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INTERNATIONAL LABOUR OFFICE
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Industrial and Labour Developments in
June, 1966.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - JUNE 1966.

12. Activities of External Services.

Lecturers:

On 20 June 1966, the Director of this Office was invited to address the trainees attending the May-July session of the Central Institute for Training in Industrial Relations. The topic of the Director's address was 'the ILO and its Work'. The trainees were mostly officials of the Central and State Labour Departments. There were also two foreign participants from the Philippines.

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13. Press and Opinion.

India - June 1966.

Attention is invited to clipping No.13.1 entitled 'Crisis for ILO!'

In addition to the attached clippings the following ~~are~~ references to ILO appeared in various Indian journals received in this Office.

1. The Jan.-Mar. 1966 issue of "Oceanite" contains a report of a meeting of ITF Asian Seamen's Committee held in London in November. Reference is made to I.L. Convention concerning the engagement of seafarers for service in vessels registered in a foreign country.

2. The Indian Worker, dated 11-4-66 publishes the text of Home Minister G.L. Nanda's inaugural address at a Seminar on social responsibilities of trade union. The address contains an incidental reference to the ILO.

3. The Indian Worker, dated 23-5-66 contains news-items regarding India's delegation to the 50th I.L. Conference. The agenda of the Conference is also published.

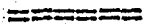
4. The Indian Worker, dated 30-5-66, publishes a note on the conclusions of the 5th Session of the ILO's Committee on Plantations. The note appears under the title "Socially Progressive Measures adopted at ILO Committee".

5. Under its 'World Labour Digest' column the 6 June 1966 issue of 'the Indian Worker' publishes a note on the 50th I.L. Conference.

6. 'The Indian Worker', dated 13.6.66 publishes texts of speeches made at the 50th I.L. Conference by Messrs Bijoy Singh Nahar and Abid Ali, members of the Indian delegation.

7. 'Asian Labour', dated April 1966 contains news-items concerning: (a) ILO action on IOFTU complaints against the Government of Thailand for violation of trade union rights; (b) ILO Governing Body's concern over news of arrests and execution of trade union leaders in Burundi; and (c) IOFTU's efforts for ILO membership for the Republic of Korea.

8. The April 1966 issue of 'Hind Mazdoor' publishes extracts from ILO Director-General's address at the Centre for Industrial Relations of the University of Toronto on "Industrial Relations in the Next Decade".



25. Wage-Earners' Organisations.

India - June 1966.

Tenth Annual Conference of National Federation
of Indian Railwaymen, Gorakhpur, 30-31 May 1966:
Pay Revision Demanded.

The tenth annual Conference of the National Federation of Indian Railwaymen was held at Gorakhpur on 30 and 31 May 1966. Shri S.R. Vasavada, President of the Federation, presided.

Presidential address.- Shri S.R. Vasavada, in his presidential address stressed the need for the appointment of a new pay commission for railwaymen. He said that the Government had accepted the policy of appointing the pay commission, from time to time and the time had come for the appointment of a new pay commission to revise the salaries and allowances of railwaymen. Shri Vasavada also urged the creation of more jobs in the fourth Plan, effective curb on prices and complete reorientation of Government's food policy.

Shri Vasavada said it was not fair on the part of the Government to decide arbitrarily the percentage of neutralization and urged that the question of neutralization should be referred to arbitration and the award made binding on both sides. Arbitrary action on the part of the Government, he argued would create a feeling amongst the workes that justice was not being meted out to them and that they were being exploited.

Shri Vasavada expressed the hope that the Government would take steps to remedy a lacuna in its Joint Consultation Scheme for the settlement of disputes between the Government and its employees, namely, no time limit for referring a dispute to arbitration, once disagreement had been recorded.

The NFIR President regretted that despite progressive industrialisation in the country an adequate number of jobs were not being created and urged upon the Planning Commission that the fourth five-year Plan should pay more attention to such schemes as would create more job opportunities.

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Shri Vasavada warned that inflation in our ^{the} country had now reached a stage when, if it was not checked, it might disturb the entire economy. As an initial step in this direction, he suggested a curb on price rise and careful economy in expenditure both by the States and the public.

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Shri Vasavada suggested that the Government might include in its food policy utilisation of small-scale irrigation, use of indigenous manure, equitable distribution of available food by abolition of food zones and minimising the export of edible oils and oil seeds.

Transfer of Staff.— According to the annual report of the Federation, the Railway Board has agreed to examine de novo the question of periodical transfer of staff. The report says the decision was taken because the Federation had raised objections. It has submitted a six-point proposal on the subject.

These proposals are: (1) The system of periodical transfers should be abandoned, (2) they should be kept to the barest minimum, (3) while transferring an employee, educational difficulties and sickness in the his family must be given due consideration, (4) the transferred employee should be assured housing accommodation at the new station, (5) in the case of transfers on promotion, when a vacancy is available locally, transfer should be avoided, and (6) in case of transfers due to a report of vigilance, or the special police establishment, or on anonymous complaints, no transfer should be ordered unless there is at least a prima facie case against the employees. The report says the very approach of the railway administration to the problem has been negative and self-defeating.

It adds: "far from checking corruption, it had bred more of it. Periodical transfers are not only wrongly conceived but are also badly executed."

It criticised the administration for not issuing transfer orders two months before the scholastic season, although specific orders to that effect exist. Education of children gets dislocated as a result.

Similarly, the rule that between two senior persons belonging to the same category the senior-most should be transferred first has been hardly followed, the report adds.

Resolution.— The Conference by a resolution urged the Government to set up a new Pay Commission to further revise the wages and allowances of the railway employees.

It stressed the urgent need to take a "fresh-look" at the matter with a view to "removing the past injustices anomalies and discrepancies".

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The resolution suggested that the terms of reference of such a Commission should be defined in consultation with the organised labour unions.

It said that the basis on which the two successive Pay Commission had built up their wage structure had become outdated and outmoded. The rising prices had introduced an element of "unrealism" in the pay and allowances of the employees and since the report of the second Pay Commission, the cost of living index had risen by 60 points.

The resolution said that during the third Plan, the national income was said to have risen by more than 18 per cent, but the real wages of the low-paid employees had fallen by more than 25 per cent, during the period.

By another resolution, the general body urged the Government to reorientate its "discipline policy" in consonance with the ideal of a welfare State and to appoint independent administrative bodies tribunals to serve as appellate bodies for aggrieved employees.

The resolution called for evolving a new system to ensure a premium on spotless record of an employee. While awarding punishment, the past good record should be taken into consideration and the effect of the present punishment should be effaced gradually by future good work.

The convention, by another resolution, congratulated the Union Government on the announcement of a joint consultation scheme for settlement of disputes of its employees. It urged that a provision or reference of a dispute to arbitration should compulsorily be made within a month after the recording of disagreement.

(The Hindustan Times, 31 May 1966 and
1 June 1966)

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New Railwaymen's Federation Formed.

A new federation of railwaymen, Bharatiya Railway Mazdoor Sangh, was formed at a conference of railway employees, held at Bombay on 28 and 29 May 1966.

The new organisation will be affiliated to the Jan Sangh controlled Bharatiya Mazdoor Sangh.

Shri B.K. Mukherji of Uttar Pradesh was elected president of the Sangh and Shri Amaldar Singh from the Central Railway as general secretary.

(The Hindustan Times, 30 May 1966).

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28. Employers' Organisations.

India - June 1966.

28th Annual Conference of All-India
Manufacturers' Organisation, New Delhi,
28 - 29 May 1966: Re-orientation of
Present Planning Techniques urged.

The 28th Annual Conference of All-India Manufacturers' Organisation was held at New Delhi on 28 and 29 May 1966. It was inaugurated by the Union Minister of Planning. The President of AIMO Shri Hansraj Gupta was in the chair.

Chairman's Speech.— Shri Hansraj Gupta in his address said that industry's greatest handicap was paucity of raw materials. This was largely due to the overspending of the available foreign exchange resources on the creation of additional capacity rather than on feeding the factories already set up.

The setback in industrial production as well as in exports was "largely due to lack of maintenance of imports", he added.

Inaugurational address.— Inaugurating the Conference, ~~Shri~~ the Union Planning Minister, Shri Asoka Mehta said, ~~that~~ the Government did not want to snatch away industrialists' initiative in the field of production, but it certainly wanted to give it a socialist orientation.

This would call for greater sacrifice on the part of industrialists and a clearer sense of direction on the part of the Government, he added.

Shri Mehta said the paradox of India's economy was that it had a very small effective market — almost of the size of the Scandinavian countries market — despite its huge size and population.

The industrialists must try to fill the gap between production and the market.

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He discounted the notion that the current difficulties had anything to do with planning. These were only temporary and had been brought about by such unforeseen calamities as drought and suspension of foreign aid following the recent Indo-Pakistan conflict.

Shri Mehta said the Government was keen on keeping to a schedule of priority in production in the context of decreasing imports and increasing non-availability of raw materials.

He referred to the shortfall in the production of cotton, jute and oilseeds and also a decline in the maintenance imports followed by under-utilization of the existing capacities in industries.

Those who consumed beyond their capacity or those who did not utilize their capacity to the full were doing harm to the country, he said.

Shri Mehta advised industrialists to give the highest priority to savings besides stepping up exports and creating a diversified industrial sector and developing managerial skill in various ~~austerity and p~~ fields. "You have to practise austerity and plough back all your profits into industries", he said.

More important than all this was the balancing of international economy because that way alone a nation could preserve its selfrespect, he said.

In India a dangerous trend was noticeable - that of improving the living standard by consuming more. "In fact the best that we produce should be reserved for the world market with a view to balancing international accounts", he remarked. With greater maintenance imports the country should be able to produce more machinery so that all its requirements could be met.

The maintenance imports, however, he hoped would not be diverted towards producing articles which were low on the priority schedule.

Shri Mehta said the Government did not want to tighten its administrative control over the industries, but in the prevailing economic situation there seemed to be no escape from it. "We have taken care to see that the increased prices do not enrich a few people," he pointed out.

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He twitted the critics of the Government's "steel mania" and said it was perfectly justified to have more steel plants. "We will need steel worth 7,000 million rupees during the fourth Plan", he said.

In the long run, a steel plant would prove more profitable when one took into account 1,000 million rupees as the cost of a million tons of steel. Similarly, in regard to fertilizers, production capacity should be created to put up more plants, he added.

The Planning Commission, he said, was in favour of keeping non-development expenditure in check - four to five per cent. a year and not more. But the choice became difficult when there was clamour for more schools and rise in the pay of teachers.

Shri Mehta defended the setting up of the Heavy Engineering Corporation in the public sector and said it would be able to provide machinery for big plants. He also defended for the State Trading Corporation for charging high prices for scarce commodities.

Resolutions.- The Conference called for a thorough reorientation of the present planning techniques "for correcting the existing deficiencies and drawbacks in the techniques of planning as well as for accelerating the rate of economic growth".

In a resolution on reorganisation of planning techniques, the Conference recommended a number of measures.

These include: (1) Fixation of overall size of the Plan outlay based on what can be realistically achieved through maximum possible co-operation and co-ordination between the public and private sectors. In particular, outlay on the public sector should be limited to what can be mobilized through augmentation of the public sector enterprise through ~~maximum effici~~ maximizing productivity, administrative efficiency and integrity as well as creation of buoyancy in public revenues from an expanding economy through stimulation of saving, investment and production.

(2) Indication of the targets to be achieved by the private sector in various fields and provisions of the requisite incentives and encouragement.

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(3) Drastic curtailment of all non-developmental expenditure as well as wasteful expenditure on public administration.

(4) Provision of financial resources, both internal and external, on high priority basis to finance maintenance imports and to provide working capital to existing industries to enable them to work at full capacity rather than the creation of additional new capacity in the same fields.

(5) Reduction of commodity taxes and levies through amalgamation of the various levies so that their combined incidence on any commodity does not exceed a prescribed percentage of the price.

(6) A co-ordinated wage, income, and price policy and progressive relaxation of all controls on production, distribution, movement and prices of commodities.

The Conference suggested the setting up of a suitable organisation with necessary powers to maintain a vigorous follow through in the execution of Plan projects and derivation of optimum yields from investments being made. The organisation will also apportion responsibility for any failure of shortfall on the appropriate Central or State Government authority charged with the task of implementation.

The resolution says that fixation of over-ambitious outlay for each Plan on the rigid pre-conceived notions and apportionment of an ever-increasing share of outlay to the public sector on ideological considerations are some of the major deficiencies in the present planning techniques. Mopping up of all resources for use in the public sector pipeline through larger and larger taxation even before actual generation of resources through expansion of the economy is another drawback.

The resolution also lists the "failure" to activate the agricultural sector adequately and restrictions on the scope and sphere of operation of organised and mechanized means of production in farms as additional drawbacks in the planning techniques.

In another resolution the Conference urged the Government to treat agriculture as a "basic industry" and to encourage joint stock farming wherever feasible by setting aside ideological policies followed in regard to land ceiling and tenure.

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Office bearers.- Shri B.D. Somani was elected president of the organisation for the current year. Dr. P.A. Desai was elected General Secretary.

(The Hindustan Times, 29 May 1966;
The Statesman, 30 May 1966).

32. Public Finance and Fiscal Policy.

India - June 1966.

Rupee de-valued: Government's Measures to
improve Economy.

In a broadcast on 5 June 1966, the Finance Minister, Shri Sachin Chaudhuri announced the Government's decision to devalue the rupee by 36.5 per cent.

One U.S. dollar will hereafter cost Rs.7.50 as against Rs.4.76 hitherto, and for one pound sterling Rs.21 as against Rs.13 and one-third.

Following the devaluation of the rupee, the Government of India announced a number of consequential measures. These include imposition of export duties on twelve items, downward adjustment of basic import duties on several items and the abolition of all special export promotion schemes providing for grant of import entitlement licences whether operated through the various export promotion councils and commodity boards or any other organisations.

The main economic consequence of this decision, according to a Press note, issued by the Government is that there will be an increase in the profitability and attractiveness of Indian export industries which would facilitate a greater flow of resources and investment in such industries. This is equally true of India's agricultural exports.

Similarly, by increasing the cost of imports it will also make it more profitable and attractive for people to invest in import saving activities.

The following is the text of the Government's Press Note:

The Government of India has decided to re-fix the par value of the rupee with effect from 2 a.m. on 6 June 1966. The new par value has been fixed at one rupee equal to 0.118516 gramme of gold, as compared with the present par value of one rupee equal to 0.186621 gramme of gold.

The rupee has thus been devalued by 36.5 per cent. This corresponds to a new rate of exchange of Rs.7.50 per to one U.S. dollar, which again corresponds to Rs.21 to 1 pound sterling, as compared with the present rates of Rs.4.76 to one U.S. dollar and Rs.13.35 to one pound sterling.

In order to facilitate the conduct of exchange transactions on the new basis, the 6th and 7th of June have been declared public holidays under the Negotiable Instruments Act.

This decision to change the par value of the rupee has been taken after the fullest consideration and the Government is convinced that in our present circumstances, such a measure is essential in the interest of our economy. The requirements of economic development over the last 15 years have ~~been~~ thrown a very heavy strain on our resources, more especially our external resources. Despite the aid we have been receiving from abroad, we had to make considerable inroads into our own foreign exchange reserves which, excluding gold, have consequently declined from 7,850 million rupees in the beginning of the Second Plan to the low level of 1,840 million rupees at the end of March 1966. At the same time apart from ~~requirements~~ our developmental needs, import requirements for the maintenance of our economy have been steadily increasing, following the growth of industrial capacity as a result of our plans. While we have been relying, and would have to continue to rely on foreign aid for ~~impr~~ sometime to come to meet these import needs, it has always been our determination to move towards greater self-reliance where we could finance these needs.

Unfortunately, the growth in our own earnings in recent years both through exports and invisibles has not been adequate for our needs despite the assistance given to export in a variety of ways. ~~In a inflationary pressures, which have~~ In a large measure this has been due to inflationary pressures, which have meant higher costs for exporting industries and also a diversion of supplies to the domestic market. The tendency for our exports to be priced out in foreign markets ~~and the Government had during~~ has been in evidence for some time and the Government had during the last few years taken a number of steps in an attempt to remedy this situation. These included the import entitlement scheme, and the tax credit certificate scheme and even straight subsidies in some case. These measures have, however clearly proved inadequate. Subsidies on exports such as tea and jute now require support through the medium of tax credit certificates. Despite all such assistance the rising trend in exports which was in evidence in the early years, of the Third Plan

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has not been maintained and there has actually been a slight fall in our exports in 1965-66 as compared to the previous year.

In regard to imports also, despite the progressive increase in import duties, imported goods still continue to command a premium as Indian prices of comparable goods are well above world prices. The result is that we have not been able to realise the full potentialities of import substitution with the present severe restrictions on imports. This has also only enabled importers to make large profits without any benefit to the consumer.

The experience of the measures that we have taken so far suggests that they cannot provide an enduring solution to the problem. Essentially, this problem has arisen because of the decline in the purchasing power of the rupee, both at home and abroad during the last ten years or so. Our attempts to maintain the present exchange rate without achieving their purpose have conferred benefits on a small group of people and thrown the burden of helping exports increasingly on the public exchequer. Private foreign investors who have earned substantial profits as a result of scarcity are able to remit their profits at the present over-valued rate, thus involving the country in an undue drain of foreign exchange. Anti-social practices, such as smuggling, retention of illegal earnings abroad and concealed overpayments for imports have increased and the present black market rate means a continuing leakage of foreign exchange. Our earnings from invisibles which were sizable six or seven years ago, have progressively dwindled to a negligible amount.

It is in these circumstances that the Government has come to the conclusion that the status quo cannot be maintained any further without serious damage to our economy and that the only remedy lies in fixing the par value of the rupee at more realistic level. The main economic consequences of this decision is that there will be an increase in the profitability and attractiveness of our export industries which would facilitate a greater flow of resources and investment in such industries. This is equally true of our agricultural exports. Similarly, by increasing the cost of imports it will also make it more profitable and attractive for people to invest in import saving activities. Only in this way we can provide stable conditions for future progress and development.

While devaluation would be followed by some increase in prices, it is expected that the rise will not be proportionate as imported goods are already settling at a very high premium because of their being in short supply. The Government also proposes to take suitable measures to minimise the impact of devaluation on the cost of living. Although the cost of imported foodgrains will go up, it is not proposed to raise the issue prices. In the case of kerosene and other petroleum products, this objective would also be effected through necessary adjustment in import and excise duties so as to maintain unchanged the present prices to the consumers. The Government is also taking steps to increase import allocations for kerosene and copra which are important items of mass consumption.

With the change in the par value of the rupee, there will no longer be any need for subsidies given through import entitlement scheme and tax credit certificates and both these schemes are being abolished with immediate effect. Simultaneously separate arrangements would be made to ensure that exporters secure their import requirements or raw materials, components, etc., on a priority basis.

Liberalisation of Import Curbs.— The Government also recognises that it is necessary to relax as soon as possible the present severe import restrictions which are already affecting industrial production, particularly in the medium and small scale sectors. It is hoped that with sufficient assistance forthcoming from friendly nations and institutions abroad, it will be possible in the very near future to liberalise imports so as to meet in a substantial measure the maintenance needs of our economy. With the appropriate level of import costs which would result from devaluation it would be possible also to simplify, in a large measure, the present administrative controls over such imports.

In conclusion, it may be emphasised, that the whole objective of these measures taken by the Government is to put our economy on a sounder footing and pave the way for future progress and development. This objective would, however, be defeated unless the necessary discipline is observed to keep inflationary pressures under control. Only by so doing can we defend the value of our currency and prevent the recurrence of a similar situation in future.

35. Productivity.

India - June 1966.

Plan for Training Managers: Conference held at New Delhi by All-India Management Association.

A Conference on management tasks in the Fourth Plan was convened in New Delhi from 29 to 31 May 1966 by the All-India Management Association. It was sponsored by the Government of India. Among the participants were representatives from Ministries and State Governments, over 100 persons with experience and knowledge of the public and private sectors from universities and the labour movement, and specialists from management institutes.

The Conference considered the programmes for training and orientation of managers. It also discussed the problems of: (a) reducing costs in public and private sectors and export industries; (b) increasing productivity through application of scientific research and development; and (c) increasing export earnings.

Training of Managers.- Dr. K.S. Basu read out the suggestions made by a study group, of which he was chairman, on programmes for training and orientation of managers, supervisors and workers for carrying out the fourth Plan management tasks.

It suggested that the concept of management should not be confined to business or industrial management alone but should include public administration and even areas like hospital, management, farm management and the like.

Training should be given to all levels of management and even to those who had to work with managers in various functions, such as trade union and Government officials.

Certain amount of compulsion was possible in the public sector where it could be made necessary for top management to attend suitable courses designed for them.

Among other suggestions were correspondence course in management or programmed instructions in certain functional areas, co-ordination between the various organisations engaged in management training, investigation and surveys to assess the present state of management development in the country.

The group ~~of~~ felt that a very important factor in training and development and in the utilization of training programmes was continuity attached to one organisation and continuity of experience.

Summing up the discussions, Shri Tarlok Singh, member of the Planning Commission, said the best way to advance in the field of management was to mark out the steps to be taken and suggest the agency which might assume a lead in this field. It was also necessary to work out with Central Ministries arrangements for supporting expansion plans and other schemes which would enable the agencies to shoulder their full share of responsibility.

He added that in the public sector the Planning Commission could assist the bureau of public enterprises and various ministries in implementing the proposals. In the private sector, it would be primarily a case of suggesting to everyone that it was his own duty and obligation to take the action needed.

Increasing productivity. - Dr. Amar Jit Singh, chairman of the group on increasing productivity to promotion and application of scientific research and development, presented the report of his group.

The report has recorded that overall investment in research was inadequate, all the more so in the context of the large-scale utilization of the resources needed for design and engineering stages of new technology.

The group was of the opinion that foreign collaboration had a helpful role in initiating the industry in the new areas of technology. However, in order to keep ~~and to~~ abreast of the latest development and to optimise productivity in the conditions prevailing within the country, it is absolutely necessary that research and development within the country should attend to the necessary tasks of adaptation and innovation, the report said.

Among recommendations made by the group to overcome the distress in the economy caused by the large outflow of foreign exchange in payment for technical know-how royalties etc., it has been suggested that contracts of a development nature as well as for design and engineering and trial production should be placed on industrial concerns which have built up a nucleus of design capability.

Practices followed abroad, particularly in the United Kingdom, were cited, where in processes that had been developed in research organisations were handed over to industry having such capability for doing the industrial engineering.

Another alternative suggested by the group was the establishment of co-operative research associations in all possible areas as well as in feeding the more difficult problems to the national laboratories and other research organisations. They will fulfil their role best in those particular fields where the design and development facilities with industry are not adequate.

The group asked for a liberal import policy and liberalization of import duties on chemicals and equipment required for research laboratories to enable the industry to set up research laboratories.

(The Hindustan Times, 30 May and 1 June, 1966).

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36. Wages.

India - June 1966.

Wage Board for Power Undertakings.

The Union Government has decided to set up a Central Wage Board for electricity undertakings.

The composition of the Wage Board will be: Shri P.R. Sawhny (chairman), Shri Jagannath Rao Chandriki, M.P., Prof. M.B. Desai (Independent Members), Shri U. Chandu Nair (members representing five employers), Shri J.C. Dixit, Shri D.P. Pathank, Shri Vimal Mehrotra (members representing workers).

The Board will determine the categories of employees - manual, clerical, supervisory etc.- who should be brought within the scope of the proposed wage fixation.

It will work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages.

In evolving a wage structure, the Board will take into account the public utility character of electricity undertakings, the need for the industry in a developing economy, the requirements of social justice, the need for adjusting wage differentials in such a manner as to provide incentive to workers for advancing their skill and the desirability of extending the system of payment by results.

In applying this system, the Board will keep in view the need for fixing a minimum (fall back wage) and also to safeguard against over work and undue speed.

(The Hindustan Times, 8 June 1966).

Increased Pay, Allowances for Bank Employees:
Agreement reached in Talks with Management.

More than eighty-five thousand bank employees throughout the India will gain about fifty million rupees in increased pay, allowances and other benefits as a result of an agreement between the employees and managements.

The agreement, which will be valid for three years from 1 January 1966 was reached at talks between the All-India Bank Employees' Association (A-IBEA) and the Indian and Exchange Banks' Association.

Please also see page ^{b0-b2} paragraph 65 of this report.

(The Hindu, 22 June 1966).

Wage Board set up for Road Transport Industry.

On 4 June 1966, the Union Government announced the setting up of a central wage board for the road transport industry.

The board, headed by Shri P.P.R. Sawhny, will determine the categories of employees (manual, clerical and supervisory) who should be brought within the scope of the proposed wage fixation.

While working out a wage structure, the board will take into account, in addition to the consideration relating to fair wages, the needs of the industry in a developing economy, including the need for maintaining and promoting exports.

The board has been asked to examine the desirability of extending the system of payment by results. In applying this system, it will keep in view the need for fixing a minimum wage and also safeguard against overwork and undue speed.

The proposals will cover establishments employing 20 or more workers.

Other members of the board are: Shri D.B. Kamble and Shri P.N. Nagaswamy, representing employers, Shri V.V. Nene and Shri K.M. Sundaram representing workers. Shri R.P.N. Sinha and Shri D.V. Ramana.

(The Hindustan Times, 5 June 1966).

Wage Differential by Area and Industry.*

An article on "Wage differential by Area and Industry" has been published in June 1966 issue of the Indian Labour Journal. The following is a brief review of this article.

Introduction, - Study of wage differential is of considerable importance for formulation of wage policy. The need for narrowing down wage differential is generally accepted, although at the same time, it is generally agreed that the process of narrowing down wage differential should not be carried to that extent when it may serve as a disincentive to the acquisition of skill.

Wage Differential by Area, - In order to arrive at the wage differential by area, it is necessary to take into account only such occupations which are commonly found in industries located in the areas considered, since the purpose is to bring out wage differential for performing similar types of jobs. For obtaining the wage differential, firstly the average daily earnings of a worker in each of the common occupations in each of the areas are obtained. The average daily earnings of a worker in a particular occupation in a particular area is arrived at by dividing the total earnings in that occupation by the corresponding number of man-days worked in all the several industries in the area. Next, the aggregate earnings for each of the areas are calculated for inter-area comparison.

On the basis of data compiled relating to the survey conducted in 1958-59, it is possible to calculate such area differentials in respect of the Textiles industries, namely, Cotton Textile, Jute Textile, Silk Textile, and Woollen Textile. The common occupations which are found in the Textile industries are Jobber, Weaver, Twister/Doubler, Winder, Reeler, Warper/Beamer, Drawer, Dyer, Oiler, Measurer, Carpenter, Spinner and Mazdoor. The different areas for which the data are separately available are as follows:-

* Indian Labour Journal, Vol. VII, No. 6, June 1966, pp. 528-540.

Cotton Textile- (1) Howrah and Calcutta, (2) Coimbatore, (3) Madras and Ramanathapuram, (4) Bangalore, (5) Ahmedabad, (6) Bombay and Bombay Suburban, (7) Sholapur, (8) Nagpur, (9) Indore, (10) Kanpur, (11) Delhi, (12) Jaipur and Ajmer, and (13) Residual (Rest of India).

Jute Textile- (1) West Bengal and (2) Residual (Rest of India).

Silk Textile- (1) Bombay and Bombay Suburban, (2) Amritsar, (3) Jammu and Kashmir, and (4) Residual (Rest of India).

Woollen Textile- (1) Bombay and Bombay suburban, (2) Amritsar, and (3) Residual (Rest of India).

It will be seen that the common occupations taken into account are rather limited in number. Obviously, it would have been better if data for a larger number of common occupations could be utilised for obtaining the area-wise wage differential. But with the available data, nothing beyond what has been attempted here, could be done.

The following table shows the area-wise aggregate expressed as percentages of the aggregates of the respective 'base' areas in the Textile industries during 1958-59.

Industries/Areas	Percentages with bases (a) Howrah and Calcutta for Textiles. (b) West Bengal for Jute Textile. (c) Jammu and Kashmir for Silk Textile. (d) Amritsar for Woollen Textile.
(1)	(2)

<u>Cotton Textile</u>	
1. Howrah and Calcutta.	100
2. Coimbatore.	133
3. Madurai and Ramanathapuram.	143
4. Bangalore.	87
5. Ahmedabad.	176
6. Bombay and Bombay Suburban.	187
7. Sholapur.	120
8. Nagpur.	151
9. Indore.	160
10. Kanpur.	150
11. Delhi.	153
12. Jaipur and Ajmer.	102
13. Residual.	120

Jute Textile

1. West Bengal.	100
2. Residual.	89

Silk Textile

1. Jammu and Kashmir.	100
2. Bombay and Bombay Suburban.	207
3. Amritsar.	170
4. Residual.	188

Woollen Textile

1. Amritsar.	100
2. Bombay and Bombay Suburban.	210
3. Residual.	144

In the Cotton Textile industry, the earning level was higher as compared to Howrah and Calcutta in all the areas considered except for Bangalore. It will be seen from the above table that the highest percentage differential as compared to Howrah and Calcutta was in Bombay and Bombay Suburban (87), which was closely followed by Ahmedabad (76). Next in order came Indore (60), Kanpur (56), Delhi (53), Nagpur (51), Madurai and Ramanathapuram (43), Coimbatore (33), Sholapur (20), Residual (20) and Jaipur and Ajmer (2). The earning level at Bangalore formed 87 per cent. of the wage level at Howrah and Calcutta.

In Jute Textile, the earning level in Residual area was lower as compared to that of West Bengal. It formed 89 per cent. of that of West Bengal.

In Silk Textile, as compared to Jammu and Kashmir, the earning levels were higher in other areas. The percentage differentials were 207 in Bombay and Bombay Suburban, and 88 in Residual and 70 in Amritsar.

In Woollen Textile, earning levels were higher in other areas as compared to Amritsar. The percentage differentials were 110 in Bombay and Bombay Suburban and 44 in Residual area.

Wage Differential by Industry.— The wage differential by industry may be calculated by following a similar method as for area-wise differential, described above, taking into account common occupations between industries, since the purpose is to bring out wage differential for performing similar types of jobs. The relevant figures relating to Textile and Engineering industries are given in the following table. The 'base' industries selected for the purpose are

respectively Jute Textiles and Manufacture of Agricultural Implements as these account for the lowest aggregates in the respective industries.

Industries	Percentage with base (i) Jute Textile for Textile industries and (ii) Manufacture of Agricultural Implements for Engineering industries.
(1)	(2)
<u>Textile Industries</u>	
1. Cotton.	127
2. Jute.	100
3. Silk.	111
4. Woollen.	110
<u>Engineering Industries</u>	
1. Metal Extracting and Refining.	206
2. Metal Rolling.	145
3. Metal Founding.	121
4. Manufacture of Bolts and Nuts, etc.	119
5. Manufacturing Agricultural Implements.	100
6. Manufacture of Machine Tools.	127
7. Manufacture of Electrical Machinery.	143
8. Manufacture of Textile Machinery and Accessories.	149
9. Ship Building and Repairing.	208
10. Railway Workshops.	142
11. Tramway Workshops.	126
12. Manufacture and Repair of Motor Vehicles.	126
13. Aircraft Building and Repairing.	140
14. Bicycle Manufacturing and Repairing.	137

It will be seen from the above table that the percentage wage differentials, as compared to the Jute Textile industry, were only nominal in other Textile industries. The percentage differentials were 27 in Cotton Textile, 16 in Woollen Textile and 11 in Silk Textile.

In the Engineering industries, compared to Manufacture of Agricultural Implements, the percentage differential varied from 19 in Manufacture of Bolts, Nuts, etc., to 108 in Ship Building and Repairing. The percentage differential in Metal Extracting and Refining was almost as high as in Ship Building and Repairing, being 106%.

Wage Differential by Skill.- Since no attempt was made to categorise the workers in terms of skill in the survey conducted in 1958-59, it is difficult to present an accurate picture of a wage differential by skill. However, considering that the occupation for which the average daily earning was the highest, as skilled and the occupation for which the average daily earnings was the lowest as unskilled, it is possible to give some idea about wage differential by skill. Since the average daily earnings in occupations taken as skilled and unskilled are likely to differ considerably, differentials arrived at by taking into account average daily earnings (and not earnings in individual occupations in individual establishments as in the study of wage differential by occupations) may broadly serve the purpose of studying wage differential by skill.

Following the above procedure and taking into account the Textile industries, it is found that Jobber can be taken as the skilled occupation. As for unskilled occupation, although Mazdoor alone can be taken as unskilled in Cotton Textile, it is found necessary to consider both Mazdoor and Reeler as unskilled occupations in Jute, Silk and Woollen Textile industries, as in many of the areas in these industries the earning of a Reeler is found to be lower than that of a Mazdoor. Even ignoring the criterion of earnings to decide about skilled and unskilled occupations, it is found that the job-contents justify taking Jobber as skilled and Mazdoor and Reeler as unskilled occupations. It would, perhaps, have been better if the study could be undertaken by taking a group of occupations as skilled and another group of occupations as unskilled. But on the basis of the available data it is difficult to demarcate such groups and, therefore, analysis has been restricted to a few occupations.

The following table shows the relevant figures taking Mazdoor as unskilled occupation in all the Textile industries industries.

Industry/Area	Average daily earnings		Difference in earnings per day between skilled and unskilled Col.2-Col.3. (Rs.)	Percentage of earnings of skilled as compared to unskilled $\frac{\text{Col.2}}{\text{Col.3}} \times 100$
	Skilled (Rs.)	Unskilled (Rs.)		
1	2	3	4	5
<u>Cotton Textile</u>				
1. Howrah and Calcutta.	4.05	2.32	1.75	175
2. Coimbatore.	5.06	3.41	1.63	148
3. Madurai and Ramanath-puram.	5.03	3.54	1.49	142
4. Bangalore.	3.29	2.15	1.14	153
5. Ahmedabad.	7.82	3.96	3.86	197
6. Bombay and Bombay Suburban.	7.95	4.45	3.50	179
7. Sholapur.	5.43	2.89	2.54	188
8. Nagpur.	4.11	3.20	0.85	126
9. Indore.	7.69	3.77	3.92	204
10. Kanpur.	7.14	3.72	3.42	192
11. Delhi.	7.81	3.41	4.40	229
12. Jaipur and Ajmer.	3.46	2.07	1.39	167
13. Residual.	4.67	2.68	1.99	174
<u>Jute Textile</u>				
1. West Bengal.	4.09	2.85	1.24	143
2. Residual.	3.70	2.62	1.08	141
<u>Silk Textile</u>				
1. Bombay and Bombay Suburban.	7.45	3.83	3.62	195
2. Amritsar.	4.40	1.82	2.58	242
3. Jammu and Kashmir.	3.58	2.42	1.16	148
4. Residual.	5.13	2.44	2.72	213
<u>Woollen Textile</u>				
1. Bombay and Bombay Suburban.	6.92	3.81	3.11	182
2. Amritsar.	4.34	1.59	2.75	273
3. Residual.	4.78	2.52	2.26	190

It will be seen from this table, where Mazdoor has been taken as the unskilled occupation, that the difference in earnings per day between skilled and unskilled in the Cotton Textile industry varied from Rs.0.85 in Nagpur to Rs.4.40 in Delhi. The percentage differentials in earnings between a skilled and an unskilled worker varied from 26 in Nagpur to 129 in Delhi. Apart from Delhi, the percentage differentials were also high in Indore (104), Ahmedabad (97), Kanpur (92), Sholapur (88), Bombay and Bombay Suburban (79), Howrah and Calcutta (75), Residual (74) and Jaipur and Ajmer (67).

In the Jute Textiles Industry, the differences in earnings per day between a skilled and an unskilled worker were Rs.1.24 in West Bengal and Rs.1.08 in Residual. The percentage differentials were 43 in West Bengal and 41 in Residual.

In the Silk Textile industry, the difference in earnings per day between a skilled and an unskilled worker varied from Rs.1.16 in Jammu and Kashmir to Rs.3.62 in Bombay and Bombay Suburban. The percentage differentials were 142 in Amritsar, 113 in Residual, 95 in Bombay and Bombay Suburban and 48 in Jammu and Kashmir.

In the Woollen Textile industry, the difference in earnings per day between a skilled and an unskilled worker varied from Rs.2.26 in Residual to Rs.3.11 in Bombay and Bombay Suburban. The percentage differentials were 173 in Amritsar, 90 in Residual and 82 in Bombay and Bombay Suburban.

The following table gives the relevant figures taking under Reeler as unskilled occupation in Jute, Silk and Woollen Textile Industries.

Industry/Area	Average daily earnings		Difference in earnings per day between skilled and unskilled Col.2-Col.3 (Rs.)	Percentage of earnings of skilled as compared to unskilled $\frac{\text{Col.2}}{\text{Col.3}} \times 100$
	Skilled (Rs.)	Unskilled (Rs.)		
1	2	3	4	5
<u>Jute Textile</u>				
West Bengal.	4.09	2.66	1.43	154
Residual.	3.70	2.64	1.06	140
<u>Silk Textile</u>				
Bombay and Bombay Suburban.	7.45	2.51	4.94	297
Amritsar.	4.40	2.21	2.19	199
Jammu and Kashmir.	3.58	*	*	*
Residual.	5.13	1.05	4.08	489
<u>Woollen Textile</u>				
Bombay and Bombay Suburban.	6.92	3.74	3.18	185
Amritsar.	4.34	1.12	3.22	388
Residual.	4.78	2.12	2.66	225

No employment in the occupation of Reeler.

above

It will be seen from the table, where Reeler has been taken as the unskilled occupation, that in the Jute Textile industry, the differences in earnings per day between a skilled and an unskilled worker were Rs.1.43 in West Bengal and Rs.1.06 in Residual. The percentage differentials in these two areas were 54 and 40 respectively.

In the Silk Textile industry, the difference in earnings per day between a skilled and an unskilled worker varied from Rs.2.19 in Amritsar to Rs.4.94 in Bombay and Bombay Suburban. The percentage differentials in these areas were 389, 197 and 99 respectively in Residual, Bombay and Bombay Suburban and Amritsar.

In the Woollen Textile industry, the difference in earnings per day between a skilled and an unskilled worker varied from Rs.2.66 in Residual to Rs.3.22 in Amritsar. The percentage differentials in these areas were 288, 125 and 85 respectively in Amritsar, Residual and Bombay and Bombay Suburban.

Wage Differential by Occupation. - Occupational averages obtained in a wage survey commonly differ among industries and among establishments in the same industry. Due to differences in occupational staffing requirements, individual establishments may be represented in varying proportions in averages computed in the occupations studied. Because of these factors, the earning relationships obtained from averages may fail to reflect accurately the spread or differential in earning maintained among occupations in individual establishments. For this reason, it is necessary to examine the earning relationship found in individual establishments. For this purpose, an occupation which is found in most of the establishments, may be selected as 'base'. The average daily earning of a worker in each of the other occupations in a particular establishment may be converted to a percentage of that for the 'base' occupation. It is advantageous if the 'base' occupation has a lower earning as compared to that for others, as in such a case, the percentage differentials can be readily obtained by subtracting 100 from the percentage.

To obtain the basis of comparison for each area and industry group, the median or mid-point in an array of establishment relatives for the same occupation may be selected. Indications of variations in wage-setting practices amongst establishments can be provided in the form of "Middle Ranges" - the central part of the array excluding the upper and lower fourths of the establishments.

It is desirable to make such study separately by large and small establishments, as the levels of earnings in the same occupation generally differ materially between large and small establishments. Such study involving detailed calculations covering individual establishments naturally requires considerable time and labour. Since it is difficult to spare the same with the available resources, no attempt is made here to present the relevant figures on the basis of data collected in the course of the survey conducted in 1958-59.

Wage Differential by Sex.- In order to make a meaningful study of wage differential by sex, it is desirable to continue the study not only to such establishments which employ both men and women workers, but also to such occupations in these establishments which employ both men and women workers. Proceeding in this manner, the sex-wise wage differential in these occupations may be studied following a method similar to that as described under "Wage Differential by Occupation". In this case also, it may be desirable to make the study by large and small establishments as for wage differential by occupation.

Government accepts Recommendations of the
Central Wage Board for Tea Plantation
Industry.

A Resolution dated 4 June 1966 of the Ministry of Labour, Employment and Rehabilitation states that the final report of the Central Wage Board for Tea Plantation Industry was received by the Government on 31 May 1966.

The Board's recommendations are unanimous on most points although minutes of dissent on certain matters have been appended both by the employers' and workers' representatives on the Board. The Chairman and independent members have also added a note clarifying the position in regard to the points made out in the notes of dissent recorded by the employers' representatives. After careful consideration, the Government has decided to accept the Board's recommendations and to request the employers, the workers and the State Governments to implement the same expeditiously.

The Government does not propose to express any views on the matters raised in the dissenting notes. As agreement has been reached on the broad issues, the Government hopes that differences, if any, over matters of detail and/or minor issues will be settled by the parties in mutual negotiation or by voluntary arbitration.

Board's Recommendations.- (1) Extent of tea industry covered.- Recommendations should apply to all tea plantations in which tea is being cultivated, produced and/or manufactured for commercial purposes (Paragraph 4.1).

(2) Categories of employees covered.- All workers employed in tea plantations in fields, factories, workshops, offices, hospitals (including group hospitals), dispensaries, schools, welfare establishments, etc., in the tea plantations or connected with them and coming within the definition of "workman" in clause(s) of section 2 of the Industrial Disputes Act, 1947 should be covered by the Board's recommendations. All employees in tea plantations, whether they work on the plantation itself or at any place in the tea plantation district would also be covered. But employees working in any office situated at district or sub-divisional headquarter town would not be covered by the Board's recommendations (Paragraph 4.2).

(3) Daily rates of wages for field workers.-The daily wages of workers should consist of basic wage and dearness allowance. The basic wage of field workers should be as mentioned in the statement given below:-

Basic Rates of Wages

(In Rs.P)

State	Region	Basic wage effective from					
		1.1.66			1.4.66		
		Men	Women	Children	Men	Women	Children
1	2	3	4	5	6	7	8
<u>A. North East India</u>							
1. Assam							
(i) Assam	Dibrugarh sub-division Valley, of Lakhimpur district and Sibsagar district.						
	(i) Tea Plantations of 150 acres and above*	2.23	2.04	1.08	2.25	2.07	1.09
	(ii) Other tea Plantations, Darrang district (except Mangaldai) and North Lakhimpur sub- division of Lakhimpur district.	2.20	2.02	1.07	2.22	2.04	1.08
	(i) Tea plantations of 150 acres and above.	2.16	1.99	1.05	2.18	2.01	2.06
	(ii) Other tea Plantations, Mangaldai in Darrang district.	2.13	1.96	1.04	2.15	1.98	1.05
	*United North Cachar & Mikhir Hills, Nowgong, Kamrup & Goalpara districts.	2.06	1.95	1.04	2.08	1.97	1.05
	(ii) Cachar, Cachar and tea planta- tions within 10 miles area of Dimapur.*	1.70	1.60	0.91	1.72	1.62	0.92
2. West Bengal							
	Doonars						
	For the tea plantations of 500 acres and above.	2.11	1.94	1.14	2.13	1.96	1.15
	For tea plantations below 500 acres.	2.08	1.91	1.14	2.10	1.93	1.15
	Terai and Cooch Bihar. Darjeeling*.	2.05	1.88	1.12	2.07	1.90	1.13
		1.73	1.62	0.94	1.75	1.64	0.95
3. Tripura.	Tripura.	1.51	1.32	0.74	1.53	1.34	0.75

* These rates are subject to the condition that no reduction from the present wage rates will be made.

State	Region	Basic wage effect from		
		1-1-66		
		Men	Women	Children
1	2	3	4	5
<u>B. North India</u>				
1. Punjab and Himachal Pradesh.	Kangra and Mandi.	1.20	0.94	0.55
2. Uttar Pradesh.	Dehra Dun.	1.60	1.60	-
	Berinag and Chokorie areas of Almora district.	1.20	1.20	-
	Other areas of Almora and Garwal district.	0.86	0.86	-
3. Bihar.	Ranchi.	1.55	1.55	-

State	Categories of Estates.	Basic wage effective from			
		1.1.66			
		Men	Women	Adolescents.	Children.
1	2	3	4	5	6
<u>C. South India</u>					
1. Madras.	100 acres and above.	2.25	1.80	1.35	1.13
	Less than 100 acres.	2.11	1.66	1.29	1.14
2. Kerala.	100 acres and above.	2.25	1.80	1.35	1.13
	Less than 100 acres.	2.18	1.76	1.33	1.11
3. Mysore.	100 acres and above.	2.25	1.80	1.35	1.13
	Less than 100 acres.	2.11	1.64	1.25	1.13

(4) Daily rates of wages for factory workers.- Existing differentials between rates of wages of field workers and factory workers in North East India will continue. With effect from 1-1-1966 factory workers (in Madras, Kerala and Mysore) are to be paid a differential over the new daily wage rates of the field workers at the following rate:

- Men ----- 20 paise over field men's wage.
- Women ----- 15 paise over field women's wage.
- Adolescents --- 15 paise over field adolescent's wage.

(Paragraph 4.7)

(5) Wages of pruners, sprayers, etc.- The present differentials, if any, between the wages of workers employed in pruning, spraying, etc. and those employed in ordinary field work should continue (Paragraph 4.8).

55

(6) Wages of supervisors/maistries (in South India).— The supervisors/maistries should be paid wage increase from 1 January 1966 equal to the wage increase granted to an adult male workers in the field from the same date plus 20 per cent. of the differentials existing between the total wages of supervisors/maistries as on 31 December 1965 and the wages of adult male workers in the field on the same date. In the case of kole maistries in South India, the increase is to be 6 paise per day plus the increase given to adult male workers. (Paragraph 4.9).

(7) Dearness Allowance.— The dearness allowance is to vary in North East 0.4 paise and in North India and South India @ .75 paise per day per point of increase (above 170 points) in the average. All India consumer price index number subject to a maximum increase of 16 points in North East India and South India ~~in any one calendar year~~, or (6 paise in North East India) and 12 points in North India in any one calendar year. Any excess over this limit, in any year, up to the level of 200 points, is to be carried over to the following year. No dearness allowance revision beyond 200 points before 31 December 1970. Dearness allowance to be rounded off at the end of each month (Paragraph 4.10 to 4.15).

(8) Piece Rates.— (i) In North East India the existing system of piece rates, particularly plucking rates, should continue but may be revised by agreement between employers and labour so that the worker with normal diligence would earn at least the fair wages now agreed to for a day of 8 hours work (Paragraph 4.16).

(ii) In South India, the existing system of piece rates in Kerala, Mysore and Madras should continue. The rates should however be revised so as to be in step with the increase agreed to for the daily rated workers (Paragraph 4.17).

(9) Mixed Estates.— Wages of workers in mixed estates in South India should be governed by existing practice. (Paragraph 4.18).

Staff Wages

(10)(a) North East India: Wage increase from 1.1.1966

From 1-1-1966 the clerical and medical staff and technicians should be granted increase in their cash emoluments payable for the month of December 1965 at 52 times the rate of increase granted to the daily rated workers, with effect from 1-4-1966 in the region. The other monthly rated workers should be similarly granted increase at 33 times the increase granted to the daily rated workers in the region (Paragraph 4.19 and 4.20).

(11) Wage structure from 1 April 1966:(i) The following should be the basic pay scales for the various grades of staff employed in tea plantations in North East India, with effect from 1 April 1966:-

Grade	For estates of 300 acres and above.	Other estates.
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A. Clerical Staff

	<u>Rs.</u>	<u>Rs.</u>
I.	220-8-300-10-400	150-6-210-7-280
II.	160-6-220-8-300	110-4-150-5-200
III.	125-4-165-5-190-6-220.	90-3-120-4-160

B. Medical Staff

I.	250-15-400-EB-20-600.	220-8-300-12-480
II.	160-7-230-10-330	120-4-160-5-235
III.	130-5-180-7-250	90-3-120-4-180

C. Artisans and Technicians

A.	210-8-290-10-390	180-8-260-10-360
B.	150-6-210-7-280	130-6-190-7-260
C.	100-3-130-4-170	80-3-110-4-150

D. Subordinate and monthly rated staff

I.	80-3-140	80-3-140
II.	70-2-110	70-2-110
III.	60-2-100	60-2-100

(ii) In the case of tea plantations of less than 150 acres grade I in the case of staff and grade A in the case of artisans and technicians will not apply. (Paragraph 4.21, 4.22 and 4.23).

(iii) All gardens between 151 and 450 acres in Darjeeling, Cachar, Tripura, North Cachar and Mikir Hills will pay the scales prescribed for gardens of less than 300 acres in these districts. (Paragraph 4.23A).

(iv) For gardens in Darjeeling above 450 acres, the scales for gardens over 300 acres will apply, but grade I in the case of clerical staff and grade A in the case of technicians will not apply. (Paragraph 4.23 A).

(12) Categorisation.- Clerical and medical staff, and artisans and technicians, subordinate staff and other categories of employees in North East India are to be categorised and fixed in the New grades according to the rules prescribed. (Paragraph ~~4.23~~ 4.23A and 4.24).

(13) Fitment in the new scales of pay.- Fixation of employees in new scales of pay should be according to the conditions laid down, (Paragraph 4.25).

(14) Phased implementation of wage rise.- In the case of employees who are much below the starting basic pay of the new scales, the maximum increase in basic pay would be Rs.10 per year plus the equivalent of one increment in the new scales until the starting pay of the new scales is reached. The increments, where necessary, should take effect from 1 April 1966. New recruits are to start with basic pay one increment lower than the lowest paid employee of the same category in an estate. (Paragraph 4.26).

(15) Conversion of daily rated into monthly rated.- For conversion from daily rated into monthly rated, the daily rates should be multiplied by 26 for fixing the pay in the new scale. (Paragraph 4.27).

(16) Dearness allowance.- The fixed dearness allowance, with effect from 1 April 1966, should be 20 per cent. of the new basic pay. The variable dearness allowance should be @ 0.4 per cent. of the new basic pay per point rise above 70 in the All India consumer price index, for clerical, medical and technical staff and @ 0.3 per cent. per point rise for subordinate and monthly rated staff subject to a maximum of 16 points in any calendar year. Any excess over this limit in any year up to the level of 200 points is to be carried over to the following year. No dearness allowance revision beyond 200 points before 31 December 1970. (Paragraphs 4.28 to 4.31).

(17) Servant Allowance.- Subject to higher rate of servant allowance remaining unaffected and present grade C artisans (who are in receipt of this allowance at present) continuing to get it as personal pay, the servant allowance, wherever it is payable at present, should be at the following rates, with effect from 1-4-1966:

Plantations less than
300 acres

Other Plantations.

Rs. 35 per month from
1-4-1966.

Rs. 35 p.m. from 1-4-1966
Rs. 40 p.m. from 1-4-1967
Rs. 45 p.m. from 1-4-1968
Rs. 50 p.m. from 1-4-1969
Rs. 55 p.m. from 1-4-1970

The servant allowance is to be regarded as part of basic pay for purpose of overtime payment, provident fund contribution and bonus (Paragraph 4.32).

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(b) North India:

(18)(i) Pay Scales.- The new pay scales in North India tea plantations with effect from 1 April 1966, should be:

- (1) Minimum grade for staff Rs.90-3-120-4-160
- (2) Minimum grade for sub-staf Rs.60-2-100.
(Paragraph 4.34).

(ii) Dearness Allowance.- The fixed and the variable dearness allowance are to be at the same rates as in North East India (Paragraph 4.36).

(19) Categorisation and fitment.- Categorisation and fitment of staff in North India are to be according to the principles laid down (Paragraph 4.35 and 4.37).

(c) South India*:

(20) In South India the pay scales, dearness allowance, servant allowance, categorisation and fitment (given below) are the same as modified by Staff Settlement dated 4 May 1965. (Paragraph 4.38).

(i) Scales of pay with effect from 1-1-1966:

Larger Estates in all the three States:

- General Grade: Rs.40/50-3-56-4-80-EB-5-120-
EB-6-180.
- Senior Grade 'A': Rs.90-6-120-EB-7-148-EB-8-
196-200.
- Senior Grade 'B': Rs.150-10-280.

Medium Estates in ~~all the~~ Madras and Kerala:

- General Grade: Rs.40-50-3-56-4-80-EB-5-130.
- Senior Grade (For
heads of Depts.
only). Rs.90-6-120-EB-7-148-EB-8-
180-10-220.

Medium 'B' Estates in Mysore:

- General Grade : Rs.40/50-3-60-4-80-EB-5-135.
- Senior Grade : Rs.90-6-120-EB-7-148-EB-8-
196.

Medium 'A' Estates in Mysore:

- General Grade : Rs.40-3-55-4-75-EB-5-105
- Senior Grade : Rs.90-5-120-EB-6-156.

Note- The definition of large, medium, medium 'A' and medium 'B' estates are the same as in the staff Settlements of 1957 and 1958.

(ii) Categorisation, filment and promotions:

(21) According to the provisions in the Staff Settlement dated 4 May 1965 (Paragraph 4.38).

(iii) Dearness Allowance;

(22) The dearness allowance, with effect from 1-1-1966 is to be according to the UPASI revised scales of Dearness Allowance; a schedule of which is attached to Staff Settlement dated 4 May 1965 (Paragraph 4.38).

(iv) Servant Allowance:

(23) Servant allowance @ Rs.35, except in the case of general grade in small A estates in Mysore, where it is Rs.17.50 per month (Paragraph 4.38).

(24) Promotion procedure in certain cases (in North East India).— Promotion in certain cases such as those of nurses without nursing certificate, medical staff of grade III, subordinate staff reaching top of their grades and grade C artisans, are to be according to the procedure laid down (Paragraph 4.33).

(25) Relief in certain cases.— Cases of members of the staff reaching maximum of the new scales, as a result of Board's proposals, are to be considered by the industry sympathetically for giving relief (Paragraph 4.38 A).

Miscellaneous

(26) Period of Enforcement.— Recommendations to remain in force from 1 January 1966 to 31 December 1970 in respect of Labour in the entire country and from 1 April 1966 to 31 March 1970 in respect of staff in North East India. The revised wages for staff in South India, are to remain in force from 1 January 1965 to 31 December 1969. (Paragraph 4.39).

(27) Splitting of Tea Estates.— Splitting of a tea estate is not to affect wage rates (Paragraph 4.40).

(28) Employment of Family Members.— Whenever extra hands are to be engaged, members of workers family are to be given preference (Paragraph 4.42).

(29) Supply of foodgrains.— All tea plantations in India should be supplied with foodgrains regularly by Government and the employers should supply the same in North East India at the existing concessional prices or at such rates as may be revised by agreement between the parties and in South India on 'no profit no loss' basis, in addition to providing rent free storage and free clerical and other services for distribution (Paragraph

(30) Revision of Prices of Cereals.- The question of revision (upgrading) of concessional prices of cereals in North East India may be discussed on regional basis between employers and labour. The quantities and prices should be switched on to metric system (Paragraph 4.45).

(31) Cold Weather Tasks in North East India.- Parties may make such adjustments in cold weather tasks as can be performed by a worker of normal diligence in 7 to 8 hours, by mutual agreement (Paragraph 4.46).

(32) Existing Amenities, Benefits, etc. to Remain Unaffected.- Board's recommendations are without prejudice to the existing amenities and benefits and the concessional supply of foodgrains in North East India. (Paragraph 4.47).

(33) Payment of Arrears.- If back wages accumulate for a period exceeding 6 months, the industry is to be allowed to pay the accumulated wages in two equal instalments, one within one month of the date of publication of the Government notification and the other within another month. (Paragraph 4.48).

(34) "Constitution of Committees - Committees are to be constituted with equal representatives of workers and employers organisations with Labour Commissioner of the respective State as Chairman to go into the difficulties of over-staffed or otherwise handicapped gardens in North East India due to partition of India and other allied reasons and to devise remedial measures" (Paragraph 4.23B).

(35) Machinery for Interpretation.- Disputes arising out of the interpretation of the Board's recommendations are to be decided by arbitration of a sitting or retired High Court Judge, whose decision would be final and binding upon the parties. (Paragraph 4.49).

(The Gazette of India, Part I, Sec.1,
18 June 1966, pp. 483-486).

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Punjab: Revised Minimum Rates of Wages Fixed
for Employment in Shawl Weaving Establishment
run on Power Looms.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Punjab has fixed the following revised minimum rates of wages for employment in shawl weaving establishment run on power looms in the State:

Type of workers.	All inclusive minimum wage rate per month.
	<u>Rs.</u>
1. Unskilled ..	75
2. Winders ..	94
3. Drafter or Drawer ..	100
4. Weaver ..	150
5. Warper Helper ..	81

Note:- (1) As the weavers are employed in the employment on piece rate basis, the minimum rates of wages in respect of weavers are for normal day of work.

(2) Warpors will get the same wages as fixed in case of employment in Textile Industry.

(3) If any of the employees for whom monthly rates are shown above are engaged on daily wages, the minimum daily wage shall not be less than the corresponding monthly wage divided by twenty-six.

(4) These minimum rates of wages shall come into force from the date of publication of this notification.

(Notification No. 2536-2-Lab-I-66/15288
dated 21 May 1966, Punjab Government
Gazette, Part I, 3 June 1966, page 927).

Assam: Revised Minimum Rates of Wages fixed for Employment in Public Motor Transport.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Assam has fixed the following revised minimum rates of wages for employment in public motor transport:

Categories of workers	Minimum rates of wages
1. Unskilled labour	-- Rs.90 per mensem.
2. Mechanic:-	
Grade I	-- Rs.150 " "
Grade II	-- Rs.140 " "
Grade III(Senior)	-- Rs.110 " "
Grade III(Junior)	-- Rs.100 " "
3. Clerk(Lower Division Assistant) (Under-Matric)	-- Rs.135 " " -- Rs.100 " "
4. Line Checker	-- Rs.110 " "
5. Conductor	-- Rs.160 " "
6. Driver	-- Rs.120 " "
7. Handyman	-- Rs. 90 " "

The rate for daily rated unskilled labour shall be Rs.3.50 per day inclusive of rest day wages. In all other cases, the daily rates shall be arrived at by dividing the corresponding monthly rate by 26.

These rates are inclusive of dearness allowance but exclusive of other concessions, if any, enjoyed by the employees.

Minimum rates of trip allowance for Drivers, Conductors, Line Checkers, Unskilled labour and Handyman:-

Categories of workers	Trip Allowance
Driver	-- Re.1.01 for driving in Plain route. Rs.2.02 for driving in Hills routes.
Conductor	-- Rs. 50 per cent. of of Driver's trip allowance for Plain and Hills routes.
Line Checker	-- Re.1 per day for all routes.
Unskilled labour	-- 50 per cent. of driver's trip allowance for Plain and Hill routes.
Handyman	-- 50 per cent. of driver's trip allowance for Plain and Hills routes.

The hours of work shall be as laid down in the Motor Transport Workers' Act, 1961 (27 of 1961).

The aforesaid minimum rates of wages shall take effect from the 1st day of June 1966.

(The Assam Gasette, Part IIA, 15 June, 1966, page 1304).

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Punjab: Revised Minimum Rates of Wages
Fixed for Employment in Tannery and Leather
Manufactories.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Punjab has fixed the following revised minimum rates of wages for employment in tannery and leather manufactories in the State.

Type of work	All inclusive minimum wages rates	
	Per day	Per month
	<u>Rs.</u>	<u>Rs.</u>
<u>'A'</u>		
Unskilled.)		
Soaking man)		
Hangman)		
Oil man)		
Leach House man)	2.80	75.00
Limeyard man)		
Deliming man)		
Tan Yard man)		
Drum man)		
<u>'B'</u>		
Scudder)		
Dyer)		
Finisher)	3.00	81.00
Flesher)		
Setter)		
<u>'C'</u>		
(i) Machineman Operators for the:-		
(a) Staking machine)		
(b) Buffing machine)		
(c) Glazing machine)		87.00
(d) Measuring machine)		
(e) Holling machine)		
(f) Boarding machine)		
(g) Brushing machine)		
(ii) (a) Shaving Machine Operator)		
(b) Embrassing and Hot)		
Plating Operator)		87.00
(c) Flashing Machine Operator)		
(d) Setting Machine Operator)		
(e) Spraying Machine Operator)		
(iii) Splitter (for full hides)		98.00

Type of Work

All inclusive minimum wages rates

Per day Per month

Rs.

Rs.

'D'

Limeyard Mistry
Tan Yard Mistry
Gurrior Shop Mistry

105.00

Note:- The workers of M/s Kapurthala Northern India Tanneries Ltd., Kapurthala shall be paid Rs.5 less than the above mentioned wages if the following facilities are availed of by them:-

	Rs.
(i) Electricity and water	2.00
(ii) Fuel	1.00
(iii) Free clothing	2.00
(iv) Provident fund	Actual employer's contribution.

If any of the above facilities are not availed by the worker, his deductions would be only for the facilities availed by him.

II. Break-up wage for various types of foot wear

(A) Hand-made shoes

Type of foot wear	Bottom complete	Upper complete	Finish	Cost per pair
	Rs.	Rs.	Rs.	Rs.
Peshori type or Frontier pattern Chappals.	2.00	0.85	0.80	3.65
Full slippers or Saling shoe or new cut.	3.20	0.85	0.85	4.90
Oxford or Durby shoe.	3.20	0.85	0.85	4.90
Puthwari Juti.	-	-	-	2.15
(i) Football shoe.	1.80	0.60	0.15	2.55
(ii) Running shoe (complete).	-	-	-	1.80

(B) Machine-made shoes

Type of work	Monthly rate
Unskilled levelling	Rs.75.00 or Rs.2.80 per day.

'A'

'B'

Sole Cutting
Fitting
Buckling

Rs. 87.00 per month

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(B) Machine-made shoes (continued)

Type of work	Monthly rate
<u>'B'</u> continued-	
Stiffening Upper Fitting Skiving Heel Building and Attaching Tin Attaching.	Rs.87.00 per month
<u>'C'</u>	
Pairing Finishing Lasting	Rs.112.00 per month
<u>'D'</u>	
Clicking Screwing Upper Stitching Sole Stitching	Rs.130.00 per month

III. For employees engaged in Cricket and Hockey ball making

Operation	All inclusive minimum wages rates per month
Preparation of leather	Rs.75.00
Cutting of leather pieces	Rs.85.00
Making of lappas	(a) 50 Paise per dozen, double (b) 25 Paise per dozen, single
Stitching of cups	(a) Rs.1.68 per dozen cheap quality (b) Rs.2.25 per dozen, superior quality.
Shapping and Pressing of cups	Rs.0.70 per dozen, pair of cup.
Mouth Stitching	(a) Rs.1.68 per dozen, inferior quality. (b) Rs.2.25 per dozen, medium quality (c) Rs.2.25 per dozen, superior quality.
Seaming (upper)	(a) 41 Paise per ball, cheap quality (b) 56 Paise per ball, superior quality (c) 59 paise per ball, extra superior quality
Stamping and polishing	(d) 52 paise per ball, pumpa quality (a) 45 Paise per dozen, without polish (b) 59 Paise per dozen with polish
Quit making	(a) Rs.1.12 per dozen, cheap (b) Rs.2.25 per dozen, medium (c) Rs.2.50 per dozen, superior

Note:- The overall annual wages of a piece rated worker from serial Nos.3 to 9 above shall not be less than Rs.1,000 provided that he shall be paid proportionate wages for the days worked in case his service is less than a year.

IV. For employees engaged in Football and Volleyball making.

All inclusive minimum wage rates
per piece

No.5 No.4 No.3 No.2 No.1

Rs. Rs. Rs. Rs. Rs.

(i) For Football making-

1. First quality (made from Butts)-

(a) T. Shape	1.68	1.40	1.12	-	-
(b) 18 Panel	1.82	1.45	1.25	-	-
(c) Zig Zag					
(d) H.Y. Shape					

2. Second quality (made from Chest Portion)-

(a) T. Shape	1.40	1.12	0.98	-	-
(b) 18 Panel	1.44	1.26	1.12	-	-
(c) Zig Zag					
(d) H.Y. Shape					

3. Third quality (made from Belly and Shoulders)-

(a) T. Shape	1.12	0.98	0.84	-	-
(b) 18 Panel					
(c) Zig Zag					

4. First quality, 11,12 and 13 Panel.

1.40 1.12 0.91 - -

5. Second quality, 11,12 and 13 Panel.

1.12 0.98 0.70 - -

6. Third quality 11,12 and 13 Panel.

0.84 0.70 0.56 0.41 0.41

(ii) For Volleyball making-

7. First quality T. Shape.	1.40	-	-	-	-
8. First quality, 11,12 and 13 Panel.	1.12	-	-	-	-
9. Second Quality, T. Shape.	1.12	-	-	-	-
10. Second quality, 11,12,13 Panel.	0.91	-	-	-	-
11. Cheap Quality, T. Shape.	0.70	-	-	-	-
12. Cheap quality, 11,12 and 13 Panel.	0.63	-	-	-	-

Note:- The overall annual wages of a piece-rated worker shall not be less than Rs.1000 provided that he shall be paid proportionate wages for the days worked in case his service is less than a year.

Note:- The minimum rates of wages in respect of monthly rated wages categories of employees are linked with the cost of living index numbers taking January, 1966, as basis. For every rise or fall of five points, there will be an increase or decrease of Rs.3. The rise or fall of fraction of 5 points is to be ignored.

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38. Housing.

India - June 1966.

Centre to integrate Low Income Housing Plans.

The Government has decided to integrate the subsidised housing scheme for industrial workers and the rental housing programmes for the economically weaker sections under the low income group housing scheme into one scheme.

It will have a uniform pattern of Central Assistance, that is, 50 per cent. as subsidy and 50 per cent. as loans in respect of projects undertaken by State Governments or their designated agencies.

In regard to projects undertaken by the employers of ~~industrialisation~~ industrial/mine workers or co-operatives of such workers the following existing pattern of financial assistance will continue: For projects undertaken by the employers the Central assistance will be 50 per cent. as loan and 25 per cent. as subsidy, the balance 25 per cent. to be provided by the employers as subsidy.

For projects undertaken by co-operatives of industrial workers, the Central assistance will be 65 per cent. as loan and 25 per cent. as subsidy, the balance 10 per cent. being provided by the Co-operatives.

Persons in the economically weaker sections of the community will be allotted houses individually on subsidised rental basis.

The revised pattern of assistance will be operative with effect from 1 April 1966. It will not, however, apply to projects which have already been sanctioned and are carried over from 1965-66.

The standard (subsidized) rents for various types of dwelling units built under the revised pattern of Central assistance has also been laid down.

39. International Economic Relations.

India - June 1966.

Liberalized Imports for Six Months: 59 Industries Favoured.

On 22 June 1966, the Government of India announced, "as a first step" towards import liberalization, a list of 59 priority industries which will be allowed to import raw materials, components and spares needed for "production up to full capacity for six months".

Among them are industries making chemicals, agricultural machinery, electronic equipment, surgical and scientific instruments, sugar, cotton textiles and motor-cycles.

Open General Licence imports will be allowed for shipments up to the 31 March 1967, of raw materials needed "primarily for export production". These include raw hides and skins, tanning substances, such as wattle bark and wattle extracts, and cashew-nuts.

The Government is making special arrangements to import large quantities of fertilizers and pesticides, sulphur and rock to step up farm output, the announcement said.

It added that a separate announcement would be made about according the highest priority to the requirements of export industries.

Small industries making the same products as the priority industries listed in today's announcement will be immediately granted licences "to the extent of thrice the rupee value of the licences given in 1964-65".

Other small-scale units will be allowed imports up to twice the rupee value of their 1964-65 licences.

The Government proposes to grant licences "freely" both to actual users and traders to import from the USA a wide range of spare parts other than those whose import is banned. This will enable the full utilization of the industrial, earth-moving, construction and other equipment which may be lying idle for want of spares.

The import of essential drugs and books is being further liberalized. Their established import quota will be raised and supplementary licences will be given for technical and scientific books. The importers must not charge more than the official rate of exchange for the books, the announcement added.

There will be no liberalization in the import of either capital goods or of less essential consumer goods.

Copper and zinc will be imported by actual users as well as by the Minerals and Metals Trading Corporation. The Corporation will make special arrangements for the needs of small industries.

The following is the list of the 59 priority industries announced today:

Motor cycle; scooters; bicycles; moped; agricultural tractors; agricultural machinery and implements; pumps; fertilizers; pesticides; basic metals - iron and steel, copper, aluminium, zinc and lead;

Industrial and mining machinery; Iron and steel castings, forgings, pipes and structures; internal combustion engines; machine-tools and accessories; workshop machinery and equipment other than machine-tools; small tools including cutting tools, power tools and other workshop tools;

Coated and bonded abrasives and polishing wheels; industrial furnaces; welding electrodes; ball and roller bearings; transformers, switchgears, motors, generators, power capacitors, rectifiers, relays and electric stampings;

Electrical cables and wires; storage batteries, dry batteries; electronic components; construction and earth moving equipment; cranes and hoist blocks; industrial fasteners; wire ropes; scientific and industrial instruments; cement;

Organic and inorganic heavy chemicals; fine chemicals; pulp, paper and newsprint; synthetic rubber; tyres and tubes; industrial explosives; industrial gases; drugs;

Medical and surgical equipment and appliances; electro-medical and X-ray equipment; refractories, fire bricks and insulators; commercial vehicles including jeeps and three wheelers; automobiles ancillaries; trawlers, dredgers and fishing boats; leather and leather goods; optical and laboratory glass and glass wool; jute textiles; tea; coffee;

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Canned and preserved fish; sanitary cans; paints and varnishes and enamels; man-made fibers; matches; telecommunication equipment; wagons; industrial refrigeration equipment; sugar, cotton textiles.

It is anticipated that both agriculture and priority and export industries will benefit substantially under the liberalization scheme.

(The Statesman, 22 June 1966).

Chapter 4. Problems Peculiar to Certain Branches
of the National Economy.

42. Co-operation.

India - June 1966.

Consumer Co-operative Stores: Central Government
Provides Limited Guarantee to Banks in respect of
Loans and Advances to be given to Co-operative
Societies.

A notification dated 27 May 1966 of the Ministry of Food, Agriculture, Community Development and Co-operation states that a Centrally sponsored scheme for the organisation of a net work of consumer cooperative stores in towns and cities with population exceeding 50,000 is under implementation since November 1962, with the object of ensuring equitable distribution of essential consumer goods at fair prices. During the IV Plan period, it is proposed to extend the scheme to cover towns with population of 10,000 and above. These stores would aim at handling 20 per cent. of retail trade in essential consumer goods in towns and cities covered by them.

The organisational pattern envisaged under the scheme is setting up of wholesale stores with adequate number of primary stores and/or branches. The wholesale stores would arrange for bulk buying of requisite goods for supplying to the branches and affiliated primaries. State federations of wholesale consumers' cooperative stores have been set up in many states to assist the wholesale stores in the procurement of various consumer goods. These state federations have set up a National Federation as well. Government holds shares in these cooperatives.

With a view to enable these wholesale consumer cooperative stores, state and National federation of consumer cooperatives to secure adequate finance for their working needs from banking sources, the Government of India have decided to provide, for a temporary period, a limited guarantee to the following banks in respect of loans and advances to be given by them to these cooperative societies:

1. Any cooperative bank.
2. The State Bank of India, and all its subsidiaries.
3. The Central Bank of India.
4. The Punjab National Bank.
5. The Bank of India.
6. The National & Grindlays' Bank.
7. The Bank of Baroda.
8. The United Commercial Bank.
9. The United Bank of India.
10. The Canara Bank.
11. The Dena Bank.
12. The Allahabad Bank.

In pursuance of this decision it is hereby notified that the Government of India will consider entering into agreements with the aforesaid banks on the following terms and conditions.

The Central Government's guarantee will be, available in respect of any loan or advance granted against pledge or hypothecation of goods, before the 1st January 1972 to cooperative societies listed in the schedule annexed here to and to those to be notified from time to time. The amount of the Central Government's guarantee in respect of any such loan or advance to any one society will be limited to:

- (i) 25 per cent. of the amount of all loans and advances actually outstanding on the books of the Bank against the society on the date on which the notice of demand is issued by the bank in accordance with the terms of the agreement or;
- (ii) in the case of Banks other than a cooperative bank the actual increase in the amount of loans or advances over the amount outstanding on the 1st June 1966 and in the case of cooperative banks, the difference between the loans and advances actually outstanding on the date on which the notice of demand in accordance with the terms of the agreement is issued, and 75 per cent. of the market value of the goods pledged or 60 per cent. of the market value of the goods hypothecated as at the close of business on 1st June 1966 or;
- (iii) 7.5 million rupees in the case of State or National Federation, 2.5 million rupees ~~having its principal place of business~~ in the case of a society having its principal place of business in Greater Bombay, Calcutta, Madras, Delhi, Hyderabad, Bangalore or Ahmedabad and 1.5 million rupees in the case of any other society, whichever amount is the least.

The guarantee in pursuance of this notification will be available only in respect of secured loans and advances granted before the 31st of December 1971. No loan or advance granted for the first time on or after 1st of January 1972 and no increase in the amount outstanding in respect of any loan or advance subsisting on the 31st December 1971 shall be covered by the guarantee. Central Government's liability on account of this guarantee shall become determined at the close of business on the 31st December 1971.

Every bank shall continue to hold all the promissory notes and unrealised securities which may be available to the bank in respect of such loans granted by it to the society, even after realisation by it in full of the outstanding due to it, till the amount reimbursed by the Central Government as guarantee is realised. The bank shall obtain from the society and furnish to the central government a letter of consent by the society to the effect that the society agrees to:

- (a) continue to pay interest on any amount paid to the bank by the Central Government in pursuance of the guarantee at the same rate, until the said amount is paid to or adjusted in favour of the Central Government;
- (b) the bank continuing to have and to exercise all the rights over the securities in favour of the bank in respect of all such loans and advances till all such claims of the Central Government are satisfied;
- (c) the bank transferring its rights and claims under such securities to the Central Government if so required by the latter.

The bank shall have the liberty, without affecting the guarantee, to postpone the exercise of its rights and powers in relation to the loan and either to enforce or forebear to enforce the said loan or any remedies to the securities available to the bank. The Central Government guarantee can be enforced notwithstanding that any securities that the bank may obtain from the society shall be outstanding or unrealised. In order to give effect to the guarantee, the bank shall be entitled to act as if the Central Government was a principal debtor to the bank for all payments guaranteed by it.

The Central Government's guarantee shall not be invoked on more than one occasion by the Bank in respect of a particular society. The guarantee may be invoked at any time before the 1st of January 1972. The Bank shall first issue a notice of demand on the society to pay the amounts due to it on account of the loans and advances guaranteed by the Central Government within 30 days of the date of the notice. On the expiry of this period, the Bank may issue a notice of demand on the surety.

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The Central Government will reimburse to the bank the amount payable to it under the guarantee, within a period of 14 days from the date of the receipt of the bank's notice invoking the guarantee and claiming payment.

A bank seeking a guarantee in pursuance of this notification shall, in the event of the Government's guarantee being invoked in the case of any loan or advance, undertake to credit to the Central Government any sums which may be realised from the society to which the loan or advance has been granted after the bank has realised in full the entire outstanding on account of all loans and advances granted to the society.

The obligations of the bank referred to in the above clauses shall continue until such time as the amount reimbursed by the Central Government under the guarantee has been paid or credited to the Central Government or until the Central Government has agreed to adjust the said amount any other amount due to be paid by it to the bank or to the society or to waive recovery of the amount.

The Director (Consumers Cooperative), Department of Cooperation, Ministry of Food, Agriculture, Community Development and Cooperation, Government of India, New Delhi, will be the authority who will enter into the prescribed agreements of guarantee with the banks eligible for the Central Government's guarantee ~~with the banks eligible for the Cent~~ in pursuance of this notification. All banks referred to in this notification are advised to ~~contact~~ contact the officer concerned in case they wish to avail themselves of the facilities provided by the Central Government under this scheme.

The annexure to the notifications lists 215 co-operative societies in the various States in India.

(The Gazette of India, Part I, Sec.1,
11 June 1966, pp. 437-441).

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - JUNE 1966.

50. General.

Twenty-year Programme to Improve Education:
Kothari Commission's Report.

The Education Commission has suggested a 20-year educational reform programme "to increase productivity, achieve social and national integration, strengthen democracy, accelerate the process of modernisation and cultivate social, moral and spiritual values".

The Education Minister, Shri Chagla, who received the 1,500-page (with 3,000 more pages of appendices) report, described it as unique, because it was the first close look at education at different levels and in all its aspects. The University Grants Commission Chairman, Dr. D.S. Kothari, headed the Commission which included some foreigners.

Shri Chagla explained at a Press conference the procedure the Government would adopt in regard to the report. He said that the Government would announce its decision on the recommendations after the Central Advisory Board of Education had considered them at its meeting in Hyderabad in mid-October. A special cell had been created in his Ministry to examine them and those of them which were non-controversial and concerned the Centre, might be implemented immediately.

Among the guidelines proposed by the Commission are that science education and workexperience should be an integral part of all education with vocationalization at the secondary school stage.

To foster social integration, the Commission has suggested in its report submitted to the Government today, a common school system of public education, evolved over a period of 20 years, to bring about uniformity in standards.

It has also recommended that social and national service should be made obligatory for all students at all stages with programmes for this purpose organised concurrently with academic studies.

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The Commission has recognised the pre-eminent claim of the mother tongue as the medium of instruction at schools and colleges. It has recommended that the UGC and the universities should take steps to complete the change-over within 10 years.

The Commission has, however, said that in all-India institutions, English should continue to be the medium of instruction till Hindi is eventually considered for adoption. Accordingly, the teaching and study of English should continue to be promoted right from the school stage.

It has also emphasised the need to encourage the study of other languages of international communication and has specified Russian in particular.

Link Language.— The report has stressed that English should continue to serve as a link language in higher education.

The three-language formula, the Commission has said, should be modified as follows:

- (a) The mother tongue or regional language;
- (b) The official language of the Union or the associate official language (i.e. English or Hindi);
- and (c) A modern Indian or European language not covered under (A) and (B) and other than that used as the medium of instruction.

About study of Hindi, it has recommended a nationwide "voluntary programme" with no compulsion on unwilling sections of the people.

The Commission has recommended adequate arrangements for the teaching of different modern Indian languages in schools and colleges so that students are provided with multiple channels of inter-State communication.

The guidelines laid down by the Commission for the provision of educational facilities are: The provision of good and effective general education of not less than seven years duration to every child; higher secondary and university education on a selective basis to all who desire to study further development of professional, technical and vocational education and equalization of educational opportunities.

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The Commission estimates an investment of over 40,360 million rupees by 1985-86 for the implementation of the 20-year programme which includes increased salaries for teachers at all levels, expanded provision of facilities and qualitative improvement of education.

The phasing of expenditure proposed by the Commission is a larger outlay at school level during 1965-1975. This is intended to upgrade the salaries of school teachers, the transfer of pre-university course and the intermediate classes from the university to the school stage and providing at least five years of effective education to all children besides vocationalizing secondary education.

During the 1975-85 programme the emphasis will be on the provision of seven years of effective primary education - an addition of one more year to the school stage.

The Commission has suggested increased emphasis on development of higher education and research after 1985.

Dissenting note.- To begin with, it has stressed on the highest priority being given to implement by 1975-76 the Constitutional Directive of free and compulsory education of child up to the age of 14 years - five years schooling for every child up to the age of 14 years. By 1985-86, this shall be increased to seven years of school education.

The Commission has warned against wastage and stagnation in reaching these targets and has said it should be ensured that no less than 80 per cent. of the children which enter Class I reach Class VII.

Dealing with some of the more controversial issues facing educational policies, the Commission has not favoured the idea of making education a concurrent subject although two of its members have dissented from this recommendation and have suggested that at higher levels it should be so.

On the issue of opening of new universities again, the Commission has not endorsed the prevailing view in the Government that no new universities should be started. It has recommended on the contrary, that the metropolitan centres of Bombay, Delhi, Calcutta and Madras should have two universities each by the end of the fourth Plan besides upholding Kerala's plea for an additional university.

It has also approved the suggestion for a university for the hill districts of Assam.

The Commission has, however, warned against new universities being set up without making sure that proper personnel is available to run them and without placing adequate funds at their disposal.

The Commission has recommended that 20 per cent. of enrolment at lower secondary stage and 50 per cent. at the higher stage should be in vocational courses.

(The Hindustan Times, 30 June, 1966;
The Statesman, 30 June, 1966)

Chapter 6. General Rights of Workers.

65. Collective Agreements.

India - June 1966.

Agreement for better Working Conditions reached between Bank Employees and Employers.

More than 850,000 Bank employees throughout India will gain about fifty million rupees in increased pay, allowances and other benefits on a result of an agreement between the employees and managements.

The agreement, which will be valid for three years from 1 January this year was reached at talks between the All-India Bank Employees' Association and the Indian and Exchange Banks Association.

Under the settlement clerks in A class banks will be paid between Rs.132 and Rs.460 according to the region in which the banks are located. Lower scales have been prescribed for B and C Class banks.

The terms of the Pact will be discussed at the five-day conference of the AIBEA in New Delhi on 27 June. Thereafter, it will be signed by the representatives of the employees, the managements and the Union Labour Ministry.

After the pact is signed, the banks are to implement the new terms of pay and allowances within three months. Any difference in interpretation will be referred to a joint committee representing the parties of the settlement and later to arbitration if necessary.

A feature of the agreement is that it standardises for the first time the duties and the nomenclature of bankmen on a national basis since about 70 Indian and foreign banks will be covered by its terms.

Special allowances have been fixed for staff operating accounting machines and computers. But the bankers have agreed that the question of extending the use of such appliances will be taken up only after three years.

The parties have also agreed that a worker may be retired after the age of 57 on two months notice in writing if his employer finds that his efficiency has been impaired. Otherwise, no staff member can be compelled to retire before 60.

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Hours of Work and Overtime Payment.— Hours of work and overtime payment will be the same as in the Desam award now in force but with these modifications:

1. The working hours of subordinate staff will not exceed seven hours on week days and $4\frac{1}{2}$ hours on Saturdays. Drivers of motor vehicles will work $7\frac{1}{2}$ hours on weekdays and five hours on Saturdays.

Overtime work will be restricted to 150 hours a year for each employee, subject to lower limits under Shops and Establishment Acts. The total work period, including overtime, is not to exceed $8\frac{1}{2}$ hours for non-subordinate and nine hours for subordinate staff.

No payment need be made for the first 15 minutes work by clerks after normal working hours.

The overtime rates for non-subordinate staff will be 100 per cent. of the hourly wage rate for the first two quarters of overtime work, 150 per cent. for the next four quarters and 200 per cent. for the rest of the overtime.

The rate will vary between 150 and 200 per cent. for subordinate staff.

The settlement fixes the categories of staff for whom security deposits and fidelity policies may be prescribed and stipulates that the deposits should be returned to other employees within six months of the settlement becoming effective.

The upper limit for security deposits has been fixed at Rs.10,000 for the highest categories of head cashiers.

There are provisions for speedy confirmation of temporary employees and grant of privilege, sick, casual and special leave at casual leave.

Unutilised casual leave at the end of a calendar year will accumulate as additional sick leave to be availed of in an employee's period of service on full pay.

House Rent Allowance.— Bankmen will be entitled to house rent allowances between Rs.11 and Rs.25 in the metropolitan areas of Calcutta, Bombay, Delhi and Madras and between Rs.9 and 18 in other places. They will also be entitled to special compensatory allowance if posted in "project areas" such as Bokaro and Neyveli.

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Hill station allowances, subject to a minimum of Rs.10 and Rs.15, will be paid to staff working at heights between 4,000 ft. and 5,500 ft. and above 5,500 ft. respectively.

In places where water is scarce in summer, a clause provides for payment of an allowance of Rs.eight for clerical staff and Rs.six for subordinate staff. Special allowances have also been prescribed for armed guards and watchmen.

A review of the classification of areas in which banks are located will be undertaken on the basis of population on 31 December last and on the same date in 1968.

For the present Area I comprises all places with a population of more than 1.2 million, area II all towns with a population exceeding 100,000, but below 1.2 million, ~~Area III will comprise places~~ and 26 other listed towns. Area III will comprise places not included in areas I and II.

For details see page 21, paragraph 35 of this report.

(The Hindu, 22 June 1966)

67. Conciliation and Arbitration.

India - June 1966.

Industrial Relations in Madras State*

Writing in the June 1966 issue of Indian Labour Journal on 'Industrial Relations in Madras State', the Chief Minister of Madras, Shri M. Bhakthavatsalam, observes that Madras "the birth-place of the trade union movement in India", has an important and ever-increasing role in "the interplay of labour-management relations in this country". The following is a brief summary of this article.

The machinery for the settlement of disputes in the State of Madras has been set up within the framework of the Industrial Disputes Act of 1947 with conciliation officers at the District and State levels to do the work of conciliation and mediation and with Labour Courts and Industrial Tribunals to adjudicate upon disputes that do not get settled. A deliberate policy of encouraging direct negotiation between parties has been followed. The regulation of industrial wages through the machinery of Wage Boards for major industries has helped to eliminate a large number of industrial disputes arising of distorted and anomalous wage structure in major industries like textile, cement, sugar, plantations, etc. However, there have been "wild cat" strikes in the textile industry in the Coimbatore region, on account of union rivalry. It has been a heartening feature of industrial relations in this State that out of about seven or eight thousand disputes which come up before the Government machinery every year, the vast majority are disposed of by informal advice or mediation by the Labour Officers (Conciliation Officers) and a good number are settled by means of formal agreements under the Industrial Disputes Act. Only in the case of about 200 disputes each year it has been found necessary in the last few years to make references for adjudication.

* Indian Labour Journal, Vol. VII, No. 6, June 1966, pp. 525-528.

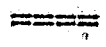
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The number of man-days lost which was of the order of 1,100,000 in 1959 has come down to about 450,000 in 1963 and 1964 despite the increase in the total strength of the industrial labour force. The years 1961 and 1962 were particularly good years from the point of view of industrial peace when the number of man-days lost was less than 200,000.

In 1962, in the wake of the Chinese aggression, the Industrial Truce Resolution was accepted by labour and industry at New Delhi and reaffirmed in this State. The idea of informal arbitration which was mooted in those critical days was accepted with enthusiasm by both labour and management in this State and as many as over 300 disputes have gone through the mechanism of informal arbitration. If this has brought many new responsibilities to the Labour Department, it has also brought much genuine satisfaction to the parties. As a natural corollary, the departmental machinery for settlement of disputes was strengthened in 1964 with Deputy Commissioners of Labour at the regional level so as to cope with such unconventional responsibilities and also to implement a scheme of decentralisation of its functions in order that both labour and management could have easier access to the higher echelons in the set-up. The solemn pledges of the Industrial Truce Resolution of 1962 have been reaffirmed once again at a tripartite conference in Madras in September 1965 when the representatives of labour, management and Government met to decide how to face the challenge posed by the Pakistani aggression.

The inadequacies of the trade union movement have had to be met not only by increased intervention by Government in industrial disputes but also by increased legislation. While the provisions of Central legislation like the Minimum Wages Act have been taken advantage of to fix minimum wages in a variety of industries like motor transport, tobacco, beedi, cotton-ginning and pressing, hosiery, matches, salt, etc. a certain measure of legislation at the State level has also been found necessary. Conditions of work in shops and establishments have been regulated by the Madras Shops and Establishments Act, in Beedi Industrial Premises by the Madras Beedi Industrial Premises (Regulation of Conditions of Work) Act and in catering establishments by the Madras Catering Establishments Act. Provision has also been made in all these enactments conferring on individual workmen the right of appeal against wrongful dismissal.

The Madras National and Festival Holidays Act has secured for workmen a minimum of eight paid holidays in the year - three National Holidays (Independence Day, Republic Day and Gandhiji's Birthday) and five festival holidays. The Industrial Employment (Standing Orders) Act, 1946 has been made applicable to all factories as defined in Section 2(m) of the Factories Act.



CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.

INDIA - JUNE 1966.

71. Employees and Salaried Intellectual Workers.

Pay Scales in Rajasthan increased.

On 8 June 1966, the Rajasthan Government announced increased scales of pay for higher technical services, to be effective from April last. This will involve an additional expenditure of 2.5 million rupees to the State exchequer in the current financial year.

The following are the revised pay scales with old pay scales in brackets:

Superintending Engineer (950-50-1400)-1300-60-1600. This scale also applies to Architects, Chief Inspector of Factories and Boilers, Joint Director of Technical Education, General Superintendent of sodium sulphate, State Radio Officer, Senior Town Planner and Electrical Inspector.

Additional Chief Engineer and Director of Mines and Geology (1500-100-1800) - 1650-75-1800-100-2000. Director, Medical and Health Services (1650-2000)-2000-100-2500 (non-practising).

Principals of medical colleges (900-1500) - 1650-2000 (private practice allowed). Civil Assistant Surgeon or Health Officer (₹225) - 285, Joint Director (Agriculture) (950-1400) - 1300-1600, Deputy Directors (550-950) - 640-1100; Deputy Directors of Education, Principal of degree colleges and heads of post-graduate departments (550-950) - 650-1250).

In the State administrative, accounts and statistical services and in the industries departments, the senior scale will be 640-1100 instead of 550-950 and the selection grade 1050-1500 instead of 900-1250 or 750-1250.

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The police service senior scale will be 640-1100 and the selection grade 900-1250.

Civil Judges, who were so far in the same scale as Munsif, have now been placed in the scale of 435-900, while Civil and Additional Sessions Judges will be in the scales of 640-1100. The selection grade for District and Session Judges has been raised from 1800-2250 to 2000-100-2500.

In the cooperative services, Joint Registrar will be in the scale of 650-1250, Deputy Registrar 550-950 and Assistant Registrar 225-800.

In the Secretariat service, Deputy Secretaries have been placed in the scale of 900-50-1500 instead of 550-1100.

In the agriculture and animal husbandry services, the Director's scale has been changed from 1050-50-1500 to 1650-2000. Joint Director (Agriculture) will get 1300-1600 and Deputy Directors 640-1100, District Agricultural Officer, Assistant Soil Conservator Officer and District Animal Husbandry Officer will get 385-900 instead of (285-800).

(The Statesman, 9 July, 1967).

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

India - June 1966.

Higher Pay for Teachers proposed by Education Commission.

The Education Commission, a reference to whose Report has been made at pages , paragraph 50 of this Report, has recommended an upward revision in the pay scales of teachers.

Besides prescribing minimum national scales of pay to teachers, it has called for the abolition of the present disparities between private and Government institutions.

It has proposed a minimum pay of Rs.150 for a trained matriculate and a maximum of Rs.250 (to be reached in 20 years). About 15 per cent. in this cadre should have a selection grade of Rs.250-Rs.300.

For a trained graduate the minimum recommended is Rs.220 and the maximum Rs.400 (to be reached in 20 years). A selection grade of Rs.400-Rs.500 is recommended for about 15 per cent in this cadre.

The Commission has recommended a grade of Rs.300-Rs.600 to secondary school teachers with post-graduate qualifications.

It has recommended advance increments for teachers doing outstanding work. Secondary school teachers with the necessary aptitude and competence may be appointed as teachers in colleges and universities.

The Commission says that teachers' salaries should be reviewed every five years to relate them to the cost of living, and their rates of dearness allowance should be the same as those given to Government servants.

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For lecturers (Rs.400 - Rs. 950); readers (Rs.700 - Rs.1250) and professors (Rs.1100 - Rs.1600) in university departments, the pay scales recommended by the Commission are the same as those suggested by the University Grant Commission and approved by the Government.

(The Statesman, 30 June 1966).

74. Indéogenous Labour.

India - June 1966.

Backward Classes: Speedy Implementation of Welfare Plans urged.

The importance of well-planned welfare schemes for backward classes and their speedy implementation through co-ordinated efforts by departments responsible for them, has been stressed in the annual report for 1963-64* of the Commissioner for Scheduled Castes and Scheduled Tribes.

The report says while State Governments and Union Territories had set up co-ordinating committees to evaluate the progress of welfare schemes, some of them did not have regular meetings.

Similarly, while most State Governments had set up progress, evaluation and co-ordination cells, they did not present in time reports indicating the achievements and financial targets of welfare schemes for backward classes.

The report has suggested that during the fourth Plan period, some activities for economic development of Scheduled Castes and Tribes, which could more successfully be undertaken by non-official organisations, should be entrusted to them and funds made available to them for the purpose. Referring to untouchability, the report says that while the practice is disappearing from the urban areas, it persists to a large measure in the rural areas. Among the causes for this was lack of awareness of the provisions of The Untouchability Act among the general population.

* Report of the Commissioner for Scheduled Castes and Scheduled Tribes for the year 1963-64. Part I and Part II. Published by the Manager of Publications, Delhi; Price each Part I Rs.1.50 or 3s.6d. or 54 cents.

The report suggests the authorities concerned in States and Union Territories should take measures to get the people acquainted with the penal provisions for offences connected with the practice of untouchability.

On discrimination against Scheduled Caste members of panchayat bodies, the report says that some such cases were found during 1963-64 in a number of districts in Madhya Pradesh. Panchayats being the nucleus of the country's civic life, it is imperative that officers at all levels ensure that members of scheduled caste receive proper treatment at the hands of higher castes in panchayats.

The report has suggested that a special provision be made for admission of Scheduled Castes students to Sainik schools. Otherwise their entry to the National Defence Forces would remain very meagre.

The number of Scheduled Caste officials in Class I Government services rose from 44 in 1956 to 250 in 1963. In case of Scheduled Tribes, the number of increased from 6 to 29 in the corresponding period.

According to the report, of 542,906 employees in Class IV services in 1956, the strength of Scheduled Castes and Scheduled Tribes was 117,787 and 14,078 respectively. In 1963 however, 121,211 of the 716,366 employees, 121,211 were Scheduled Castes and 23,692 were Scheduled Tribes. The figures for Scheduled Castes excludes sweepers and employees of the Ministries of Defence and External Affairs.

In the Central Administrative services, the report says, the number of successful candidates belonging to these categories rose from 104 in 1959 to 267 in 1964.

(The Hindustan Times, 25 May 1966).

Chapter 8. Manpower Problems.

83. Vocational Training.

India - June 1966.

Technical Education Goal of Third Plan Achieved.

India had almost achieved its third Plan technical education target by the end of the Plan in 1965-66, according to an assessment by the Education Ministry.

Though the target fixed at the beginning of the third Plan was 20,000 admissions to degree courses and 40,000 to diploma courses, it was revised after the declaration of emergency to 25,000 admission to degree courses and 50,000 to diploma courses.

The admission capacity achieved at the end of the Plan was 24,695 seats in degree colleges and 48,048 in polytechnics.

To achieve the revised target, it was planned to start 23 new engineering colleges and 94 polytechnics. But this target could not be achieved because of "unavoidable" difficulties and only 21 new engineering colleges and 75 new polytechnics started functioning at the end of 1965-66.

But to compensate the lag in setting up new colleges and polytechnics, additional facilities were created in the existing institutions. This pushed up the admission capacity to the near-target figure achieved.

The additional facilities created included a scheme of part-time degree and diploma courses in engineering and technology.

Women's polytechnics. - Under the States' third five-year Plans, establishment of 24 polytechnics for women was envisaged, of which only 18 started functioning. Seventeen new junior technical schools were also started under these Plans. The total number of junior technical schools in India at present is 104.

But the Education Ministry's assessment pinpointed the sore spot in India's technical education - heavy wastage of students through failures.

Of 23,315 students admitted to degree courses in 1965, only 10,282 - about 43 per cent. - passed the examination. The result practically nullified the quantitative improvement in technical education facilities by a corresponding decline in qualitative improvement of students, resulting in a low output.

The case of polytechnics was even worse. Of 43,984 students admitted to diploma courses, only 17,699 got through the examinations. The failure here is 60 per cent.

(The Hindustan Times, 28 May 1966).

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