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To

The Chairman and Members
of the National Commission on Labour.

Subject:- Record of discussions during observation visit
to Guntur (Andhra Pradesh) and, Report of
the Committee on the working conditions of
Hamals.

Sir,

In continuation of Commission's letter of even
number dated the 2nd April, 1968, forwarding record of
discussions at Hyderabad, Andhra Pradesh, I am directed
to forward a copy each of the following papers:-

1. Record of discussions of observation
visit to Guntur (Andhra Pradesh).
2. Report of the Committee set up for conduct-
ing survey into the working conditions of
Hamals.

Yours faithfully,

D. D. Srinivas
DIRECTOR.

NATIONAL COMMISSION ON LABOUR

Observation visit to Guntur - (A.P.)

Guntur - 23.2.68 - 10.30 A.M. - 11.30A.M.

Record of discussions with Tobacco Traders Association represented by Shri M. Venkataswar Rao (President of the Association) and Shri Chandersakhar.

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All Tobacco has to be purchased during the period 1st February to 15th March. There is therefore a rush of buyers during this period. Each buyer tries to buy his requirements of tobacco of the quality or grade needed on the basis of the export orders he has to execute.

2. The present practice is to buy tobacco at the barn and carry it to the factory depots. With the development of agriculture, a farmer who grows tobacco is now in a position to make his own curing arrangement before taking the product to exporters.

3. Trained buyers go to farmers, examine tobacco and buy it at prices up to specified ceiling. The ceiling itself is arrived at on the basis of an informal understanding between members of the traders' association. This is particularly the case with big factories which have their buying platforms to which the farmers bring their tobacco. The alternative arrangements of the farmer bringing tobacco to the factory also obtains.

4. Agricultural price fixation can be meaningful in a commodity like Tobacco only if qualities are defined and standardised. Although the factory owners and other buyers are eager to buy their required quantities of tobacco to meet their export obligations, it is not as if the farmer has the upper hand always. The farmer also has to dispose of his tobacco by a particular date otherwise, he would find himself burdened with his stock which he cannot keep indefinitely. There is thus a balance possible in reaching a price fair to both.

5. Shri Rao himself has been in the trade for over 15 years. His firm has export orders amounting to 5 lakh lbs. He employs about 1000 labourers during the season. The strength of his permanent establishment however is only 10 men.

6. The seasonal character of the tobacco industry makes it difficult for the factory owner to implement the provisions of labour laws. This position is understood by workers. Any undue hardship caused to workers by an employer will put the latter out of trade. If he builds up such a reputation he will not get labour in the

7. Tobacco trade is fairly well off as it is able to sell all that is produced. This/ because traders are in a position to indicate how much they would buy and the area under that crop gets somewhat reflected.

8. The exporter to retain his export orders and markets has to pay special attention to the quality of his goods; the agents of the foreign customers stay at the places where tobacco is purchased and are in touch with the operation like curing grading packing etc. all the time. The agent may at times be the whip hand as he can reject sub standard bales out-right. It must be said, however, that the agents also have to be often cautious. An unreasonable use of his privilege may upset his purchase prospects in the future.

9. The tobacco season for workers in factory lasts for about 100 to 120 days i.e. 3 to 4 months, during the off season workers are on their own. In most cases they go back to villages and take to agricultural operations. The employers cannot afford to retain them in the off season.

10. Employment in tobacco factories is generally in family units through factories employ more women than men. Most of the grading work in the factories is done by women who are better suited to the work than comparatively heavier work is man's responsibility. The work done by females mostly is supervised by female mistresses and supervisors.

11. Many family units do keep coming on going season after season to the same employer. Some others move to other companies either for better wages or because the place is nearer where they work or because a long working period is offered. It also happens that village affinities take them to specific employers. Some companies offer work for as much as 160 to 180 days in a longer year instead of the usual 100 to 120 days offered by most small concerns.

12. The work of grading does not involve much skill or training; after some experience the worker is able to grade the leaf with ease. To become good at grading however takes time.

13. Labour employed in the tobacco factories is almost entirely drawn from the rural areas. This labour is not essentially different from agricultural labour though they come and work in the town in the premises owned by the exporter.

14. No permanency of employment is possible because the employer is not sure of the quantum of orders that he may get for the next year. (This seems to be a lame argument. It could be applied to any industrial operation. The fact is that most workers look upon this as additional income during the off season.)

His requirement of labour will depend entirely on the export orders which he is able to secure. When less number of hands are needed the senior workers get priority.

15. Workers are more keen on getting employment and earnings and are less concerned about the facilities which they get at the work place.

16. The tobacco trade has represented to the factories department of the State Government that in view of the seasonal character of the industry, they should be exempted from certain provisions of the factories Act particularly those relating to welfare facilities. The factories department has evolved certain minimum standards to be provided instead of those stipulated under the act; kutcha sheds instead of pucca structures for canteen, creche, toilets etc. and these do not appear to have raised any serious objections from workers side.

17. Strike or work stoppage can affect tobacco trade very adversely because even one days' delay in processing can lead to deterioration of colour of the tobacco leaf and consequently lower its grade and its price. The relative prices of different grades for this year are as follows : Grade I - Rs.860, Grade II Rs. 810, Grade III - Rs. 750, Grade IV - Rs. 690, D.G. - Rs. 130. The varieties indicate the nature of loss likely to be suffered by the employer if tobacco is not packed in good time.

18. The association has represented to Government that tobacco trade be declared a public utility and strikes and lock-out should be banned. (this again is an argument which can be applied to any operation.)

19. Generally
the

/disputes and work stoppages arise not on wage rates, etc, but on other issues. The exporters association (factory owners) and the trade unions arrive at an agreement applicable to the season well in advance of the commencement of the season. These rates are generally implemented by all the employers.

NATIONAL COMMISSION ON LABOUR

Observation visit

Guntur - 23.2.68 - 11.30-A.M. 12.00 Noon

Record of discussions with the representatives of the Krishna Cement Works Mangalagiri represented by :

1. Shri Dua, General Manager;

The cement industry is going through a lean period. There is accumulation of stocks. As against the normal carry over of stocks amounting to about two weeks' production, the cement factories are now carrying stocks of nearly 6 to 8 weeks' production.

2. Although production costs have gone up there has been no increase in the price of cement since 1963.

3. There is a recognised union affiliated to the AITUC. The management deals with this unions in all matters relating to employer-employee problems. During the last two-three years, labour unrest has been less. This is perhaps because a better understanding has developed between the parties.

4. Last year there was a strike in connection with the implementation of the second part of the first Cement Wage Board recommendations. The strike lasted for 10 days. Conciliation failed and the matter was referred to an industrial tribunal. The tribunal upheld the management's stand.

5. There are two important problems which worry the management: (1) malingering among the employees and (2) absenteeism, particularly in the agricultural season. In the experience of the management the trade unions do not pay any attention to these problems and do not help the management in avoiding excuses when such occur.

6. Generally efficiency of the workers in this area is poorer than in Punjab. (ACC factory Surajpur) This is partly due to the poor physique of the local worker and his desire not to exert himself more than the minimum required for the job. Malingering also contributes to low efficiency. The Punjab worker generally is more keen to improve his level of living.

7. It is not possible to transfer workers from one factory to another even under the same management because outside labour is not only not welcomed but often causes resentment.

8. The fact that for industrial relations quarries are in the central sector while the factory is under State jurisdiction has not created any difficulties. The problem does not arise mainly because the state conciliation officers are appointed as conciliation officers in central disputes also. This avoids problems arising out of dual standards.

NATIONAL COMMISSION ON LABOUR

Guntur - 23.2.68 - 12.00 Noon - 12.50 P.M.

Record of discussions with the Tobacco Workers' union represented by Shri Lingam, General Secretary.

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There are nearly 75,000 workers employed in the tobacco industry in Guntur District.. Of these nearly 35, 000 are in Guntur town. The tobacco workers union covers the whole industry in Guntur and is fairly well organised. Although there are some areas/pockets in which trade unionism is still weak.

2. Unequal growth of trade unionism and the consequent lack of bargaining power for the workers is largely responsible for the low wages/poor working conditions that obtain in certain centres of the industry, particularly in the mofussil areas.

3. Even where the union and the employer have come to an agreement on wages etc. The same agreement is not properly implemented by the same employer in factories where the union is not well organised.

4. The bigger companies like the ILTD (25000 employees) the British Tobacco Co. (7500 employees) and the National Tobacco Co. (1000 employees) implement the terms of agreement with the union in all their factories. But the small companies try to evade the responsibility in those factories particularly in the mofussil areas. where the union may not be well organised.

5. The minimum wage fixed the Government under the Minimum Wages Act is inadequate. It is less than what the industry can pay, and it is less than what the industry does pay by agreement with the union. For instance the current agreed minimum rate is Rs. 2.96 per day while the minimum wage statutorily fixed is only Rs. 2/-.

6. One undesirable consequence of such disparity is the tendency on the part of certain employers to shift their operations from a place like Guntur where the union is well organised, to the mofussil areas where they may be able to carry on by paying only the minimum wage. In this trade such shifting becomes possible because the equipment used is not heavy. This leads to reduction of work and employment opportunities in Guntur town area.

7. To avoid such disparity and the undersirable consequences thereof, the minimum wage should be revised in line with the agreed rate obtaining in the industry. Alternatively a Wage Board should be appointed to fix the wages of workers in this industry.

8. The industry is seasonal and the workers get employment only for 100 to 120 days in a year. In off season the workers coming from the rural areas go back to their fields and engage themselves in agricultural work. Others stay back in town and seek unskilled work such as rikshan pulling loading and unloading etc.
9. A retainer should be paid to seasonal workers in this industry, at least to those who have put in a specified number of years of work; the payment of a retainer would not be too much of a burden on the employer because in this industry wage cost amounts only to about 10 per cent of the total cost. (This point requires to be verified).
10. Trader is unable to control either the buying price or the selling price of tobacco. He can only manipulate the labour cost. In the circumstances the employer is tempted to avoid the agreed wage which he has to pay in Guntur by shifting his operations to a mofussil centre.
11. The provisions regarding leave with wages are not implemented.
12. In other countries the grading of leaf is done by the farmer himself and the factory does not come into the picture up to that stage. The factories deal only with the re-drying process and further packing and even this curtailed work can provide employment up to 7 months in the year.
13. Implementation of labour laws is not very satisfactory. The difficulties are the same every where as in more established factories also.
14. We prefer statutory enforcement of Wage Boards awards because employers try to evade implementation; the jute wage Board recommendations were not implemented by certain jute mills in Andhra Pradesh and the matter had to be referred to an industrial tribunal. This causes undue delay and disrespect in the mind of workers about the machinery for settling disputes.
15. Another sector which does not implement its legal obligations is the cooperative sector. There are a number of cooperative textile mills in Andhra Pradesh which have not implemented the wage rates/recommended by the cotton textile wage board.
16. Wages in the cooperative sector for the same type of work in the same area is generally much less than that of units in the private sector. A comparison between the wages paid in Hemalata Textile (Private Sector) and the Cooperative spinning mill at chirala in Guntur district and between Kothari Textile Adon private sector) and cooperative spinning mills at Guntakal would prove this point. (The position will have to be checked with the Labour Commissioner, Andhra Pradesh).
17. Even when provisions of labour law are not implemented, workers or unions do not often complain to the authorities. This is because union is not sufficiently organised or because the union has lost confidence in the enforcement machinery or both.
18. 90 per cent of the workers in the tobacco industry are female workers but still no facilities for maternity benefit, medical benefit etc. exist.

NATIONAL COMMISSION ON LABOUR

(Observation visit - Guntur A.P.)

Guntur - 23-2-68- 12.50 P.M. - 1.15 P.M.

Record of discussion with the A.C.C. Factories workers' Union represented by :

1. Shri G. Krishnamurti,
2. Shri Asiwadam.

The union is recognised by the management.

2. The workers are dis-satisfied with the functioning of the wage board particularly because no retrospective effect is given to its recommendations.
3. Some of the safety equipment agreed to be installed by the management has not been installed so far.
4. The E.S.I. facilities are inadequate.
5. Representatives of the recognised union when they appear before tribunals, Commission of enquiry etc. should be treated as on duty or atleast given leave with wages. At present they are not given any such facilities and have to use up their normal leave, losing their wages even when called upon to appear before a Commission like the present National Commission on Labour.

NATIONAL COMMISSION ON LABOUR

(Camp - Guntur)

23.2.1968

2.30. P.M. to 5.00 P.M.

Visits to Tobacco Factories

1. Visited 2 large, 1 medium and 1 small factory.
2. Large factories are housed in pucca buildings, while the smaller ones are in thatched structures.
3. The main work done in the factories is, grading of tobacco. Baling and packing in gunnies and wooden boxes is also done in the larger factories.
4. Most of the employees - over 90% - are women; of the age group 18-45 years. They belong to all religions - Hindus, Muslims, Christians - and all communities, with the possible exception of Brahmins and work as a team. They do not have any preferences for the seats they occupy.
5. They come from Guntur and the villages around, upto distances of 6-7 miles.
6. They walk to the factory and back home every day.
7. Some who come from farther places, rent a place in the town and stay in for the season in a Group.
8. The factories work from 8.00 or 8.30 A.M. to 4.30 or 5.00 P.M. with the half hour break for lunch.
9. Workers carry their food in small tiffin carrier and eat on the premises during the lunch interval.
10. The work-sheds in large establishments are well lighted and are maintained clean and tidy.
11. The workers sit in rows, side by side with the tobacco leaves in front of them.
12. The work consists mainly of sorting tobacco leaves into different grades, on the basis of their colour. The work appears to be simple it is not strenuous or exacting.
13. Their work is supervised by Mistries (women) - one for every 20 workers.
14. The workers (women) get Rs. 2.96 per day as wages (basic + D.A.). This is the rate agreed to by the trade on the basis of agreement between the Association and the Workers' union. There is on top of this an incentive for work beyond a certain load. The incentive varies any where between 10% to 50% by way of extra wage.

15. But a few units, particularly the smaller ones, pay only Rs. 2/- per day, which is the minimum wage fixed by Government for the tobacco industry.

16. Unionisation is not strong in the smaller factories, Such managements are able to get away with less than the agreed wage.

17. The reason why workers agree to take the lower wages paid by small unit are : inability to enter better factories because of pressure on jobs in them other compensating advantages may be nearness to the home more congenial surroundings to work.

18. Facilities for drinking water etc. are available.

19. The larger factories have canteens, creches etc.

20. The workers work in these factories for 100-120 days in a year. After the factory closes for the season, they go back to the villages and try to find some odd jobs in agriculture. Few of them possess their own land.

21. Those from the town, take up jobs like colliers, loading and unloading majdoors etc. during the off-season.

22. The workers seem to feel generally that though they are getting higher (money) wages now, they were better off in the earlier days - say 10 years ago - because prices were lower and their necessities like rice, pulses etc. were more easily available.

NATIONAL COMMISSION ON LABOUR

Notes on observation visits of Member-Secretary to Kolhapur
(Maharashtra) on 6th and 7th August, 1967.

I

Visited Shri Venkatesh Rangtantu Mills with Union representatives.

They mentioned that over the last 10 years the powerloom weavers had not improved even their money wages. This appeared to me surprising, but when many workers were interviewed in the mills the wages appeared to be even less than Rs.100 in most cases.

2. There was a complaint that as a result of malpractices by management the legitimate dues of workers are also at times denied under threat of closure. The procedure adopted usually was that with every difficulty which the employer experienced in running the power looms, there is a threat of throwing some workers out. In this endless process the employers had succeeded in denying workers legitimate wage increases in the last 10 years, and still had a fair number of workers coming to them for employment.

3. I requested both the employing and workers' interests to record these views in the memorandum they may be sending to the Commission.

II

Kolhapur Engineering Association.

Record of informal discussions with :

- (i) Mr. V.P. Powar, President
- (ii) Mr. N.P. Tendulkar, Secretary
- (iii) Mr. Manohar Gulavani
- (iv) Mr. Shivajirao Desai, and others.

Most of the members of the Association had been workers operating a lathe or preparing moulds or doing similar odd jobs in engineering firms. Because of the demand on engineering industry in recent years it had been possible for them to blossom into small scale entrepreneurs.

2. They were the most vocal in their complaints against labour and were insistent that labour should give a fair day's work before it claimed a fair wage.

3. It seems the Maharashtra Chamber of Commerce of which this Association is a member have circulated a truncated questionnaire mainly based on ours to get information from its members. The Association representatives were sticking to the brief they have prepared on this questionnaire for being sent to their Federation.

4. It seemed to me that most of their replies were not based on local experience. There were certain general observations about specific units in the public sector and industrial relations obtaining

therein. I impressed on them the need for bringing out their experience on the points raised in the questionnaire. It appeared to me the case of half-baked knowledge of things happening elsewhere. They have promised to see how their memorandum could be amended in the light of my advice.

III

Deccan Cooperative Spinning Mills.

Record of informal discussions with :

- (i) Mr. Nimbalkar, Secretary
- (ii) Mr. Bhide, Director,
and others.

This is a cooperative concern in which the capital has been invested by the handloom and powerloom weavers in Ichalkaranji. The mill has been set up recently. The arrangements for workers' welfare appear to be adequate. Their problem is, however, supply of commodities for running their canteen. The success of this venture has led to another group of cooperatives setting up a similar establishment. The spinning mill has been receiving adequate encouragement from State Government. A point which I could not follow was the dependence of this mill on imported cotton. It seems the machinery in the mill is meant for spinning finer counts - sixties and above. They did not mix any short staple cotton either in their operations.

IV

Panchganga Cooperative Sugar Factory.

Record of informal discussions with Mr. Ratnappa Kumbhar, Chairman.

This is one of the ventures which has recently established itself in many areas of Maharashtra State. It is a cooperative of sugarcane growers setting up a factory for processing their produce into sugar. The basic capital is provided by cane growers. Thereafter the cooperative gets the assistance from State Government and organisations like the Industrial Finance Corporation. Most of these cooperative sugar factories are doing good business. Such technical assistance as is needed by them in financial matters is provided by the State Government by appointment of a special Joint Registrar of Cooperative Societies who looks after the work of such sugar factories.

2. Workers' representatives, however, have been critical of the way the labour interests are neglected by such sugar factories. They prefer the joint stock ventures where it is possible for them to get their due from the employer.

3. The protection given by the State to the cooperative sugar factories extends also to giving them exemption from certain aspects of labour legislation. This is a point which requires some examination.

4. We have posed certain questions on this form of management in our questionnaire. While the workers' representatives will attempt to place before the Commission their side of the picture it is not known to what extent the cooperative factories will plead their case. At some stage we may have to seek their assistance specially for completing our record of evidence.

V

Maharashtra State Farming Corporation.

Record of informal discussions with the Estate Manager and one worker engaged on the Estate.

The Corporation came into existence some four years back for managing the farms taken over from sugar factories. The Corporation has its branches spread over the whole of the State. The Kolhapur Unit with which we had a discussion was managing a farm of about 400 acres. By and large, this farm provided employment for families on the basis of 3 acres per family (consisting of husband and wife). This norm is more liberal than the one that we adopted for working out the employment potential in the Five Year Plans.

2. The Corporation has its own technical staff for development of sugar cane grown on its farms. It works, by and large, on no-profit-no-loss -basis.

3. We met a young worker on the farm - hardly 20 years old. Even though he was the youngest in the family, he did not evince interest in education. He studied upto 2nd standard primary and preferred to work on a farm. His elder brothers are also working. In a joint family consisting of father, mother and 5 children, all the brothers appeared to be on work. Since it appeared somewhat strange to me that the boy did not continue his education, I reverted to this point again and again in my discussion with him. He seemed to be anxious to get some technical education which will help him to be a better agricultural worker. He was happy with the remuneration that he received - Rs. 3/- a day, because this went into the total family resources and the family was a little better. He thought his continuing education would have denied his family with this source of income.

VI

Sahakari Society Sheti Vibhag at Phulewadi, Taluka Karvir, Distt: Kolhapur.

Record of informal discussions with :

- (i) Mr. S.P. Patil, Chairman
- (ii) Mr. S.S. Bondre, Hon. Secretary
- (iii) Mr. Bhonsle, Deputy Collector of Karvir
Division, Kolhapur District; and
- (iv) Mr. Chavan, Labour Officer, Kolhapur.

The discussions ranged over the whole area of activities of the Society. It seems the Society caters to the needs of the agriculturists

in terms of the investments they have to incur for making agriculture more productive. Technical advice is given to the members of the Society whenever they need it. A major part of daily requirements of the members of the Society is also organised on a cooperative basis. The nearness to the city has some advantages in terms of seeking technical guidance. At the same time it creates problems of higher expenditure to be incurred on labour.

2. Over the last 10 years the Society has an enviable record of organising sales for their produce to the best advantage of members - a cooperative cloth shop, cooperative utensil shop, arrangements for equitable distribution of water, distribution of fodder and a cattle breeding centre - all these have made the life of the members of the Society fuller.

3. As regards the agricultural labour, the members of the Society gave an account of how labour is getting more scarce over the last 10 years. The wage rates are going up but they have not been able to keep pace with the price rise in essential commodities. At the same time, because of these difficulties, more members of the family have offered themselves for work and family incomes have shown improvements in real terms.

4. The agricultural worker in the areas covered by irrigation finds work all the year round. Only for about a month or two in a year there is a slack period. But this could be considered as a period of rest after a fairly hard work in the rest of the year. In every respect, agricultural worker's family in the irrigated areas has improved its position over the last 10 years.

5. The problem is of areas which are dependent on rains and also of areas in the west of the District where rains are very heavy and the soil yields about once in six years. This latter areas send out a large number of migrants to cities and their families live on remittances sent by earners in the family. Between these two extremes are rain-fed areas in the eastern part of District where conditions have been difficult and no improvement has been possible in real terms in the conditions of agricultural workers. In fact, the Tehsildars of the area who was present in the discussion and who had occasions to serve in other places, reported that the conditions of life may have even deteriorated. Farmers with small holdings in these eastern areas are experiencing the same difficulties as agricultural labour without land.

6. The attitude of the younger generation towards agricultural work again is not uniform every where. In areas where they see agriculture prosper, the younger generation is coming forward to work on lands as they look at agriculture as commercial proposition. In other areas the educated youngsters prefer to go out of the village to staying on in agricultural work.

VII

Visited S.J. Farm at Kagal about 14 miles from Kolhapur.

The farm is managed by the family of the Chief of Kagal.
Met Mr. B.A. Nimbalkar, Manager and Mr. S.D. Lad, Secretary and 6 others.

The discussion was mainly on the points which were raised in our meeting at Phulewadi. The experience at Kagal was somewhat different in the sense that Kagal did not have the same irrigation facilities as Phulewadi and as such labour did not get employment all around the year. Even then its vicinity to Kolhapur made the wage rates at Kagal fairly stable all the year round. Because of lack of irrigation facilities, agricultural labour was not enjoying the same facilities as the Phulewadi labour had.

2. Most of those present in the discussion felt that there were visible changes in the conditions of agricultural labour over the last 12 years. The indications of these changes are (i) the number of pucca houses in villages is on the increase, (ii) the boys and girls in the workers' families dress somewhat better; (iii) there is a desire to educate children, for the younger element in the agricultural labour families seeks more remunerative employment outside agriculture and possibly gets it; and (iv) wage rates have improved though not strictly in relation to increase in prices.

3. The comparatively distressing part of the picture is that workers do not put in the same amount of work as their forefathers used to do. This was more because of lack of stamina.

4. In recent years because of the high prices at which foodgrains are sold the tendency to get wages in kind is on the increase. Some of the workers whom we met agreed with this assessment but at the same time complained about price increases. But, this has been the experience everywhere.

VIII

Visited Ichalkarnji, the centre of powerloom industry about 15 miles from Kolhapur.

Record of informal discussions with :

- (i) Mr. Nerkar, Secretary, Powerloom Owners Cooperative Society
- (ii) Mr. V.R. Ghorpade, Secretary and President of Rashtriya Girni Kamgar Union, Ichalkarnji.
- (iii) Mr. Popatlal Kalawant, Secretary.

Mr. Nerkar was full of the recent levies on powerloom industry. He said that these were unprecedented. The levies meant additional sums going from powerloom owners to Government of the order of Rs.2400 per loom. His Association was making a determined effort on persuading Government to see the inequity of this practice. His argument was that this levy has been imposed in order to give an advantage to the textile magnates of composite mills.

2. He accepted, however, that over the last 10 years the capacity of powerlooms in Ichalkaranji had increased considerably - against 1,500 looms in 1956-57, it is now over 10,000 looms. This expansion has been possible because of the enterprise shown by individual weavers in that area. Some of the weavers who were engaged in small factories have now become owners by staking everything they had. To these persons the present levies are almost a deterrent.

3. Mr. Nerkar also said that the levies are likely to affect Maharashtra State much more than any other State because 75% of the powerlooms set up in this country are in Maharashtra. Gujarat also has a fair number of powerlooms but these are engaged not in production of cotton cloth, but are engaged in weaving artificial silk. The current levies do not affect such mills. In view of this practical difficulty of the powerloom owners in Ichalkaranji for fighting against what they consider unjust levies, no discussion about the possibilities of how small scale industries could help the work of the Commission was possible.

IX

Problems of State Electricity Board.

The Collector of Kolhapur, Mr. Shrinivasan and I discussed the labour policy of Government with special reference to the Maharashtra Electricity Board of which he was the Secretary. He joined as Collector of Kolhapur only recently. The local problems, therefore, were not discussed with him.

2. His experience of handling labour matters in the State Electricity Board showed that there was a good deal of softness on the part of the Government to tackle labour problems as also accepting uneconomic schemes. He gave one instance of locating a power plant in one of the backward regions of the State. What the people needed was electricity which could have been provided by developing the power at a place more convenient and carrying it to the areas. This would have proved, on the whole, more economical. But the insistence from the people for having a power plant in the area was not resisted by the State Government.

3. The same thing happens in the working of the State Electricity Board. The Technical Officers of the Board believe in taking up works which could be more conveniently handled by contractors. The result is that these officers buy labour troubles.

4. There is also no desire on the part of Technical Officers to work more efficiently. For doing some minor types of things they believe in seeking assistance which is not available to officers of that category in private firms. This inevitably pushes up the cost.

5. In terms of handling of labour, there is a premia attached to persons who are in Government's favour for political reasons. He cited some instances of labour leaders who were losing ground, being bolstered up, by undesirable intervention by Ministers. This is a temporary political experience but in terms of labour discipline, it can be dangerous.

6. The tendency on the part of labour to rake up issues which have been settled long back is being aggravated because of similar concessions given to some favoured unions.

7. It is important that Government should, on occasions, stand firm and even be willing to face consequences of this firmness. It is possible that in the earlier stages this will cause some embarrassment but in the long run it will be in the interest of the economy.

8. On the whole, his view was that labour would be willing to play its part if there was a desire on the part of the management and the Government also to see that their reasonable claims were suitably adjusted.

9. There was a prolonged strike in the Maharashtra Electricity Board early this year. It was possible for the Board to maintain the essential services during the strike period with a very much smaller complement of staff. This indicates the scope for more efficient working of the State Electricity Board.

X

Kolhapur Sugar Mills.

Record of informal discussions with :

- (i) Mr. Madan Mohan Lohia, General Manager.
- (ii) Mr. Adarkar, Labour Officer.

In the last 25 years of the factory's life - since the present General Manager took over - the factory has been enjoying uninterrupted production. There has been no strike though there have been demands from workers from time to time. It has been the policy of the General Manager to meet workers of and on and discuss their problems as well as the problems of the management with them. This has paid adequate dividend.

2. His view was that as far as possible the grievances of the workers should be nipped in the bud. Much more harm is done by allowing a grievance to gather momentum. The union in the factory was a Communist Union and he had found no difficulty in dealing with the Union. In fact, some of the erstwhile labour leaders in the area were engaged in the Company in supervisory positions.

3. He was critical of Government's current policies of encouraging production through mills run on a cooperative basis by cane producers. His assessment was that the labour in such factories was likely to be looked after less efficiently than in the factories managed by the Joint Stock Companies. (This criticism is also heard from some other quarters).

4. He was also critical of the Government taking over the sugar cane farms attached to individual factories. This again appeared to have been done with a political motive. The factory is guaranteed the sugar cane which the farms owned by the Factory were supplying within reasonable margins set by weather conditions. It appeared to me, therefore, that what was irking the managements which had their own farms was the loss in the factory's earning capacity on cane produced on their own farms.

5. Another point which was mentioned was the lack of firmness of Government policies about the sugar cane production. If it was possible to announce the policies in this regard well in advance, it would help the factories irrespective of the fact whether they were in the cooperative sector or with the Joint Stock Companies.
