely to be engaged in it some plant experience and temptation for workers in the 'mother unit' to migrate to such ancillaries/auxiliaries could be great.

28A. There is then the question of exclusive townships and extension of civic rights to company employees. Prior to Independence this did not attract the attention of workers as much as it is doing now. Company townships also were not many then. With the industrialisation that is taking place now and the entry of the country in the field of basic industries such townships are expected to multiply in numbers. Howsoever liberal the facilities which they provide ( more as a means of attracting labour to the area or for avoiding difficult industrial relations situations) the ancillary and auxiliary units which come up in the area will tend to strain them; their indefinite expansion cannot be a legitimate charge on the company. These problems were specifically brought to the notice of Members during their plant visits in exclusive townships. But not much is coming out in the evidence so far on the remedial side.

29. ~~Original~~ para renumbered as 26A.

30. There are certain basic questions for consideration in this regard. First, in a country where the general housing conditions are unsatisfactory and inadequate, is it practicable to expect employers to provide housing to their employees? i.e. can a section of labour as a class expect to be housed well when others in the community are not? In a way this point will come up in a different form at every stage in the work of the Commission. Also the question 'can housing be made a charge on industry when it is likely to act as a drag on industrial development?' has not been effectively answered. Parliamentary Committees have made suggestions with reference to public sector undertakings but how those are to be applied in other cases may have to be thought out.

31. Apart from these there is the equally important set of problems which involve workers. It has happened in many cases that workers, at least a majority of them, are not prepared to pay rent for a new lodging higher than what they have been paying for slums in which they have had to stay. Rents in these areas, for obvious reasons, have been pegged. The result has been that with better money earnings the percentage which they now spend on housing has gone down considerably. With an element of subsidy, housing has been provided at about 10% of pay to public servants. Industrial worker is paying a much lower rent than warranted by this 10% formula. This is cited merely as an instance from the set and does not exhaust the other components which could be elaborated.

32. On the whole, therefore, both from the employers' and workers' point of view, housing should be a charge on public authorities or the Cooperative Societies formed by citizens or workers. The employer's responsibility in either case should be to prepare himself to be taxed on this account. Whether the scepticism of workers in getting anything done through public authorities on the one hand and the difficulty of public authorities taking upon themselves the responsibility of housing a section of population on the other will affect progress of industrial housing becomes another area of speculation. All these problems require to be thought out closely. One could in the alternative think in terms of sharing of responsibilities. A formula for consideration may be (i) Land cost and cost of development to be shared by the State Government and local authority; (ii) Construction to be divided between local authority and industry, (iii) maintenance cost to be provided in the rent, and (iv) rent should not be below 10% of workers' normal earnings inclusive of dearness allowance but exclusive of bonus, overtime allowance etc. Also in case cooperatives come forward for bridging the gap, freezing of land costs and helping them with building material for bona-fide use may be tried out.



Productivity 33. Training, education, efficiency, etc. will to together.

The approach indicated in this regard by the Study Group on Productivity and Incentives of the respective responsibilities of employers, workers and government seems to be the answer. It goes without saying, for instance that mere asking workers to be more efficient, more disciplined, is not enough when they have to work in the general environment of inefficiency and indiscipline. It is true that as one of the sectors which has to give a lead to the economy, something more should be expected out of organised workers. In fact trade union claims for them are based on this sectoral approach. To some extent this claim has even been conceded when the society has sought to improve working and living conditions in sectors where the growth rate is marked even at the risk of criticism that organised labour receives a special treatment. But more could be said about this when problems of industrial relations are discussed. At this stage some points on which one can be more specific are: (i) adequate consultation with workers in framing productivity programmes; (ii) suitable assurance to workers about the sharing of gains due to productivity recognising that the allocation of gains to different factors is a difficult process; (iii) phasing of the programme so that displacement of workers is minimised and making liberal provision to induce natural separation; (iv) minimising the effect on workers' morale of the traditional management assumptions that workers are lazy, irresponsible and indisciplined; (v) improvement in the governmental machinery by equipping it with units for understanding problems of productivity; (vi) assistance to unions in developing knowledge of problems created in the process of moving towards higher efficiency; (vii) creation of a climate by government in which productivity programmes can be effective; (viii) provision of impartial technical cadres which will help settle differences between employers and workers connected with arrangements to be made for improving efficiency etc. It does not need to be emphasised again that the

above list is exhaustive. But even in this list (ii) & (iii) appear to be more difficult of seeking solution. In the evidence reaching the Commission so far there appears to be a measure of concensus that wages beyond a minimum (to be defined) should be linked with productivity which again requires a careful definition. Routine analysis on the basis of production and man hours worked for it may not provide a guide. Technical expertise may be necessary in this regard.

34. There is an allied issue on which the Commission will have Automation to take a view: automation. The attitudes of various interested groups on the subject are well known. Trade unions as a group will be opposed to any change of this type where workers were originally employed on the basis of a different rhythm of work. The argument is the same as in the case of introduction of any efficiency system; it has been so the world over irrespective of when and where changes are sought to be introduced. And still irrespective of such attitudes over the last fifty years the amount of machinery used per employed person has been growing and so is the output per person. Use of machinery when labour started becoming expensive has also been common. Some of these developments are the result of war-time research for uses in normal peace time production; others have been more specifically developed with reference to situation of labour supply obtaining in different countries. With this gradual process the stage of automation has reached in some countries and yet opportunities for employment are also growing. For others to copy this process of change has been inevitable and may not take long. In the context of the country's development a stage has to come sooner or later for it to be self-reliant. This cannot be reached unless the production processes keep up with developments in the technical field. The first impact of automation in any plant will be on labour; its displacement will indeed pose problems. In the long run, it may in many cases open up new areas of investigation

and in the process increase employment. But the agonising period between the two events has been disturbing. Finding employment will continue to be a problem in India even with the present inefficient methods of production. The aggravation of it by introducing efficiency systems in a selective manner will not be as much as is popularly feared.\* Thinking in terms of the future, a stage may come when replacement of present machinery may not be possible at all because of its being obsolete elsewhere. The choice therefore will be between the country's producing its own machines of the obsolete type and put handicaps in the way of foreign trade or to think in terms of a progressive advance in improving per capita production.

34A. These and many other arguments can be advanced in favour of automation. An equal number, even more weighty and more poignant can be put forward highlighting the difficulties in such change-over. To a person who loses work, the off-chance of an equally unfortunate colleague getting employment elsewhere in the automated process or otherwise cannot be a consolation. Poignancy in the process arises particularly when displacement is likely to affect age-groups which find absorption of new techniques difficult. At a stage of life when a worker in this age group feels settled and is struggling against his family responsibilities with whatever<sup>re-</sup>sources he has, loss of employment can be a severe blow as much as adjustment to new environments in the event of his getting into them. Also though in the automatic process the work involved may be less strenuous physically, mental worries including the one that by operating at a very much higher level of efficiency without physical strain he may be taking away means of livelihood for others would make him uneasy. If work sharing is the solution idle time becomes an even more difficult problem. A saving feature in the Indian context is that both as a result of difficulties in acquiring such giant machines and also the public pressure which

\* Modern developments need computer aid for understanding complicated problems and devising solutions for them. Such integrated thinking may not even be possible without such aid.

unions have been able to build up so far, the pace of automatic processes in India is bound to be very slow. Selective approach towards automation may, therefore, provide an answer. The criteria for deciding whether a unit needs such help are bound to be extremely stringent in the Indian economy than elsewhere. But these could not be taken to mean on the employers' side that the country has set its pace against any automation. Equally, there should be an acceptance of the new automatic processes by workers when such difficult criteria are satisfied by the employer desirous of the new processes.

35. The current arrangements for social security consist mainly of three parts covered by three different statutes: (1) the Employees' State Insurance Act, 1948, (2) the Employees' Provident Fund Act, 1952, and (3) miscellaneous, which will include maternity benefit, workmen's compensation & Industrial Disputes Act in which occur provisions for retrenchment and lay-off compensation. While these provisions are statutory in many establishments of fair standing gratuity schemes have been awarded by tribunal decision or as matters of agreements/settlements.

Social  
Security

35A. The Commission may have to think in a big way in this whole area because of the finances involved and the vested interests which have been already created for the handling of such finances, raising difficulties at different official/non-official levels in the matter of optimum utilisation of such finances. At present E.P.F. alone, leaving aside Mines and Plantations which have separate funds, brings in collections in terms of small savings of the order of Rs. 13-14 crores a month. In the years to come accruals to the fund will be even larger. Estimates of how large these could be are not difficult to work out. After fifteen years of the working of the Scheme, on an average, withdrawals from the fund are of the order of 35 to 40 per cent of the collections. It is true that in the initial stages of the setting up of the fund, withdrawals were very low. With the

younger age-groups coming in employment and liabilities for older workers not being heavy (accruals in their personal funds started in periods when wage levels were somewhat low) one need not expect that the percentage of withdrawals in future would be heavier than at present though the position may not have been stabilised. But even assuming that withdrawals reach 45% to 50% of collections, the fund would continue to be ever expanding. The Government, with whom the funds are lodged, will have larger accumulations with it on this account from year to year. There is a difference between the rate of interest which is realised by Government and which is allowed to workers on their accumulations. Workers are clamouring for better interest and a gradual yielding to this clamour on the side of the fund is also inevitable though some gap will continue to remain between the two. Amounts representing this gap will also be accumulating with Government. Even if a small portion of the interest on all these funds belonging to workers but deposited with Government, is used from year to year it is possible to enlarge the benefits in terms of social security to the working class.

36. The Employees State Insurance Corporation also has not been able to utilise in the last 15 years the amounts it has collected from workers and employers. The rate of utilisation has improved somewhat because of the programme of building hospitals, equipping them and arranging for more dispensaries wherever they are needed. The present rate of expenditure is perhaps more or less the same as collections. But the collections themselves are at a rate of employer's contribution which is less than the quantum permissible under the Act. It should be possible to envisage that over a period of years the rate will come nearer the permissible rate and enlarge the funds for provision of proper facilities to workers, keep a fair margin for contingencies and still leave some unspent balances with the State. The present climate of over-cautious spending of public moneys, and this will apply to the E.S.I. Corporation

also, will continue in the years to come. This will itself impose certain constraints on the utilisation of funds on a scale more ambitious than in the past and these constraints will perhaps help build up this part of social security funds further. But one may assume that in terms of accumulations the E.S.I. contributions will be marginal.

37. The third set of contributions to social security comes mainly from employers and goes directly to workers. This is the amount a worker gets by way of lay-off and retrenchment compensation. On the basis of experience in the last 14 years for which this facility to workers has been written into the law, it should be possible to work out the incidence of this contingency on employers' costs. At one time it had been worked out at 0.3 per cent of the wage cost. The recession which overtook the economy in the last two years may have inflated the percentage. Taking the experience of these two years and the experience of the normal period, it should be possible to adjust this percentage. A proposal could be that if this adjusted percentage should be collected as a levy from all employers, it will add to the funds available for social security and will provide real benefit to workers in times of need. The present arrangement by which the burden is required to be borne by the employer at a time when he is really down and out, whatever the reasons, works somewhat harshly on him but even more harshly on workers who are on many occasions deprived of the benefits provided under the Act. If this amount is collected from every unit which is running, the incidence of cost is likely to be spread over the industry as a whole. The suggestion is made on the assumption that in a developing economy there will be scope for units to expand opportunities for employment but some may also have to give way to others who stand better competition. Cases where a unit mismanages its affairs in the hope that workers will fall in the lap of the fund so created will be exceptions; because of

social pressures deliberate mismanagement, one may expect, will be rare. Already as a result of the operation of the Industries (Regulation and Development) Act there has been some improvement. However it should be the aim to see that incidence of such management lapses on the industry should be minimised and in the process if the industry itself finds its way to self regulation it will be to the good of all concerned.

38. Essentially the idea should be to pool all the social security collections in a single fund from which one could draw for meeting the allocations required in any year on certain reasonable assumptions. A budget should be drawn up under various heads for the coming year.\* If at the end of the year some savings accrue to the budget, the benefit of it could be given to the parties making contributions in the next year or alternatively if the fund is likely to run a deficit an appropriate levy within certain limits could be imposed in the following year. The present collection from employers and workers together comes to about 20 per cent of the wage bill. The permissible collections could take them to over 22 per cent. If all employees are covered by higher provident fund contributions it may even go upto 24 per cent. An assumption that over the next ten years this levy (employers' and workers' contribution together) may be allowed to reach 25 per cent or even marginally more would not mean an unduly heavy burden on that part of the contribution which comes from industry. A unified administration of all these schemes can save overheads and can add to social security benefits if properly administered. And the clause 'if properly administered' is important.

39. Though not directly emerging out of our terms of reference but still having a bearing on social security is the question of social assistance. Its relevance to social security described above is that there are in the Indian society a number of self employed persons who are in no way better, at least a majority of them, than

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\* Incidentally the funds thus collected do form and in future will continue to form a major source of Government finances through small savings.

those covered by the Commission's recommendations and in terms of numbers are even in a large majority. Over the span of years likely to be covered by the Commission's recommendations they will continue to form a sizable group. If the beneficiaries of these recommendations have to share the environments of others they cannot be far out of step with others after both have completed their working life. The present arrangements are for social assistance to these groups beyond a particular age and when need is established. Some States have schemes in this regard. These may have to be examined and used to the extent they are relevant to the Commission's recommendations.

the next year or alternatively if the fund is likely to run a deficit an appropriate levy within certain limits could be imposed in the following year. The present collection from employers and workers together comes to about 20 per cent of the wage bill. The desirable collection could take them to over 22 per cent. If all employees are covered by higher provision fund contributions it pay even as high as 24 per cent. An assumption that over the next ten years the pay (employers' and workers' contribution together) may be allowed to reach 22 per cent or even marginally more would not mean an unduly heavy burden on that part of the contribution which comes from industry. A unified administration of all these schemes can save overheads and can add to social security benefits if properly administered. And the clause 'if properly administered' is important.

though not directly emerging out of our terms of reference but still having a bearing on social security is the question of social assistance. Its relevance to social security described above is that there are in the Indian society a number of self-employed persons who are in no way better, at least a majority of them, than

Incidentally the funds thus collected do form and in future will continue to form a major source of Government finances through social assistance.



No.1(20)/68-NCL(C)  
Government of India  
National Commission on Labour  
D-27, South Extension Part II, New Delhi.

Dated, the 15th June, 1968.

To

The Chairman and Members  
of the National Commission on Labour.

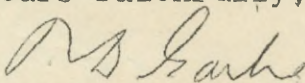
Subject: Report of the National Commission  
on Labour - A Tentative Approach.

....

Sir,

I am directed to refer to the Member Secretary's note of even number, dated the 14th June, 1968, forwarding a copy of the revised draft of Sections I and II of the National Commission on Labour Paper " A Tentative Approach" and to forward a note on perspective referred to in para 2 thereof.

Yours faithfully,

  
(P.D.Gaiha)

NATIONAL COMMISSION ON LABOUR

A note on Perspective

The perspective in which the Commission has to examine its problems may fall broadly in two categories - (i) a perspective for the economic and social development and (ii) which flows from (i) and which will take into account different facets of the Commission's work.

2. A reference has already been made in Paragraph 10 of the Paper now circulated to members about perspective for development. The preliminary thinking of the Planning Commission has been indicated in the draft outline of the Fourth Plan. Since its publication the Planning Commission was reconstituted. Its current thinking has been publicised in the form of a document placed before the National Development Council. The Deputy Chairman's foreword to it states:-

"Attention has been concentrated chiefly on three areas. First, feasible rates of growth have been indicated as also possible progress in the direction of becoming free from dependence on foreign aid. These objectives have been related to policies regarding imports and efforts at increasing exports and to additional resources required to be raised in the public sector for attaining given rates of growth. Second, proximate objectives in the major sectors of activity have been defined, areas in which special effort is required or a shift of emphasis is needed have been identified, and some specific programmes of action which are proposed to be undertaken, indicated. Third, attention has been drawn to measures needed to maintain stability in the economy and to a set of consistent economic policies which could direct the operation of the mixed economy so as to lead to the fulfilment of Plan objectives. In integrating the various policies, measures and programmes of action in the approach, attempt has been made to resolve possible conflicts between the claims of production and distribution, of development and employment."

3. The specific proposals which have been mentioned in the Planning Commission document have been worked

out on the basis that the economy is now capable of growing at a rate of 5-6%. The Planning Commission has claimed that this rate has been based on reasoned calculations. The Commission is convinced that given determined, well-directed and fully-coordinated internal effort, planned economic progress can be accelerated.

4. What has been said in presenting the document to the National Development Council in so far as the Fourth Plan is concerned also applies mutatis mutandis to future Plans. If the National Commission on Labour has its perspective for the next 20 years, this would suffice. One could go on the basis that the aim will be to achieve the rate of growth mentioned earlier though the specific sectoral rates by which the overall rate is to be achieved may vary within limits according to the changes which may take place in the economy from Plan to Plan.

5. A more detailed examination of the implications for the National Commission on Labour of the various proposals which have been made in the "Approach to the Fourth Plan", the Planning Commission document, is now being undertaken in the units of National Commission on Labour and a suitable paper will be prepared in the next four weeks. However, some points for the National Commission on Labour perspective can be indicated even now.

(i) The 5% rate of growth and the objective of becoming free from dependence on foreign aid taken together would mean a significant attempt at raising internal resources. This read with the present postures of all political parties to give tax-relief to

rural areas, would mean pressures elsewhere. What this has in store for organised sectors of agriculture, mines, transport, industry, trade and commerce, is something on which speculation at this stage can be hazardous. Read with the objective of maintaining stability in the economy and the possible attempt to resolve conflicts between claims of production and distribution, development and employment, etc., one can assume that situations will be created in the economy which call for even greater vigilance in the field of industrial relations.

(ii) Broadly, in the coming years, with the current unemployment, pressure of population and increases in the working force, employment market can be assumed to be difficult. Agriculture, will get its share of resources for development. Whether this will mean that its capacity to employ additional labour will improve is open to doubt. But even if the capacity does not improve it may have to absorb a third of the additional labour force if attempts in the direction of reducing the country's dependence on agriculture for gainful employment have to be meaningful. A better organisation of agriculture, more inputs in it will by and large ~~mean~~ more work in agriculture but this may mean either reduction in underemployment or maintenance of more people on land - more likely the ~~former~~. The Commission's recommendations for agricultural labour may have to ~~take~~ this into account.

(iii) The pressure of unemployment which seems to be getting heavier and which will affect all non-agricultural sectors will make the Commission's task of meeting the aspirations of labour, difficult.

The difficulty arises primarily because unemployment will exert pressure on the level of wages at the unskilled level. The principles so far evolved of not allowing wages to be fixed below the subsistence level, sound as they are, may require greater measure of vigilance on the part of all concerned. This vigilance has to be inbuilt because inspectorates set up by Government, however large, will find it difficult to police such arrangements where a needy worker will contract himself out of his benefits not on paper but in practice.

(iv) One need not **despair** on this account. As a result of educational drive and also partly because the advantages of organisation will be known, even the labour which is now considered to be sweated is likely to be organised. All this may pose a separate problem. Outsiders in the ranks of unions are already not as numerous as is popularly believed. Their trained cadres are now getting weaker. If, as <sup>trends</sup> indicate, outsiders are to continue in a relatively smaller number, even then a fair amount of training is called for for building up union cadres. This is one task which the trade-union organisation as a whole seems to have ignored.

(v) One estimate shows that as against the current union membership of about 8 million, in the next 10/12 years about triple the number will fall in the category of labour which may be organised and even then organised labour will form only 40% of the workers in the non-agricultural sector. as compared to roughly a third at present. If to this one adds the cadres required for organising the agricultural labour, significance of trained trade-union workers will become

still more apparent.

(vi) The workers to be organised should not be viewed only in terms of numbers. The character of membership will undergo a big change because of changes in the industrial structure and also because of rise in the general level of education in the working-class. New industries require persons who have a better training or education at the point of entry. Organising them may not be so much of a tax on cadres referred to in (iv) above, but others particularly workers engaged in small units of traditional industries/mines, plantations etc. certainly require trained cadres.

(vii) Industrial activity is now being dispersed because of popular pressures. Such pressures are likely to be intensified in future. The task of creating cadres has also to be viewed in its regional context.

(viii) Linked with this is the question of union finances. These will improve if the services to members improve. It has been the wail of union workers that while union subscriptions are in arrears, contributions for justifying demands in a court flow in union offices without difficulty. Whether 'more of collective bargaining and less of litigation in labour matters of the future' will change the situation is a matter on which prediction will be difficult. If union rivalries continue, will there be undercutting of rates is again a difficult area of speculation.

(ix) It is accepted that the primary responsibility of unions will be to protect the interests of their members. But in view of the awareness which is now developing in unions, they will have a wider field of operation. The cooperative movement, the aims of which could be considered

as somewhat similar is also growing in this country in its area of operation. A closer liaison between the two seems to be called for if the interests of workers are to be better served.

(x) As stated in (iii) above, workers' claims for wage increases would be inhibited because of certain factors. Purely in terms of demand and supply, while the supply of unskilled labour may be more than required, skilled labour will be in short supply. In some cases it may be organisationally in a position to demand better service conditions. Within the working-class, therefore, there will be pressures for widening the differentials between skilled and unskilled. This may lead to strengthening the tendency for organising the craft unions.

(xi) In the last 15 years, employers, irrespective of the labels, have shown a tendency to stand together. While the same could be said about labour at the national forum of consultation, one sees rivalries at the plant level which may not be in the best interest of the workers. Depending on what happens in the body-politic, rivalries may or may not diminish. A conscious effort on more constructive lines is, therefore, called for and one may hope that it will be forthcoming.

(xii) With the shortening of distance and better facilities for communication of ideas, international events will have stronger influence both on employers and workers. If the strong advocacy of automation is an illustration which could be cited as an instance of how employers' mind will be working in future, one could envisage on the side of workers a get together between students and younger elements in the working class. The

events in Europe in the last month cannot be considered too remote for India to take note of.

(xiii) Debate will continue on the relative share of public and private sectors in economic development. Socialist pressures in the system will continue their fight against concentration as much as the inefficient financial operations of public sector units will be brought to public attention by interested groups. Both will grow. The rate of growth will be even, though because of the bigger base of public sector, investments in it will be more than in the private sector. But whatever be the size of the respective sectors, public involvement in the affairs of either will grow.

(xiv) In considering changes on the management side, the most significant change will be about the character of management. Professional management is now coming in its own. It is a fashion with sons and grand-sons of entrepreneurs who have taken to industry to carry on their business as professional managers rather than in their hereditary capacity; or at least to show that this is how they want to run their units. The impact which such management will have on industrial relations has been brought out in the note circulated with National Commission on Labour letter No.1(8)/67-NCL dated 14th June, 1968, copy enclosed for ready reference.

(xv) Concentration of economic power for the investigation of which the Monopolies Commission was set up and the decisions which Government has taken so far on the recommendations of the Commission as well as the recommendations of the Managing Agency Committee will have their impact on the labour-management relations.



(xvi) As a part of the difficulties which would be experienced in foreign exchange, imports are likely to be restricted. Employers will operate in a sheltered market. The implications of this fact on labour-management relations requires to be assessed. Generally in situations where a sheltered market exists, it is the consumer who suffers.

(xvii) In many cases, experience has shown that management's attitude to labour is influenced also by what happens in fields other than labour. Managements tend to equate in many cases the concessions which are given to labour as imposition by Government on them in the same manner as changes in tax levels, in tariffs, in import entitlements, in incentive for export and in levels at which prices are controlled, and so on. In all these matters managements do have differences with Government. If managements are helpless in changing the course of Governmental action in other areas, they will seek to expose vulnerable points in the administration of labour policy (And this also applies to labour). Occasions when the employer's attitude to labour gets affected for non-labour reasons, are likely to be more in the years to come.

(xviii) The problem of cadres raised in the context of trade unions will be equally relevant in the case of managements. Arrangements for training managers are inadequate even on the basis of the most conservative estimates of the country's requirements. A rate of growth, higher than the one obtaining at present will expose this flank rather badly. At the same time it seems there is adequate technical material which could be 'built up' for the tasks ahead.

(xix) Evidence is adequate to show that many plant or extra plant conflicts result because of what happens

at the shop floor. While one may expect that supervisors will be trained better to handle the emergency situations, pressures on managers for introducing a greater element of democratic decisions are likely to continue.

(xx) There will be significant attitudinal changes in the employers as a class towards workers' organisations. Governmental intervention is being ~~framed~~ upon by both; though neither employers as a group nor many sections of the working class will accept a trial of strength as a policy. Collective bargaining may have to operate within this constraint. Governmental interference (the political part of it) will continue to be criticised but whether employers will like better the guidance of an independent judiciary in the years to come will depend upon their assessment of the fairness of the judiciary.

(xxi) Employers will no longer be in a position to exercise even the limited right of 'hire and fire' as it stands at present. They will have to devise ways and means of running their units efficiently in spite of this. (This should not be considered as an open invitation to indiscipline.)

(xxii) The pace of social transformation cannot be ignored by employers as a group, nor should the rising aspirations of workers. Differences in facilities given to workers and those available for managerial or supervisory cadres are now being noticed and talked about whatever be the justification for such differentiation. This trend is likely to grow stronger.

(xxiii) Public sector management has to be more cautious in this regard. Workers are inclined to view the generosity of a private employer to his managerial

staff with an attitude of indifference (or resignation); but not so where the public sector is concerned.

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NATIONAL COMMISSION ON LABOUR

Committee appointed on 19th September, 1967

Record of discussion of the Committee.

Place : New Delhi    Date : July 3, 1968    Time : 3.00 PM

Present :

1. Dr. P.B. Gajendragadkar, Chairman
2. Mr. Manohar Kotwal, Member
3. Mr. G. Ramanujam, Member
4. Mr. Naval H. Tata, Member
5. Mr. B.N. Datar, Member-Secretary.

Dr. Baljit Singh could not attend.

2. The Committee considered the papers :

- I. Report of the National Commission on Labour -  
'A Tentative Approach' (Revised draft pages  
1-30 circulated on June 14, 1968.)
- II. A note on Perspective circulated on June 15, 1968.

I

The paper 'A Tentative Approach' was generally approved subject to the following modifications :

- (i) Para 2 may be amended to indicate that a large proportion of the employees of the local group bodies would come within the terms of reference of the Commission.
- (ii) Para 5 in the context of reference to the National objective of establishing a Socialist Society the content of the concept of socialism should be spelt out more fully.
- (iii) Para 5 item (v) for 'Indian concept' read 'our concept'.
- (iv) Para 6. Lines 20 and 21. For 'approach to the problems of the economy' read 'approach of the problems of production and distribution'.
- (v) Para 7. Line 5. After the first word 'of' insert 'the efforts made to implement'.
- (vi) Para 3, page 5. The word 'privileges' should be deleted.
- (vii) Para 9. Instead of a reference to a small section at the bottom, the relevant quotation from the report may be given.
- (viii) Para 9. Page 7, Line 10. Alter 'it will' add 'mainly'.
- (ix) Para 11, page 8. The reference to constitutional amendments regarding labour should be made more specific.

- (x) Para 12 Line 19 After 'Asian context' add 'more particularly under Indian condition'.
- (xi) Para 12 Page 10. 5th Line Delete 'and' and add a comma after the word definition.
- (xii) Para 13 Line 7 & 8 - Delete 'its money component in'
- (xiii) Para 13, Line 11 After 'Commission' add 'and the Wage Boards' (Wage Boards would be more relevant to the Commission than the Second Pay Commission. Member-Secretary was instructed to take into account the analysis on the question of interpreting the money equivalent of nutritional norms attempted by different Wage Boards.)
- (xiv) Page 11, Para 14, Line 2 - Delete 'so'.
- (xv) Para 14 - 6th line from the bottom - The word 'and' is to be substituted by 'but'.
- (xvi) Page 13 - Para 16 - This para should be transferred to a more appropriate place.
- (xvii) Page 14, Para 18 - It should be removed to more appropriate place. The last line in the para 'after it decides ..... its terms of reference' should be deleted. The first line of para 18 delete 'in it'. The word 'Efficiency' should be replaced by 'Productivity' in para 18.
- (xviii) Para 18 should be prefaced by an introspective view and should refer to Inter-national experiences especially in countries like Germany and Japan about Productivity and Efficiency and their relevance to Indian conditions.
- (xix) Para 19 - Second line from the bottom - 'Toll' should be replaced by 'Poll'.  
Add at the end 'the Commission should also examine the application of the current practice of imposing a levy on the wage bill at all major ports for financing labour welfare measures.'
- (xx) After Para 19 insert a paragraph to bring out that all labour welfare activities should be entrusted to unions to do away with bureaucratic control. Discuss the possibilities of this proposition.
- (xxi) The idea of utilising provident funds for industrial housing should be brought out.
- (xxii) Page 16 - Before para 24 dealing with housing a paragraph may be inserted posing the issue regarding the responsibilities of employers for the provision of housing to workers.
- (xxiii) Page 19.
- Para 27 - 2nd line. Reference to public or private sector should be omitted..

from the bottom of the para  
(xxiv) Page 19, Para 27 - 4th line/ - The word 'will'  
should be substituted by 'is reported to'.

(xxv) Para 27(A) - 'In some areas' should be replaced  
by 'In a few areas'.

(xxvi) Page 20, Para 28, Line 5 - 'something' should  
be replaced by 'Statutes Book'.

(xxvii) The sentence from 'ceiling on land .....  
revenues of state' should be deleted.

In the sentence

(xxviii) After the deleted sentence, the word 'Facilities'  
to be replaced by 'Concessions'.

(xxix) In the same sentence add the word 'subsidised'  
before 'industrial housing scheme'.

(xxx) In the latter clause of the sentence the word  
'only' should be put after 'not' and words 'so much'  
should be deleted.

(xxxi) Page 22, Para 32, opening sentence

It should be modified as follows :

'On the whole, it would be necessary to  
consider whether it is primarily the employer's  
responsibility to provide housing or whether it may be  
tackled by encouraging co-operative societies or  
similar institutions in the respective areas.'

(xxxii) The second sentence in the same para should  
be deleted.

(xxxiii) There should be a discussion on the impact  
of lack of housing scheme on efficiency, character,  
social life and morale of workers.

(xxxiv) Page 23, Para 33.

This should be prefaced by a para bringing  
out the introspective approach and international  
experience on this subject.

(xxxv) Para 33, Line 5.

'mere asking' should be replaced by 'merely  
asking'.

(xxxvi) Para 33, Line 12 from the bottom. (item-iii)

'displacement' should be replaced by 're-  
deployment' and ('iii') should be re-cast.

The point whether multiplicity of unions  
retards productivity should also be referred to.

A reference should be made to fall-back wage.

(xxxvii) Page 24, 4th line from the top.

'should' to be replaced by 'could' and 'wherever possible' should be added after 'productivity' in line 6.

In the same para, 'complete' should be inserted before 'guide' in line 8.

(xxxviii) Paras 34 and 34(A) will be considered later after the deliberations of the S.L.C. meeting in the middle of July, 1963.

The paras relating to social security should come earlier.

Page 27.

(xxxix) / In accepting the need for integration, the decentralised working of the integrated scheme should be emphasised. Also there should be greater involvement of workers in the operation of the schemes.

4. The Paper entitled "A note on the Perspective" was approved subject to the following changes:

(i) Page 3 sub-para (ii) The proposition that mechanisation of agricultural operation could create opportunities for additional employment of labour is open to doubt. Generally mechanisation will mean reduction of labour in agriculture. The proposition will have to be explained further. (It was explained in this context how the progress of agricultural development in India was going along a different line, with construction of field channels, levelling of lands and so on - and all these were labour intensive processes and more employment opportunities were being created on this account.)

(ii) Vinobaji's idea about organisation of labour on the model of plantation should be examined. (The Chairman observed that the Secretariat should prepare a note on these two points and circulate it among Members.)

(iii) Page 4 First sentence : add at the end of the sentence the word "especially".

(iv) Last sentence of sub-para (iii) should bring out exploitation of the needy worker by his employer.

(v) Sub-para (iv) 'Outsiders' should be replaced by 'outsiders or insiders.' 'Seems to have been ignored' should be replaced by 'has to concentrate on'.

(vi) The emphasis in the sub-para should be on training of cadres of insiders and outsiders. It should not pose the question of whether 'outsiders' should be there.

(vii) Page 5 sub-para (viii) Line 2 - 'These' should be replaced by the 'finances'. There should be a suggestion that finances would improve if trade-union consciousness improves.

(viii) The phrase "on which prediction will be difficult" should be substituted by 'which the Commission may have to consider'.

(ix) The last sentence of para 8 should be deleted.

(x) Page 6 para (xi) Line 4 - Rivalries at the plant level should be substituted by 'rivalries at all levels'.

(xi) Page 7 para (xiii) Line 6 - 'By interested groups' may be deleted.

(xii) Page 7 para xiv) Line 3 - After 'is' add now 'showing signs of'.

(xiii) Page 8 para (xvi) Line 4 - 'for implication' substitut. 'impact'.



(xiv) - Page 9 para (xx) Line 2 - After 'employers' replace "as a class" by 'both public and private'.

(xv) Page 9 para (xxi) The whole para should be recast in the light of the new amendments pending in the Parliament.

(xvi) Page 9 para (xxii) Line 2 - Replace 'as a group' by 'both public and private'.

Line 5 - The word 'clerical' should be added after 'supervisory'.

(xvii) Page 9 para (xxii) The last sentence should be replaced by 'this aspect of the matter will have to be examined by the Commission'.

(xviii) - A reference should be made to co-operatives which are being developed ostensibly as an agency for the welfare of workers, but in fact are not working in that manner.

(xix) - Projections about public sector growth will have to be built up.

(xx) The status of the worker in the future social organisation should be brought out. (For this Mr. Kotwal and Mr. Ramenujan will give draft paragraph). Page 9 para (xxii) Line 2 - After 'employers' replace "as a class" by 'both public and private'.

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D.O.No.1(25)/68/NCL(c)

B.N. Datar,  
Member-Secretary.

Dated : 8th July, 1968.

My dear

I mentioned at the meeting in Bhopal that the programme of Commission's work will be drawn up by me for being placed before the Commission's meeting to be held on July, 31 and August, 1 in Bombay. The tentative programme that follows has been based on the items of work which have yet to be completed.

- i) We have to visit two State Capitals yet. Bhubaneswar meeting has been fixed for August 2 and 3. The Assam will have to be arranged in October.
- ii) The meeting of the Statisticians will be held in Delhi on August 28 and 29. The Chairman will inaugurate the meeting on the forenoon of August 28. Thereafter the Statisticians will discuss the problems among themselves. Members of the Commission who desire to participate in the discussion can do so on 28th afternoon and 29th. The closing session will be on 29th afternoon. This will be presided over by a member of the Commission.
- iii) On the 28th forenoon the Commission should meet some Parliamentary groups. If we could devote 3 hours on 28th forenoon for this purpose it may be possible to meet 3 such groups. The C.P.I.(M) group in Parliament has expressed its desire to meet us during the forthcoming Parliament session - we may also invite the Jan Sangh and the S.S.P.
- iv) We have since received confirmation about the Himachal Pradesh. The dates of our visit will be August, 30 and 31. The arrangements will be that after the Statisticians' Seminar is over on the 29th afternoon such of the members who want to visit Simla can leave on 29th night. Discussions at Simla will start on the 30th afternoon and will conclude on 31st in time for members to leave Simla on 31st night. If some members want to stay in Simla for a couple of days thereafter arrangements will be made for their stay.

...p.t.o.

- v) Chairman has given 4 dates for discussions in Bombay in the month of September. These are September 9, 10, 11 and 12. These should be utilised for meeting the Central Organisations. There will be no other programme in September in view of Chairman's commitments for the Kashmir Commission. In these 4 days it should be possible for us to record the evidence of four to six Central Organisations atleast. I suggest that we should meet the Council of Indian Employers on the 9th ; INTUC on the 10th ; HMS on the 11th ; and AITUC on the 12th. (We have yet to receive the AITUC's memorandum)
- vi) Chairman has given two dates in October (4 & 5) for meetings in Delhi. These also should be utilised for recording evidence of Central Organisations.
- vii) Chairman has given 3 more dates in October. These are October 16, 17 and 18. We should utilise these dates for recording evidence in Assam. We may consider the fixing of visit to Andamans in continuation of the Assam programme.
- viii) Attention is invited to the note which was circulated in Calcutta on May 29 and subsequently sent to members who did not attend the Calcutta meeting with the Commission's letter No.8/1/68/NCL dated May 29, 1968 (copy sent for ready reference.) At para A(2) of the note, the Secretariat had sought suggestions from members for naming eminent persons whom the Commission should meet. Some names have been already mentioned in the Secretariat note. No suggestion from members has been received. It will be appreciated if suggestions are sent in time for discussion in the Bombay meeting (July 31 and August 1)
- ix) No dates have yet been fixed for discussions in November. It should be possible to arrange some meetings in Delhi in the middle or 3rd week of November at which we could complete our discussions with the Parliamentary groups and also of the Central Organisations who have been left out.
- x) All this will prepare us for a discussion with the Planning Commission and the Ministries of Labour and Employment, Finance and Home Affairs. The arrangement for these discussions were explained at the Bhopal meeting. A special paper is being drawn up for these meetings. We will meet the ministries of Finance and Home Affairs along with the Planning Commission. We will have a separate meeting with the Labour Ministry. These could be organised in the first week of December. There after there will be no recording of evidence.

2. This means that we have to compress in our programme of meetings the eminent persons whom we are wanting to invite. A decision on this point can be taken only after getting suggestions from members.

3. The Chairman mentioned in Bhopal that the preparation of the Report will be in two parts. Part I will deal with a review of what has happened in different industries together with a regional review and Part II will discuss the labour problems subject-wise and frame recommendations subject by subject on the basis of these discussions. The progress of work on parts I and II will be indicated in the Commission's meeting on July 31 - August 1.

Yours sincerely,

(B.N. Datar)

A note for information of  
Members.

A copy of the progress report of the Commission's work so far will be sent separately. This note states briefly (A) the various items to be attended to for completing the remaining part of the Commission's task and a tentative time-table (months and not dates) for the same and (B) the time which Members will be required to devote for the Commission's work in the coming months.

A

- (1) On Chairman's suggestion, the Minister for Parliamentary Affairs has advised us that the Commission should approach the leaders of different political groups in the Parliament direct and seek their cooperation on matters of common interest. The Chairman has written to these leaders that we could arrange discussion meetings with Members of Parliament for this purpose in September at the time when both Houses are in session.
- (2) The Commission may have to consult some eminent persons outside the Parliament and those who may not find a place in the Commission's formal consultations with employers' or workers' organisations. These persons will be drawn from enlightened employers, senior and Junior trade-union leaders, public man, economists and social scientists and social workers who have taken interest in the problems under consideration by the Commission. Persons like Mr. V.V.Giri, Mr. J.R.D. Tata, Mr. Arvind Mafatlal, Mr. L.K.Jha, Mr.G.L.Nanda, Mr. Khandubhai Desai, Mr. Jayprakash Narain, Mr. Dhiren Majumdar, Prof. N.K.Bose and Prof. K.N. Raj may have to be invited for discussion. If Members have any suggestion about similar names, they should be conveyed to the Secretariat so that it should be possible for the Secretariat to prepare the final list. These discussions could be sometime in September.

- (3) We have, in addition, to consider whether we have meetings with organisations/persons who have sent material after our visit to the States. For instance the Indian Womens Council has sent a Memorandum. There are other similar institutions whom the Commission may have to meet. Also Mr. K.N.Subramanian with whom we had a very short discussion and whom the Commission promised to meet again may have to be called again.
- (4) The Central organisations of employers and workers will have to be given time for discussions. Depending upon the total area of discussion, we may allow about 3 hours to each of these organisations, at the most. There are about 12 such organisations. Our discussions will have to be on a wider plane than the limited discussions which we have been having with the parties so far. These discussions again may have to fall in September or October since the Chairman has suggested that after our return from Bhuvaneshwar in the first week of August he will find it difficult to spare time for the work of the Commission in view of his heavy programme in the Bombay University and also in view of his visit to Jammu in that month.
- (5) We may have to be in Simla early in September. This meeting will be tied up with the Conference of Central and State Statisticians for discussing the whole area of statistical problems connected with the Commission's work.
- (6) Some Members have expressed a desire to visit the Andamans. Since after our visit to Bhuvaneshwar, the month of August is free, this visit could be fixed in the later half of August.
- (7) We have to meet the remaining Ministries of the Centre, namely, the Ministry of Home Affairs, the Ministry of Finance, Department of Labour & Employment, and the Planning Commission. These discussions may have to be in November or December.

- (8) Chairman wanted to visit some of the places of industrial importance. My suggestion is that he should visit Jamshedpur, Ranchi, Kanpur and Bangalore. Two of these places could be visited in November and the remaining two in the month of December.

B

- (1) All this means that from September onwards, there will be a greater call on the time of Members. We may have to meet for one week in Delhi and one week in Bombay every month in September, October, November and December. The items in (A) above except (6) will be suitably grouped if this suggestion is approved.
- (2) This programme does not unduly upset the time-table of work which has been adopted by the Secretariat. The work of analysing evidence and preparing material on different Chapters for discussion in the Committee/Commission will go on. A copy of this time-table which was approved in the last meeting of the Commission is already with Members. It is possible that the Secretariat may like to have a latitude of 3 weeks to a month in adhering to the programme. But this is because of the delay in completing the visits to States.
- (3) A phased programme of the notes which we will be circulating to the Members is being drawn up and it would be circulated towards early next month.
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