

INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

Industrial and Labour Developments in February 1963.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - FEBRUARY 1963.

11. Political Situation and Administrative Action.

Labour Policy during Emergency: Measures taken by Government.

The Union Ministry of Labour and Employment took the following measures in furtherance of defence efforts:-

Industrial Truce.- The Union Minister of Labour and Employment convened a conference of representatives of Industry and Labour to discuss and decide on measures to be taken to maintain industrial peace during the present emergency. The joint meeting of the parties held on the 3rd November 1962 passed a resolution that no effort shall be spared to achieve maximum production, and managements and workmen would strive in collaboration in all possible ways, to promote the defence effort of the country and reaffirm their pledge of unstinted loyalty and devotion to the country.

Manpower Measures.- The Central War Manpower Board, at its meeting held on 1 November 1962, finalised draft chapter on "Manpower Measures", which is to be included in the Defence of India Bill. The draft chapter is designed to give necessary powers to Government to requisition the services of technical personnel for work in factories and establishments engaged in work essential for the defence of India and maintenance of supplies and services essential for the life of the community.

Notified Occupations.- In accordance with a decision taken at the meeting of the Central War Manpower Board, 257 occupations have been listed as 'notified occupations' for the purpose of the Defence of India Act.

Accelerated Training Programme.- The Technical Manpower Committee which met on 13 November, 1962, decided to accelerate training programme by utilising all the available facilities in various institutions and undertakings.

Arrangements are being made for the introduction of 30,000 seats in the various Industrial Training Institutes for training persons under short-term training programmes. It is estimated that this programme will provide 60,000 semi-skilled workers during the course of one year.

National Labour Corps.- A Scheme has been sanctioned for raising Labour units to be utilised for Defence and other essential work in the emergency.

(The Indian Labour Journal, Vol. IV, No. 2, February 1963, pp. 177-178 ).

Reallocation of Portfolios in Punjab Cabinet.

The Chief Minister of Punjab, Shri Partap Singh Kairon, announced on 8 January 1963, redistribution of portfolios among the members of his cabinet. In the new set-up, Shri Mohan Lal will be the incharge of labour in place of Shri Ram Saran Chand Mittal.

(The Tribune, 9 January 1963).

## Chapter 2. International and National Organisations

### 25. Wage-Earners' Organisations.

India - February 1963.

#### Eighth Annual Conference of the Indian National Mineworkers' Federation, Nowrozabad, 3 February 1963.

The 8th annual session of the Indian National Mineworkers' Federation was held at Nowrozabad (Madhya Pradesh) on 3 February 1963. The conference was presided over by Shri Michael John, Vice-President of Indian National Trade Union Council. Among others, Shri R.K. Malviya, Union Deputy Minister for Labour addressed the conference.

Presidential address.- Reviewing the progress made since the last conference of the Federation held in December 1961, Shri Michael John stated that the value of mineral production had steadily risen from 700 million rupees in 1950 to 1740 million rupees in 1961 and was expected to be higher still in 1962. The productivity of the mine-workers had also been steadily rising with the result that the higher targets of production have been achieved without any appreciable increase in the labour force. The index of industrial profits (after tax) for mining and quarrying had risen to 29.1 in 1958 with 1950 = 100 and the index for 1960 was higher still.

Shri Michael John expressed satisfaction that the Government had conceded the long-standing demand of the Federation for a Wage Board for the Coalmining Industry. Two more Wage Boards, one for iron-ore and the other for limestones and dolomite mines were going to be announced shortly. Though this would help in raising the living standards of a substantial number of mineworkers, he urged upon the Government to see that suitable wage-fixing machineries were also set up for workers in manganese and other mines. It was also very urgent that the decision to set up a Welfare Fund for workers in iron-ore mines similar to that existing in coal and mica mines was extended to other mines for solving the problem of providing houses, drinking water, medical facilities, education, recreation and other primary necessities of life. He regretted that while plans and programmes of industrial production were carried out with vigour and enthusiasm there was a corresponding apathy and indifference to the problem of providing primary necessities of life to the workers. The degree of social security that the workers in the mining industry deserved had not been achieved.

Referring to the bipartite agreement regarding the abolition of contract system in the coal mining industry and the subsequent report of the Court of Enquiry, Shri Michael John said that if the agreement had been properly implemented, it would have created a new era of industrial relationship in the coalmining industry. He regretted that employers had instead tried to evade the agreement by continuing some of these contracts under new covers and garbs. He urged that it was the duty of the Government to see that the recommendations in the Plans regarding the abolition of contract system were translated into action and protection afforded to these workers by legislation and other means till this system was completely abolished.

Speaking about safety of workers in mines, Shri Michael John said that although safety was receiving more attention than before, it could not be denied that the enthusiasm and awareness that was created after the Chinakuri disaster in 1958 was gradually dying down and complacency was creeping in. No further progress had been reported in the work of committees that were appointed in pursuance of the decisions of the Safety Conference and what was still worse, no appreciable action had been taken on the reports that had been submitted so far. He therefore called upon the Government to see that decisions of the Safety Conference were implemented without any further delays.

On the subject of compensation to workers in case of death or permanent injury, Shri Michael John pointed out that though pneumoconiosis and silicosis had been declared as occupational diseases a long time back, the workers in the mines were still denied compensation as most of the State Governments had not framed the necessary rules. In this connection he drew the attention of the meeting to the Safety Conference in 1958 which had declared mining a hazardous profession and recommended a scheme to provide for payment of supplementary compensation in case of death or permanent injury affecting the earning capacity of a mineworker. While this recommendation, he said, had been implemented to some extent in the coalmining industry by increasing the rate of Provident Fund from 6½ per cent. to 8 per cent. and referring the question of gratuity to the Wage Board, nothing practically had been done for workers in mines other than coal; rather a large number of workers in iron-ore and other mines had been deprived of the meagre benefit of Provident Fund as a result of a decision of the Supreme Court that workers employed through contractors were not entitled to this benefit. He urged upon the Government not only to see that the legal provisions were amended at the earliest so as to entitle these workers to Provident Fund benefits but also increase the rate of their contribution from 6½ per cent. to 8 per cent. He also stressed the necessity of raising the present absurdly low rate of compensation to a level which would act as a deterrent to neglect of safety provisions. Investment in safety measures must be made to pay and suggested schemes for giving adequate compensation to miners for partial or complete disablement due to accidents in mines or industrial diseases as also to those who were thrown out of employment due to the

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enforcement of the provisions of the Coal Mines Regulations, 1957. The question of increasing leave provisions and reduction in the hours of work for the workers in the mines should also receive the urgent attention of all concerned.

Giving his arguments for nationalisation, Shri Michael John stressed that the mining industry by its every very nature could ~~functi~~ not function efficiently and the mineral resources of the country could not be properly and scientifically exploited unless the mines were subject to a common ownership and in modern society only the State could take up the responsibility of owning, developing and working all the mines. In any case it was wrong and improper to let the mining industry run on a profit motive as at present and earlier the coal and other mines were nationalised, the better for all concerned. He suggested that ~~the Government should~~ as a first step the Government should take over mines which did not carry out their statutory obligations regarding conservation, safety or proper payment to their workers.

On trade unionism Shri Michael John said: "The mineworkers must develop their own strength and not rely upon any other agency for the redress of their grievances and furtherance of their interests. There is no short cut to progress and the more we learn to suffer for the ideals we cherish, the greater will be the reward. While it is natural for us to expect some minimum standards from the employers and the Government, I think it will be suicidal for us to undertake the necessity of a strong trade union movement."

Shri R.K. Malaviya's speech.— Addressing the conference, Shri R.K. Malviya, Union Deputy Minister for Labour, called upon mineowners to take immediate steps to abolish the system of contract labour on the basis of decisions taken at bipartite and tripartite levels earlier. He pointed out that the National Coal Development Corporation had given effect to the bipartite agreement in all its collieries and absorbed the contractors lest they should be hit hard. The mines in the private sector should follow the National Coal Development Corporation's example, he said. He hoped that mines other than coal would also observe the tripartite decision that the contract system should not be extended any more. The Deputy Minister assured the Federation that though the Government had paid greater attention to the problems of coalminers so far, it was laterly engaged in improving the conditions of workers in mines other than coal. The minimum wage law had already been extended to them and the revision of wage structure would be undertaken by two wage boards so far as iron-ore, dolomite and lime-stone mines were concerned.

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Welfare Fund.- Shri Malaviya said that <sup>details</sup> deals in regard to the setting-up of a welfare fund for iron-ore mines were being worked out. Proposals for a similar welfare fund for manganese mines and another for other non-coal mines would be examined.

The Deputy Minister urged the importance of raising mineral production and said that coal-mines and the Kolar gold mines had been exempted from certain provisions in the Mines Act to facilitate seven-day working. He regretted that despite the "splendid response of workers and employers, in the wake of the emergency, some discordant notes" were being heard from coal-mining areas. Complaints of harassment and victimisation by employers and of indiscipline by workers were being made. Industrial relations in other mines were, however, comparatively better, Shri Malaviya urged the employers and workers in the mining industry to set up emergency production committees to step up output.

Housing Schemes.- On the progress of housing for miners, Shri Malaviya reported that till November 1962, 12,462 houses had been built and 9,727 were under construction. Housing schemes had been approved for mica mine workers in Bihar, while similar proposals for Andhra Pradesh and Rajasthan were under consideration.

He said that the Mines Rules were being amended to provide for the appointment of a medical officer in all coal-mines employing 150 workers and for the medical check-up of mines periodically.

Resolutions.- Following are some of ~~the~~ the important resolutions adopted by the Conference.

Coal Wage Board.- In a resolution the Conference welcomed the setting up of a Central Wage Board for the coalmining industry, but regretted the exclusion of the Neyveli Lignite Mines from the purview of the same. It therefore, urged upon the Government to reconsider its decision and see that the Neyveli Lignite Mines were brought within the jurisdiction of the Coal Wage Board. The Conference urged upon the Government to implement the unanimous recommendations of the Coal Wage Board regarding interim relief at the earliest.

Wage Fixing Machinery for Mines other than Coal.- In another resolution the Conference, urged upon the Government to see that suitable wage-fixing machineries were also set up for manganese, China clay, fire clay and other mines without any further delay.

C.R.O. System.- By a resolution on C.R.O. system the Conference demanded that the C.R.O. system should be totally abolished without any further delay and that the Gorakhpur Labour should become a part and parcel of the regular labour force employed in the mining industry.

Contract System.- By another resolution the Conference also urged upon the Government to see that the recommendations in the Plans regarding the abolition of contract system were translated into action and protection afforded to contract labour by legislation and other means till this pernicious system was completely abolished.

Nationalisation of Mines.- The resolution on this subject adopted by the Conference, reiterated its demand for the immediate nationalisation of coal and other mines pending which the Government should bring in legislation for the compulsory amalgamation of small and uneconomic units in the mining industry.

The other resolutions related to the setting up of welfare funds for manganese, limestone, dolomite and other mines, demand for an increase in the rate of Provident Fund from 6½ per cent to 8 percent. and the introduction of a gratuity scheme for workers in mines other than coal. The Conference also adopted a resolution urging for payment to mine workers of overtime at one and a half-times the normal rate in addition to their normal wages and the grant of one month's privilege leave, 21 days' sick leave, 10 days' casual leave and 10 festival holidays with pay in a year.

(The Statesman, 5 February 1963;  
Presidential Address of Shri Michael John  
and Resolutions adopted at the Eighth Annual  
Conference held at Nowrazabad, Madhya Pradesh,  
Sunday, 3 February 1963, received in this Office).

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27. Salaried Employees' Organisations.

India - February 1963.

Convention of All-India University Teachers,  
Kanpur, 24 February 1963: Uniform Pay Scales  
demanded.

A twoday Convention of All-India University Teachers sponsored by the All-India Federation of Education Association was held at Kanpur on 24 February 1963. Dr. S. Ramchandran, Union Minister for Education presided.

In a resolution, adopted at the two-day session of the Federation, the organisation said the University Grants Commission and the Government should take immediate steps to introduce uniform pay scale of Rs.400-950 for all lectures in universities and colleges and appropriate scales of pay for other categories of teaching staff. The Conference demanded the formation of grants commissions on State level and suggested that uniform conditions of services for colleges and university teachers be embodied in definite rules throughout the country.

In a resolution on students indiscipline, the conference expressed the opinion that the teacher-student ratio in universities and colleges should be one teacher against 20 students. Emphasis was also laid on better personal relations between teachers and students. The problem of mass failure in university examinations was discussed and the conference was of the opinion that more emphasis should be given on tutorial classes, seminars and discussions, and proper credit should be given to the students for their performances in these respects. The necessity for rationalisation of syllabi was also underlined in the resolution.

The Conference protested against the pruning of Third Five-Year Plan so far it related to education and the proposed cuts in education in the budgets of different State Governments and said that the defence needs of the country required greater plan allocation on education.

(The Hindu, 27 February, 1963).

## Chapter 3. Economic Questions

### 32. Public Finance and Fiscal Policy.

India - February 1963.

#### Railway Budget for 1963-64: Revenue Surplus of Rs. 310 Million Estimated; Increase in Freight on Goods and Parcels.

Shri Swaran Singh, Union Minister for Railways presented the Railway Budget for the year 1963-64 in the Lok Sabha on 19 February 1963. No increase in passenger fares is proposed but a small increase in goods and parcel freight rates is suggested in order to bring an additional revenue of Rs.190 million to the General Exchequer to augment defence efforts. The Budget estimated gross traffic receipts during 1963-64 at 5996.9 million rupees, which is about 500 million rupees more than the revised estimated for the current year. Net working expenses are estimated at 3791.8 million rupees, against the current year's revised estimate of 3632.8 million rupees, and the appropriation to the depreciation reserve fund from revenue at 800 million rupees against 670 million rupees. The net surplus is placed at 310 million rupees against 232.0 million rupees.

The whole of the surplus will be credited to the development fund but since 260 million rupees will be used out of it in the coming financial year, the net accretion to the fund will be only 50 million rupees. The capital expenditure has been stepped up to 3250 million rupees to expand the development programmes of the Railways. The table below shows the main features of the Budget as also the previous year's account:-

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(In Million Rupees)

	Actuals 1961-62	Budget 1962-63	Revised Estimate 1962-63	Budget 1963-64
Gross Traffic Receipts. ...	5005.0	5453.6	5496.2	5996.9
Working Expenses Net, that is, after taking credits or recoveries. ...	3255.1	3569.4	3632.8	3791.8
Net Miscellaneous Expenditure (including cost of works charged to Revenue). ...	102.4	163.5	149.1	164.0
Appropriation to Depreciation Reserve Fund from Revenue. ...	650.0	670.0	670.0	800.0*
TOTAL.	4007.5	4402.9	4451.9	4755.8
Net Railway Revenue. ...	997.5	1050.7	1044.3	1241.1
Payments to General Revenues:-				
(a) Dividend on Railway capital-at-charge (@ 4.25 per cent for 1961-62 and 1962-63 and at 4.50 per cent for 1963-64). ...	628.5	693.5	687.3	806.1*
(b) In lieu of Passenger Fare Tax. ...	125.0	125.0	125.0	125.0
NET SURPLUS. ...	2440.0	232.2	232.0	310.0

\* Includes additional provision of 100.0 million rupees for appropriation from Revenue to Depreciation Reserve Fund as also 40.5 million rupees in respect of Dividend on Railway capital-at-charge, according to the Budget proposals for 1963-64.

Railway Minister's Speech.— Presenting the Railway Budget for 1963-64, in the Lok Sabha, the Railway Minister reported an impressive record of transport performance during the current year covering substantial increases in goods traffic generally, and coal transport in particular. This was achieved in addition to handling of heavy emergency movements at short notice, without dislocating passenger traffic and at the same time maintaining the increased flow of civilian goods.

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Shri Swaran Singh said he proposed to increase the rate of dividend payable by the Railways to the General Revenues from 4.25 per cent. on the Railways' capital-at-charge, as recommended by the Railway Convention Committee, 1960, to 4.5 per cent. for 1963-64, and for each of the subsequent two years of the third Plan. This would mean an additional contribution of just over 40 million rupees in 1963-64 to the General Exchequer.

A further sum of 150 million rupees was also proposed to be raised to strengthen the Railway Depreciation Fund (100 million rupees) and the Railway Development Fund (50 million rupees). Besides serving the long-term interest of the Railways themselves, the increased balances in these funds will provide immediately additional resources for the general finance.

It is to find the aforesaid additional revenue of 190 million rupees that a small increase in the goods and parcels freight rates was proposed, the Minister said.

The Railway Minister explained that the additional levy will not impose any great burden. In respect of goods traffic, for instance, for a distance of 600 kms. which is about the average lead of general merchandise, the levy will amount to hardly one-eighth of a naya Paise per kilogramme on salt, a little less than one-fourth of a naya Paise per kilogramme on sugar, and about one-tenth of a naya Paise per kilogramme on foodgrains. For commodities charged at lower classification, the increase will be correspondingly less.

On parcel traffic, the additional levy, for the same distance of 600 kilometres, will work out to less than two naye paise per kilogramme; for commodities moving at less than full parcel rates, at less such as perishables, the increase will be less.

Modernisation drive.- Shri Swaran Singh pointed out that there was, however, still a good deal of leeway to be made up, in the period beyond the third Plan, in overdue renewal of rolling stock and other assets acquired several decades ago; also, progressive modernisation of railway equipment would require additional provision to cover obsolescence as was, in fact, envisaged in the White Paper on the Railway Budget for 1962-63.

According to the present provision, the fund will have a net accretion of barely 120 million rupees to the ~~already small balance of about 200 million rupees left in the Fund at the beginning of the third Plan, compared to a balance of more than 1000 million rupees at the beginning of the second Plan period.~~ at the end of the first three years of the third Plan, after allowing for the outgoings.

This, the Minister pointed out, would be too slight an addition to the already small balance of about 200 million rupees left in the Fund at the beginning of the third Plan, compared to a balance of more than 1000 million rupees at the beginning of the second Plan period.

After allowing for net miscellaneous expenditure and making payment to general revenues of the fixed amount of 125 million rupees for transfer to the States, in lieu of the passenger fare tax, as well as the increased amount of dividend at 4.5 per cent. on Railways' Capital-at-Charge, the budgeted surplus in 1963-64 was estimated at 310 million rupees.

The Railway Minister said that the third Plan envisaged the construction of about 1,200 miles of new lines required for operational reasons and for mineral development and opening up of new areas. Among the new lines opened to traffic during the current year were the Nalanda-Rajgir portion of the Bhakhatiarapur-Rajgir line in Bihar, the residual portion of the Buaridand-Karonji line and the branch line to the Central India coalfields, the Bondamunda-Nowagaon line on the South Eastern Railway, Murkong-Selek line, Dhalaibil-Lakhimpur portion of the Rangapara North-Kakhimpur on the North-East Frontier Railway and the Vijayawada-Masulipatam section converted from metre gauge to broad gauge on the Southern Railway. Robertsganj-Nagar Untari portion of the Robertsganj-Garhwa Road project, and Champa-Kobba extension over the Hasdeo river, are in advanced stages of completion and are to be opened in 1963-64. The construction of Singrauli-Obra (36 miles) and Singrauli-Katni (156 miles) lines for the development of coal industry have been taken up. The Railway Minister made special mention of the three railway lines under construction, primarily undertaken for the export of iron ore to Japan from Visakhapatnam Port but which would also assist in opening up new areas for development through rail communications.

These lines, he said, traverse a difficult terrain and the engineers on the project were doing a difficult task extremely well and have also been able to achieve substantial reductions in cost. A major portion of the first of these lines, 191 kms. long from Sambalpur to Titilagarh, has already been opened for goods traffic. The second from Bimalagarh to Kiriburu was expected to be opened for traffic by April this year.

Rolling Stock. Speaking about the rolling stock, the Railway Minister said that the manufacture of goods wagons were expected to go up from 19,000 in 1961-62 to 22,300 in the current year, with a further anticipated increase to 30,000 in 1963-64. Great strides had been made in the indigenous manufacture of mechanical as well as electrical signalling equipment. Capacity for the manufacture of a number of items, such as ticket printing and counting machines, motor trollies, rail-mounted cranes, shock absorbers, etc., had been developed. The indigenous capacity for some of the rolling stock components, which were scarce, like metre gauge couplers, roller bearing axle boxes, and drawbar hooks, was also being developed.

Regarding the amenities for railway users the Minister referred to the measures taken to improve the standard, particularly for the third class passengers. The facility of sleeping accommodation for third class passengers was being progressively increased to cover a larger number of trains. To relieve overcrowding 45 new trains had been introduced during the current year, involving about 6,200 additional train kilometres daily. The run of 52 trains had been extended, in suburban services, 108 new trains were introduced involving about 3,000 additional train kilometres per day.

Labour Relations.- ~~Joint Committee~~ Speaking about labour relations, the Minister said that relations with railwaymen had continued to be cordial. The Permanent Negotiating Machinery had continued to function well at all level. Joint Committees of officers and staff had continued to function satisfactorily at various levels on the Railways, for enlisting the co-operation of the staff in the achieving of efficiency and economy. The number of such committees increased from 350 in 1960-61 to more than 400 in 1961-62.

Staff Welfare and Training facilities.- The Railway Minister said that in pursuance of the general policy of Government for introducing a scheme of "workers' education", a start had been made in affording facilities to railwaymen, for education in the principles and techniques of trade union organisation, intelligent participation in Union affairs, and better performance of their duties.

The Railway Administration had been maintaining the necessary tempo of improvement in various measures for the welfare of staff. It was proposed to add about 12,000 residential quarters every year - more or less corresponding to what is being done from the commencement of the Second Plan - in order to improve housing facilities for staff. The Railways continue to maintain twelve subsidised hostels, in different language areas, to mitigate the difficulties of staff who had to send their children away from their headquarters for the purpose of education. Even though education was primarily the responsibility of State Governments, the Railways were assisting in the matter of education of children of railway employees located in places where non-Railway schools were not readily accessible. The Railways were themselves running 36 Higher Secondary and High Schools, 24 Middle Schools and 641 Primary Schools. The scheme of monetary educational assistance, as admissible to non-gazetted Railway employees who had to send their children away for the purpose of education, in the absence of requisite schooling facilities at their headquarters station, had been extended to temporary employees who had put in three years' service.

The Minister pointed out that the scheme of awarding 1,000 scholarships every year from the Staff Benefit Fund, to assist in the technical education of Railway employees' children, had now been in force for seven years. In 1961-62, the total number of scholarships, including those continuing from the previous years, was 2,637, entailing an expenditure of nearly 900,000 rupees. In view of the large expenditure involved on the scheme, the normal annual contribution of about 5 million rupees to the Staff Benefit Fund from railway revenues, which was being at the rate of Rs.4.50nP. per employee on the Railways was being augmented to the extent of half the annual expenditure on the scholarships.

In large regard to medical facilities for Railway employees and their families, the number of beds in Railway hospitals and health units was increased by 352 during 1961-62. At the commencement of the current year, there were 78 Railway hospitals and 516 health units, with a total of 6,296 beds including 449 tuberculosis beds, in addition to 1,214 tuberculosis beds reserved in outside Sanatoria on railway account. The medical attendance and treatment rules have been liberalised in several details, and medical equipment and treatment have also been enlarged in the larger railway hospitals.

Speaking about cooperative organisations, Shri Swaran Singh said the development of Employees' Cooperative Societies and Stores has been accepted by the Government as one of the measures for stabilising prices. On the Railways and in a few other Central Government departments, cooperative societies have already been functioning for several years. He stated that an inter-departmental Study Group was examining what measures were necessary in these departments, to facilitate further development of the Co-operative Organisations. The total working capital of 26 Cooperative Credit Societies functioning on the Railways, amounted to nearly 320 million rupees at the end of the year 1961-62. The total membership of these Societies was nearly 669,000. There were, in addition, 174 Railwaymen's Consumer Cooperative Societies - against 167 such societies in the previous year - whose turn-over in 1961-62 was 17.1 million rupees. In the current year, four more Consumer Cooperative Societies have been opened on different railways.

The Railway Minister said that the Railways have been alive to the increasing need for expanding and improving the training facilities for all levels of railway staff, keeping in view the large increase in workload in the Third Plan period and the need for regular courses of initial training as well as intensive refresher courses, particularly for staff concerned with train operation and safety. Most of the recommendations of the Railway Technical Training Schools Committee, 1961, had been accepted, and orders for their implementation had issued. Advantage has also been taken, of the offers of the training facilities extended, under the various technical aid plans and programmes by foreign Governments and Agencies. Under these, gazetted and non-gazetted staff had been deputed abroad in connection with training in the design and working of diesel locomotives and electric locomotives, steel foundry, productivity methods, and specialised post-graduate medical courses.

(The Statesman, 20 February 1963;  
 Text of Speech of Sardar Swarn Singh  
 introducing the Railway Budget for 1963-64  
 on 19 February 1963, received in this Office )

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Super Profits Tax Bill, 1963.

Shri Morarji Desai, Union Finance Minister, Government of India, introduced in the Lok Sabha on 28 February 1963 a Bill to impose a special tax on certain companies. According to the Statement of Objects and Reasons of the Bill, the object of the Bill is to impose a special tax on certain companies on their income and profits as reduced by the income-tax and super-tax chargeable thereon, in so far as such reduced amount exceeds six per cent. of their capital.

The Super-Profits Tax Bill, will operate when the income of a company, after deducting the income tax and super-tax payable by it, exceeds 6 per cent. of its capital and reserves except for such amount of reserves which have been allowed as deduction in computing the total income for income tax.

The rate of tax will be 50 per cent. when that income is above 6 per cent. ~~of the capital and 60 per cent.~~ but not above 10 per cent. of the capital and 60 per cent. on incomes above 10 per cent.

The new tax which, is intended to act as "a disincentive to excessive profits and to help keep down the prices", is expected to yield a revenue of about 250 million rupees in 1963-64.

The Bill seeks to impose a new tax on all companies other than companies having no share capital. This tax will be administered by the Income Tax Department but its proceeding relating to assessment, collection and revision and appeals will be separate from that of income tax.

The 25-clause Bill imposes a liability on the principal officer of every company, or in the case of a non-resident company, its agent to furnish a return of the chargeable profits of the company by September 30 of the relevant assessment year.

It also empowers the incometax officer to issue a notice requiring the ~~filing of a~~ filing of a return of the chargeable profits within 30 days from the date of service of notice.

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Penalties.- After laying down the procedure for assessment, it provides for the imposition of penalties for the assessee's failure without reasonable cause to furnish a return of the chargeable profits or to produce the accounts, documents or evidence required by the income tax officer and for any concealment or deliberate furnishing of inaccurate particulars of his chargeable profits.

The Bill also provides for appeals to the appellate assistant commissioner, the appellate tribunal and the revision of orders by the commissioner.

Clause 23 seeks to enable the Central Government to make an exemption, reduction in rate or other modifications in respect of super-profits tax in favour of any class of assessee or in regard to the whole or any part of the chargeable profits of any class of assessee.

This is intended to remove any difficulty or to avoid any hardship that may arise as a result of application of super-profits tax to the Union Territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry.

Clause 24 enables the Central Board of Revenue to make rules for carrying out the purposes of the Bill.

(The Gazette of India, Extraordinary, Part II,  
Sec. 2, 28 February, 1963, pp. 178-196;  
The Hindustan Times, 1 March 1963).

Compulsory Deposit Scheme Bill, 1963.

Shri Morarji Desai, Union Finance Minister, Government of India, introduced in the Lok Sabha on 28 February 1963 a Bill to provide in the interest of national economic development for compulsory deposit and for the framing of a scheme in relation thereto. According to the Statement of Objects and Reasons of the Bill, the object of the Bill is to augment the resources of the nation for national development. With this object in view the Bill requires certain categories of persons to deposit a portion of their income in accordance with schemes to be framed for the purpose. Subject to the maximum rates of deposit specified in the Bill itself, the schemes will lay down the actual rates at which the deposits shall be made. The schemes will also make detailed provisions in relation to the deposits. The deposits will bear interest at the rate of four per cent. per annum and will be repayable at the end of five years.

The Bill requires different categories of persons to deposit a portion of their income in accordance with schemes to be framed for the purpose from a date to be notified by the Central Government.

The scheme will lay down the actual rates at which the deposits shall be made. The deposits will bear interest at the rate of 4 per cent. per annum and will be repayable at the end of five years.

The Bill provides for the maximum rate which will not be exceeded by the rates of compulsory deposit to be applied to different categories of persons.

These maxima are 50 per cent. of the basic land revenue on 1959-60 assessment for agriculturists, 3 per cent of the annual rental value of property for property owners in urban areas, 3 per cent of salary for employees of Central or States Governments, local authorities, corporations and companies who earn more than 1,500 rupees per annum but are not liable to income-tax.

In the case of professional classes like shopkeepers whose annual turnover is 15,000 rupees or more and who are not liable to pay income-tax, the maximum rate of deposit fixed is one-third of one per cent of his turnover during the year immediately preceding the year in which the deposit is required to be made.

For persons other than shopkeepers liable to pay taxes on professions, trades, etc., the maximum rate will be an amount equal to the amount of those taxes.

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In the case of income-tax payers whose residual income after payment of tax does not exceed 5,000 rupees, the rate will be an amount equal to 3 per cent. thereof.

In the case of others having a higher amount of residual income, an amount equal to 2 per cent thereof will, on being deposited under the compulsory savings scheme, be deducted from the new additional surcharge in the income payable by them.

The Bill further provides that where any person falls under any two or more categories (other than the category of persons liable to payment of tax under the Income-tax Act) he shall make a compulsory deposit at the rate applicable to each of those categories.

Deposits made under this enactment will be repayable with interest thereon at any time after the expiry of five years from the end of the year in which the deposit has been made.

Repayment may be made earlier in the event of the death of the depositor.

Detailed schemes in relation to deposits under this Bill will be framed by the Central Government. The Bill also makes provision for penalty for failure to make deposits, recovery of arrears of deposit and the laying of the scheme before Parliament.

(The Gazette of India, Extraordinary,  
Part II, Sec. 2, 28 February 1963, pp. 197-206;  
The Hindustan Times, 1 March 1963 )

Central Budget for 1963-64 presented;  
Levy on Tea, Coffee, Kerosene Oil ,  
Soaps and Luxury Goods increased ;  
Super Profits Tax on Corporate Bodies  
and Compulsory Savings Scheme introduced;  
Fresh Taxes to Yield Rs. 2,755 Million.

Shri Morarji Desai, Union Minister for Finance, presented to the Parliament on 28 February 1963, the Central Budget for 1963-64. Placing the budget in the Lok Sabha, the Union Finance Minister estimated the revenue for the next financial year at 15,857.3 million rupees and expenditure at 18,524.0 million rupees which would mean a revenue deficit of 2,666.7 million rupees. The Defence Minister outlay in the next financial year would be 8,670 million rupees as against the revised estimates for the current year of 5,050 million rupees (as against the Budget allocation of 3,760 million rupees) and the Plan outlay 12,260 million rupees. Shri Desai proposed a large scale taxation effort estimated to yield 2,755 million rupees.

A summary of the final estimates is given below:-

Heads of Revenue.	(In Million Rupees)		
	Budget 1962-63	Revised 1962-63	Budget 1963-64
Customs.	2078.2	2316.5	2212.0 + 873.9
Union Excise Duties.	5220.2	5536.9	5839.6 + 1066.1
Corporation Tax	1784.5	1875.0	1960.9 + 310.0
Taxes on Income.	686.5	772.3	810.5 + 390.0
Estate Duty.	1.2	1.2	1.2
Taxes on Wealth.	90.0	90.0	90.0 + 4.0
Expenditure Tax.	1.0	2.0	1.0
Gift Tax.	8.5	9.5	9.5
Other Heads.	158.3	177.5	183.7 + 15.0
Debt Services.	1675.1	1764.9	2170.5
Administrative services.	61.1	67.5	67.6
Social and Development Services.	352.9	436.7	316.1
Multipurpose river schemes, etc.	3.6	3.9	4.5
Public Works, etc.	40.2	41.1	48.8
Transport and communications.	63.0	66.7	74.6
Currency and Mint.	695.3	705.6	736.6
Miscellaneous.	245.6	256.2	249.3
Contributions and miscellaneous adjustments.	244.1	252.0	276.6
Extraordinary items.	400.0	630.0	810.0
Total Revenue.	13809.3	15002.5	15857.3 + 2659.0
<b>HEADS of Expenditure.</b>			
Collection of Taxes, Duties and other Principal Revenues.	225.8	230.7	238.3
Debt Services.	2479.0	2460.3	2802.4
Administrative Services.	703.1	763.9	882.8
Social and Developmental Services.	1632.4	1572.6	1554.0
Multipurpose River-Schemes, etc.	15.7	7.8	19.6
Public Works, etc.	218.8	237.1	209.4
Transport and Communications.	87.5	87.5	97.9
Currency and Mint.	202.3	229.6	172.4
Miscellaneous:			
Pensions.	104.7	106.4	106.8
Expenditure on Displaced Persons.	96.0	96.0	84.1
Other Expenditure.	893.8	882.0	918.9
Contributions and Miscellaneous Adjustments:			
Grants to States.	2135.4	2102.4	2175.5
States Share of Union Excise Duties.	1143.6	1249.1	1280.7
Other Expenditure.	30.7	33.5	34.2
Extraordinary Items.	414.0	646.1	861.9
Defence Service (net).	3433.7	4518.1	7085.1
Total Expenditure.	13816.5	15223.1	18524.0
Deficit (-0)	(-)07.2	(-) 220.6	(-) 2666.7
Surplus (PI)			PI. 2659.0
(PI) stands for "Plus".			

New Taxation proposals.- The Union Finance Minister proposed in the budget surcharges on customs duty increase in excise duty on motor spirit, increase in the import duty on a number of articles including mineral oils, machinery, iron and steel products, raw cotton, rubber, palm oil, cinema films, tobacco, hardware, electrical and the other instruments and motor vehicle parts.

A general surcharge of 10 per cent. is to be levied on all import duties. This surcharge will be calculated without taking into account the countervailing duties. Since an increasing number of excise duties are on an ad valorem basis, it is proposed that the corresponding countervailing duty should be calculated on the landed cost inclusive of basic import duties and not on the ex-fab c.i.f. price of the product.

Additional revenue: 267.9 million rupees. It is proposed to abolish the export duty on tea but to discontinue the refund of excise duty on it. The objective is to discourage imports and encourage exports. This will mean a loss of Customs revenue of 53.8 million rupees.

The total effect of all the changes in Customs will be an increase in revenue of 873.9 million rupees.

Motor Spirit.- Excise duty on motor spirit will be increased from Rs. 325.10 to Rs. 410, on refined diesel oil from Rs. 205.25 to Rs. 390, on superior kerosene from the existing basic rate of Rs. 79.88 to Rs. 210 and on inferior kerosene from Rs. 64.20 to Rs. 160, all per kilo litre.

There will be a corresponding increase in the duty on vaporising oil from Rs. 283.95 to Rs. 370 per kilo litre and on diesel oil (not otherwise specified) from Rs. 117.70 to Rs. 195 per tonne.

Additional revenue: Rs 484.0 million rupees.

It is proposed to remove the excise duty on unprocessed vegetable non-essential oil including ordinary edible oils. This will mean a loss of 102.5 million rupees per annum.

The rates of duty on vegetable product, paints and varnishes and soap will be increased so that the duty so far paid on the oil content of these articles will be approximately covered by the increase in the rates of duty on them.

Cigarettes.- Duty on cigarettes will be increased on a graded scale by amounts varying from 70 naye paise per thousand on the cheapest to Rs.8.70 per thousand on the costly varieties. Rate of duty on unmanufactured tobacco other than flue cured and not used for the manufacture of cigarettes, biris etc., will be increased by 40 naye paise per kilogram.

Duty will also be increased on copper by Rs.200 per tonne.

Duty on strawboard is to be increased where the production is more than 1500 tonnes per annum.

The structure of duty on re-rollers of steel is to be revised without any effect on revenue.

A duty of Rs.30 per tonne will be levied on blooms, billets, slabs, steel bars, tin bars and hoe bars in addition to the duty at ingot stage. But further duty will not be charged on bars, rods, wires, forgings, structurals and other products if they are made from semi-finished steel which has paid the duty of Rs.30 per tonne.

The duty on plates, sheets, hoops strips and skelp will be reduced by Rs.30 per tonne.

This will yield an additional excise duty of 602.8 million rupees out of which 96.0 million rupees will go to the States as their share.

Selective surcharges.- No new excise duties are to be levied. It is proposed to levy selective surcharges on the Central Excise Duty on several articles with a view to raising revenue exclusively for the Centre which has to carry the burden of Defence. These are:

Ten per cent surcharge on synthetic dyes, printing and writing paper, jute manufactures, glass other than plate and sheet glass, chinaware and porcelainware, tin-plate, internal combustion engines, electric storage batteries, electric bulbs, motor spirit and diesel oils.

Tea, Coffee.- Twenty per cent surcharge on tea, coffee, unmanufactured tobacco, cigarettes, vegetable products, paints and varnishes, soaps, cosmetics, plastics, cellophane, tyres, tubber products, paper other than printing and writing paper, cotton yarn of less than 35 counts, woollen fabrics, art silk fabrics, cement, plate and sheet glass, electric motors, dry electric batteries, electric fans, motor vehicles other than motor cars, films and aluminium.

A 33-1/3 per cent surcharge on cigars, rayon and woollen yarn, cotton yarn of 35 counts and more, silk fabrics, refrigerators and airconditioning machinery and their parts, wireless receiving sets, radiograms and motor cars.

All the surcharges will yield 559.3 million rupees.

The net additional revenue through Central Excise as a result of the changes in the rates and surcharges will be 1066.1 million rupees.

Direct Taxes.- Levy of an additional surcharge rising progressively from 4 per cent. to 10 per cent. on the income after tax, of individuals, Hindu undivided families, unregistered firms and associations of persons.

A part of this additional liability can be discharged through a compulsory deposit. Collections under the Scheme might amount to between ~~655~~ million rupees and 700 million rupees. <sup>655</sup>

A surcharge of 20 per cent. on the Income-tax payable by registered firms. Additional yield from these measures is expected to be 450 million rupees.

Super profits tax.- A Super Profits Tax is to be imposed. This tax will operate when the income of a company, after deducting the income tax and Super tax payable by it exceeds 6 per cent. of its capital and reserves except for such amounts of reserves which have been allowed as deduction in computing the total income for income-tax. The rate of the tax will be 50 per cent. when that income is above 6 per cent. but not above 10 per cent. ~~on income~~ of the capital and 60 per cent. on income above 10 per cent. This tax is expected to act as a disincentive to excessive profits, and will help keep down prices.

Compulsory savings.- A comprehensive scheme of compulsory saving is to be introduced. There will be provision for compulsory saving on the part of different sections of the people on appropriate scales subject to certain maximums. Deposits under this scheme cannot be withdrawn for 5 years and will carry simple interest at 4 per cent per annum.

The additional resources from all the direct levies proposed including compulsory savings would be 1104 million rupees. 400 million rupees will come by way of compulsory savings, 330 million rupees by way of Union surcharge on Income-tax, 250 million rupees by way of Super Profits-tax and 124 million rupees by way of measures of rationalisation and reduction or elimination of exemptions.

Postal Rates.- The existing rate of 5 naye paise for a single post card and 10 naye paise for reply post card is to be increased to 6 naye paise and 12 naye paise respectively. Local post cards will be abolished. Rates have also been increased for book, pattern and sample packets, parcels, registration fee, acknowledgement fee, certificate of posting, insurance, business reply permits, and post box rentals. Additional revenue expected will be about 31.5 million rupees.

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Finance Minister's speech.- Reviewing the economic situation during the previous year, Shri Morarji Desai said industrial production as a whole had continued to grow and during the first half of the year, it was 7.2 per cent. higher than in the corresponding part of 1961-62. Agricultural supplies during the year were not uniformly satisfactory. As the 1961-62 crop was no higher than the crop in the preceding year, prices, particularly of food-grains, increased between March and August 1962, and there was an increase of 6.1 per cent. in the general index of wholesale prices during this period. Speaking about rising prices the Finance Minister stated that a number of measures had been taken to keep prices in check. Monetary policy was geared to an orderly increase in the cost of credit as well as to a restraint on speculative tendencies.

With a view to stimulating agricultural production and to give the agriculturist the confidence that if he stepped up production he would not lose by a fall in prices, minimum prices for wheat and procurement prices for rice were announced, the ceiling price for cotton was further raised and measures to sustain jute prices at remunerative levels had been strengthened. He expressed satisfaction that the general index of wholesale prices for the month of January, 1963, averaged 126 as against 127.5 at the beginning of the third Five-Year Plan. Food grains output during the current season was expected to be better than the previous year one.

Need to step up production.- The Finance Minister emphasised the need to increase production and accelerate the pace of development. The growing claims of defence and development could not be met except on the basis of an expanding volume of production. By far the greater part of responsibility for increasing production rested with the private sector. He said that every possible effort will have to be made to ensure that the productive potential of agriculture and industry, both big and small was harnessed to the fullest extent to the task in hand. The public sector he said also must make its contribution, more particularly by a speedy and efficient execution of all projects and programmes already in hand, so that the fruits of investment could be available with the shortest possible delay. Pointing out to seriousness of the foreign exchange position, Shri Morarji Desai said that the foreign assets of the Reserve Bank, which were already drawn upon heavily during the earlier years, declined further from 1297 million rupees at the end of March 1962 to 970 million rupees by the end of June. On 15 February 1963, the foreign assets of the Reserve Bank stood at 1050 million rupees. But a level of reserves only a little above the legal minimum at the height of the favourable export season could not be contemplated with equanimity.

Capital Outlay.- Turning to the Capital Budget, Shri Morarji Desai said that excluding the adjustment for the transfer of assistance from the United States to the Special Development Fund, which was notionally treated as capital expenditure, the current year's budget provided 5920 million rupees for capital outlay. The corresponding figure now estimated was 5930 million rupees. In addition to direct capital outlay he said, the original estimates provided 4530 million rupees for loans to States and 1360 million rupees for loans to other parties including local bodies, Port Trusts and public sector enterprises. These were now estimated to go up to 5230 million rupees and 1470 million rupees respectively.

The bulk of the excess of 700 million rupees under loans to States was attributable to the grant of ad hoc loans to seven State Governments to clear their over-drafts with the Reserve Bank. Despite the grant of substantial assistance from the Centre for financing their Plan and non-Plan outlays and the larger share of Central taxes and grants accruing to them as a result of the Third Finance Commission's award, some of the States had overdrawn their account with the Reserve Bank. The borrowing programme showed a shortfall of 200 million rupees in Small Savings which will be more than made up by the sale of National Defence Bonds introduced after the emergency. The receipts from P.L.480 deposits and foreign loans will be lower than expected by 300 million rupees and 780 million rupees respectively.

The revenue deficit will go up by 210 million rupees and loans to States and other parties will be more by 810 million rupees. The deterioration of 2100 million rupees will be offset to the extent of 600 million rupees by improvement under several heads, of which 470 million rupees was attributable to the receipts on account of the National Defence Fund and 90 million rupees to the Emergency Risk Insurance. Shri Morarji Desai said net effect of all these variations would be to increase the overall deficit from the original estimate of 900 million rupees to 2400 million rupees. It was not unlikely that the actual budgetary deficit for the current year would be somewhat smaller.

Shri Morarji said that he proposed to provide 12260 million rupees for Plan outlay, of the Centre, including assistance to the States, as against 11070 million rupees provided in the Budget for the current year.

Provision has been included in the Budget next year for a total expenditure of 12260 million rupees for implementing the Plan, of which 1960 million rupees will be on Revenue account and the balance of 10300 million rupees as Capital outlay including Loans.

Summarising the budgetary position, Shri Horarji stated that at the existing level of taxation and expenditure, there would be a revenue deficit of 2570 million rupees. Capital outlay will amount to 8270 million rupees, loans to States and other parties, 7150 million rupees, and debt repayments, 2310 million rupees. The total disbursement of 20410 million rupees is expected to be met to the extent of 9870 million rupees from internal and external borrowings, 2480 million rupees from repayment of loans, 900 million rupees from investment of PL-480 Funds and 2320 million rupees from Miscellaneous Debt and Deposit heads, leaving an over-all budgetary gap of 4540 million rupees. A portion of the deficit is proposed to be met by a total effort of 3059.0 million rupees of which Customs Duties account for 873.9 million rupees, direct levies, including compulsory saving, on individuals and companies for 1104.0 million rupees and Excise Duties and inter-State Sales-Tax for the balance of 1081.1 million rupees.

Speaking about his super profits tax proposal, the Finance Minister pointed out that in the system of corporate taxation, there was no co-relation *but was between* the rate of tax and the percentage of profits. This shortcoming needs to be remedied especially at the present juncture when the corporate sector like the rest of the community must bear its share of the increased national responsibility. Instead of revising the present system, he proposed to super-impose on it a super profit-tax.

That tax will operate when the income of a company after deducting the income-tax and super-tax payable by it exceeds 6 per cent. of its capital and reserves except for such amounts of reserves which have been allowed as deduction in computing the total income for income-tax. The rate of tax will be 50 per cent. when that income is above 6 per cent. but not above 10 per cent. of the capital and 60 per cent. on income above 10 per cent.

About his scheme of compulsory savings, Shri Desai expressed the view that like taxation, compulsory saving will restrain demand in the immediate future; whereas unlike taxation, it would provide an earning asset to the people and generally help in inculcating the saving habit in the country. He said that he proposed to introduce a Bill, which will enable Government to provide for compulsory saving on the part of different sections of the people on appropriate scales, subject to certain maxima provided for in the Bill.

These maxima are; 50 per cent. of the basic land revenue on 1959-60 assessment for agriculturists; 3 per cent. of the annual rental value of property for property-owners in urban areas; 3 per cent. of salary for employees who earn more than 1500 rupees per annum but are not liable to income-tax; and other comparable rates for professional and other classes.

In the case of income-tax payers whose residual income after payment of tax does not exceed 6000 rupees an amount equal to 3 per cent. thereof and in the case of others having a higher amount of residual income, an amount equal to 2 per cent. thereof will, on being deposited under the compulsory savings scheme, be deducted from the new additional surcharge payable by them.

The Finance Minister explained how the most stringent measures on imports had already been imposed and that a stage had been reached when further restrictions were likely to have a serious detrimental effect both on production and exports. He therefore urged upon the need to strain every nerve to increase the export earnings and to keep the requirements of civilian consumption within the strictest limits of austerity.

Shri Morarji said that earlier within the year, it was his hope and expectation that having raised taxation in the first two years of the Plan to meet nearly 80 per cent. of the target for the Third Five-Year Plan, it would be possible to provide for all essential requirements this year without any significant additional taxation. But the new threat on India's borders had made it necessary for him to place proposals for a much higher order of taxation. He was conscious of the fact that the scale of the taxation proposed was going to impose an unprecedented burden but "the enormity of the challenge which confronts us demands nothing less than a measure of sacrifice from every citizen. It is all the more imperative, therefore, that considerations of equity and social justice, which we have accepted as an integral part of our way of life, should receive even more earnest attention now than ever before."

(The Hindustan Times, 1 March 1963;  
The Hindu, 1 March 1963 )

34. Economic Planning, Control and Development.

India - February 1963.

Price Intelligence Service to be set up to watch  
Prices.

The Planning Commission has decided to set up a non official Price Intelligence Service with the object of collecting information direct from consumers regarding actual prices paid by them for essential commodities entering into general consumption, especially of the middle and lower classes and people with fixed incomes. Twelve reporting centres will be setup for the Delhi pilot project. The voluntary organisations associated with this project will be the Y.M.C.A. and the Indian Co-operative Union and the Bharat Sevak Samaj.

The service will be so organised as to supplement and strengthen the efforts of official agencies engaged in similar work and after a suitable procedure is evolved and the system is perfected, it will be extended to other cities and towns.

(The Hindustan Times, 12 February 1963).

Lok Sabha Debates Price Situation: Concerted Measures  
to be taken if necessary.

A debate on rising prices and the measures to keep them in check took place in the Lok Sabha on 19 February 1963. Addressing the Lok Sabha, Shri G.L. Nanda, Union Minister for Planning said that the recent halt in last year's rising trend in prices had by no means lulled the Government into complacency. In fact, he added, there was "lurking anxiety" about the future because in the next few months the prices structure which had already showed signs of "hardening" would begin to feel the impact of increased expenditure on defence and development and fresh restrictions on imports. Should the gap between the supply and demand become wide, the Planning Minister said, the Government would take "concerted measures" to keep prices within check. Controls, he indicated, would become unavoidable, and even rationing would not be ruled out. But he added that the controls would have to be "selective" - because of difficulty in administering them - and rationing would be a measure of the last resort. He felt, however, the now familiar measures such as price support to the farmer, co-operative marketing for the consumer, and credit curbs and other administrative action against the hoarder would suffice to maintain prices at a reasonable level.

Replying to a criticism that despite price support the farmer was not getting a fair deal, Planning Minister stated that price support measures had not always been speedy or sufficient, and that it would take some more time before the gap between what the Government should do and what it did at present would be filled.

(The Statesman, 20 February, 1963).

National Income Estimated at Rs.130,200 Million:  
Fall in rate of increase during 1961-62.

The Central Statistical Organisation has estimated that national income of India in 1961-62 stood at 130,200 million rupees against 127,500 million rupees in the previous year. In 1955-56, the national income was 104,800 million rupees. At current prices, the national income in 1961-62 will be 146,300 million rupees compared to 141,600 million rupees in 1960-61 and 99,800 million rupees in 1955-56.

According to the estimates of the Central Statistical Organisation the rate of increase in the national income (at 1948-49 prices) has shown a steep fall from the annual average of four per cent. in the first two Plan periods to 2.1 percent. in 1961-62.

The per capita income at current prices is estimated at Rs. 329.7 in 1961-62 and Rs. 326.2 in 1960-61, against Rs. 255.0 in 1955-56. At 1948-49 prices, however, the per capita income has been placed at Rs. 293.4 in 1961-62 against Rs. 293.8 in the previous year and Rs. 267.8 in 1955-56. The larger increase at current prices than at constant prices is accounted for by the rise in prices.

Fall in Farm output.- Unlike 1960-61, which recorded an all-round improvement over the previous year both in agricultural and non-agricultural output, the year 1961-62 registered a modest increase of 2.1 per cent. or 2,700 million rupees in the total national income. This was due to a fall of 0.6 per cent. in agricultural output in 1961-62. The contribution to national income from agriculture in 1961-62 was 300 million rupees less than that in the previous year. This fall was, however, more than offset by a total rise of 3,000 million rupees in the contribution made by all other section sectors taken together.

(The Times of India, 26 February 1963).

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35. Productivity.

India - February 1963.

Eighth ATIRA Management Conference, 1 February 1963;  
Problems of Management and Technical Personnel  
discussed.

The 8th Management Conference organised by the Ahmedabad Textile Research Association was held at Ahmedabad on 1 February 1963. The Conference was inaugurated by Shri C. Subramaniam, Union Minister for Steel and Heavy Industries and presided over by Shri Kasturbhai Lalbhai, Chairman of ATIRA. A large number of delegates from all over the country including some of the leading industrialists participated in the conference.

Inaugural Address.- Inaugurating the Conference Shri C. Subramaniam, Union Minister for Steel and Heavy Industries, said that the Government had now become aware of the management problem which was as important as the problem of having an adequate number of trained technicians to man projects based on most modern machinery and techniques.

The Minister said it had been found that the dearth of trained personnel, both in the field of technology and management, was the biggest bottleneck in our country today. The Government did mistakes, but it need not be ashamed of the mistakes, because in any human endeavour mistakes were bound to be committed in any human endeavour. We have learnt from experience and we have to avoid a repetition of such mistakes.

He said steps were now being taken to meet the requirements of technical and managerial personnel. The establishment of two big management institutes were steps in that direction. He hoped that in a couple of years the country would have a reservoir of trained personnel to man the growing industrial sector. The Union Minister referred to administrative delays which caused frustration among entrepreneurs and said that regulations were necessary in a planned economy. But these regulations should be such as would contribute towards quicker progress. The regulations should be adapted to the growing needs of industrialisation.

Shri Subramaniam indicated the possibility of making some regulations providing for comparative salaries to managerial cadre in private and public sector industries. The regulations, he said, were essential to solve the problem of dearth of managerial cadre in important public sector industries. He expressed that it was not possible to give unduly high salaries to managerial cadre employed in public sector industries in view of various complicated factors ~~to face and involved.~~

Presidential speech.— Shri Kasturbhai Lalbhai, in his address to the Conference, emphasised the need for keeping pace with modern changes in technology and management. He said that in the matter of modernisation the textile industry in Ahmedabad was quite progressive. This had been possible only because, even when the industry was making good profits it did not distribute the surplus in dividends but prudently thought of laying aside reserves required for renovation. ~~The~~ ~~see~~ Shri Kasturbhai said that the concepts of management have greatly changed. In the past the skill and judgement of an individual decided the success or failure of industrial units. Today it was impossible for the managements to function without technical and managerial personnel. He felt that the management must have the ability to integrate the view points of different people within the organisation in a proper relationship to the country and the industry.

Shri Kasturbhai said modern management should not only be dynamic but also be able to provide human satisfaction in work, output and relations. While providing this, the organisation as a whole should not neglect its own needs. It must meet its obligations in the field of competition. Its success should be judged by its capacity to operate profitably and discharge its responsibilities to the stockholders and the employees. Providing for optimum environment to the personnel would not be sufficient because the management must also continuously assess the growth potentials and capacity of its managerial personnel.

(The Economic Times, 2 February 1963)

35. Wages.

India - February 1963.

Interim Wage Increase for Coal Mines:  
Government accepts Recommendations of  
Central Wage Board.

A Resolution dated 16 February 1963 of the Ministry of Labour and Employment, Government of India, says that the Central Wage Board for the coal mining industry, set up by the Government of India by their Resolution No. WB-16(1)/62, dated 10 August 1962, has considered the question of interim wage increase for workmen, as required by Para 3(c) of the resolution, and has made recommendations as shown in the Schedule attached.

The Government of India has decided to accept these recommendations of the Wage Board and to request the concerned employers to implement the same as early as possible.

SCHEDULE.

Recommendations of the Central Wage Board for the Coal Mining Industry: (i) An interim wage increase, over the existing wages, of 37 nP. per day's attendance to the daily rated (time-rated and piece-rated) workmen (including miners', sirdars and other working sirdars) and of Rs. 9.75 nP. per month to the monthly paid workmen in the collieries and in their following ancillary undertakings, departments, offices and establishments.

- (a) By product coke plants.
- (b) Bechive and country ovens/Bhattas.
- (c) The manufacture of soft coke.
- (d) Captive power stations, i.e. those run by collieries themselves for their own use.
- (e) Central or Regional Workshops belonging to collieries or groups of collieries i.e. those owned by coal companies.
- (f) Washeries belonging to individual coal companies.
- (g) Stowing, i.e. sand-gathering plants situated at sources of sand supply.

- (h) Central and other ropeways, tramways and private railways belonging to coal companies.
- (i) Central stores which are owned by coal companies.
- (j) Watch and Ward and/or Security Departments.
- (k) Zemindary offices.
- (l) Central hospitals and medical establishments belonging to coal companies.
- (m) The offices and establishments of Chief Mining Engineers, Colliery Superintendents and other officers situated in the coalfields.
- (n) Canteens.
- (o) Educational institutions, including teachers directly employed or paid by the colliery managements.
- (p) C.R.O. Establishments.

This interim wage increase shall also apply to all workers and staff engaged through or by contractors in all processes directly connected with the raising and despatch of coal and manufacture and despatch of coke.

(ii) This interim wage increase shall be granted with effect from 1 March 1963.

(iii) Those monthly rated workers of the National Coal Development Corporation who have opted for the Central Pay Commission scales of pay will not be entitled to the benefit of this interim wage increase.

(iv) The recommended interim wage increase will also count for the purposes of the following benefits only:-

- (a) Contributions to provident fund.
- (b) Workmen's Compensation or Insurance.
- (c) Overtime.
- (d) Leave with pay.
- (e) Paid festival holidays.
- (f) Maternity leave and sick khoraki/leave.
- (g) Layoff and retrenchment compensation payments.
- (h) Gratuity, pension and other retirement benefits, wherever they exist, and which may be paid on or after 1 March 1963.

(v) The interim wage increase will not count for calculation of dearness allowance or bonus under the Coal Mines Bonus Scheme.

(vi) The interim wage increase shall be without prejudice to any subsequent increases in the quantum of dearness allowance to which the workmen may become entitled under the scheme of variable dearness allowance awarded by the Decision dated 29 January 1957 of the Labour Appellate Tribunal of India, which scheme is in force at present.

(vii) These recommendations are only interim and made without prejudice to the final recommendations to be made by the Board. The Board, therefore, further recommends that the amounts paid to the workman under this interim wage increase will be specified separately till the final recommendations are made, by the Board, after which such final recommendations shall prevail.

(The Gazette of India, Part I, Sec.1,  
2 March 1963, page 134 )

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38. Housing.

India - February 1963.

Housing Ministers' Conference held at Bombay,  
4-5 February 1963; Rs. 140 Million allocated  
on Housing in 1963-64 as against Rs. 200 Million  
in 1962-63.

A two-day Conference of State Housing Ministers was held at Bombay on 4 February 1963. The Conference was inaugurated by Shri M.S. Kannamwar, Chief Minister of Maharashtra and presided over by Shri Mehr Chand Khanna, the Union Minister for Works, Housing and Rehabilitation.

Presidential Address.— Addressing the Conference, Shri Mehr Chand Khanna, Union Minister for Works, Housing and Rehabilitation said that the Central allocation for housing projects in 1963-64 would be about a third less than this year. It would not be more than 140 Million rupees, against 200 million rupees allocated this year. The Union Minister, however, hoped that the Life Insurance Corporation would make the same allocation as in the current year, that is, 100 million rupees. The total available resources would still fall short of the needs, he said.

Cautioning the State Governments against diversion of Central assistance for housing to other development projects, Shri Khanna made two suggestions: (i) Instead of the State Governments undertaking constructions under the subsidised industrial housing scheme involving 100 per cent. outlay, employers should be encouraged to build houses for their workers by availing of the 75 per cent. assistance from the Government or in the alternative to come forward with the contribution of the specific 25 per cent. to the Government for the specific purpose of housing their workers. (ii) The funds already spent on housing under the various schemes should be recovered as early as possible from the allottees and be ploughed back for the construction of more houses under those schemes. This suggestion Shri Khanna noted, could be effected on a fairly large scale, if the allottees of houses on hire-purchase or rental basis were encouraged to purchase the houses by paying the outstanding amount, either in one lump sum or by accelerated instalments. Purchase of houses by the allottees in this manner was already permissible under the low and middle income group housing schemes and the subsidised industrial housing scheme. It might also be considered whether this facility to purchase houses on suitable terms could be extended to the

allottees of houses under the slum clearance scheme as well, he pointed out.

Shri Khanna thought that if these suggestions were implemented, they could keep up the tempo of housing programmes in spite of the emergency.

Inaugural Speech.- Inaugurating the Conference, Shri M.S. Kannamwar, Maharashtra Chief Minister, said that at present 8 per cent. of the 4.1 million population in Bombay city were residing in Housing Board tenements. With the exception of approximately 436 tenements for the middle income group, all others cater for industrial workers, hutment dwellers and others of the low income group, he stated.

Referring in detail to the various aspects of the housing problem in the country, Shri Kannamwar dwelt on the housing scheme for productive industrial workers. Although the scheme had been in operation for a number of years, the industrial labour housing problem had not been solved to the required extent. In fact in some highly industrialised areas, the problem had even deteriorated, he said. The present approach, Shri Nannamwar said, might have to be reorientated or new ways devised immediately to assure industrial workers the minimum standards in living conditions within a reasonable period, in the interest of their health, efficiency and productive capacity.

The Chief Minister emphasised that the question of keeping the rent of industrial workers' tenements within the paying capacity of workers needed exhaustive study. The other question that should be pursued was to make industrial housing more attractive to the employers.

Speaking for Maharashtra only, the Chief Minister said that more employers were showing a welcome inclination to accept the employers' housing scheme as it contemplated. But, there were certain detailed aspects of it that needed further study in order that the employers would voluntarily shoulder a substantial portion of the burden.

Shri B.K. Kaul, Chairman of the Life Insurance Corporation, who participated in the Conference, assured the conference that efforts would be made to ensure that 500 million rupees earmarked for housing projects during the Third Plan was not reduced. Shri Kaul also said that he would study the problem to find out if there was a possibility to provide more funds from the Life Insurance Corporation for financing housing projects.

Of 100 million rupees, which has to be made available by the Life Insurance Corporation each year, the Government had withdrawn only 160 million rupees during the first two years of the Plan. If Life Insurance Corporation makes available along with the annual instalment of 100 million rupees for the next financial year, the balance of 40 million rupees from the first two years, it would help in covering the expected shortage of funds for housing in year 1963-64.

Plantation Labour Housing.— The Conference expressed dissatisfaction at the progress of plantation labour housing scheme and recommended that plantation labour should be treated on par with industrial workers.

The Conference recommended that the State governments should encourage the employers to the maximum extent possible to build houses for their workers by availing of 75 per cent. assistance from Government or, in the alternative, to come forward with their contributions of 25 per cent. to the Government for the specific purpose of housing their workers.

The Conference postponed recommendations on the suggestion that allottees under the different housing schemes should be encouraged to purchase the houses by immediate cash payments or by accelerated instalments, because, "this proposal, according to State Ministers, required detailed examination to ensure that the objective of the schemes was not vitiated and unsocial elements did not take advantage of this concession."

(Economic Times, 5 and 6 February 1963 ).

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Review of Subsidised Industrial Housing Scheme  
during 1961.

According to a review of the house building activity during 1961, State Governments, employers and workers' cooperatives and other agencies constructed over 15,000 houses under the Subsidised Industrial Housing Scheme of the Union Government during the year under review. Nearly 13,000 houses were under construction.

Among the State Governments, Maharashtra leads, having built 3,888 houses, Bihar with 2,901 and Uttar Pradesh with 2,280 rank as second and third highest "constructors".

Building activity appeared to be quite in pace with Planning in these three States. Bihar, which had planned to build 5,527 houses, completed 2,901 and construction work on the rest was in progress.

Maharashtra's plan was the biggest among the States - 6,594 - and, according to the statistics in the Labour Year Book for 1961, construction pace fell short of only 554 houses. Work for more than 2,000 houses was on.

Uttar Pradesh fulfilled more than 50 per cent. of the planned construction in the year. It planned to build 4,542 houses. A notable feature on the State, according to the review, was that the State had planned to build from the beginning of the scheme 25,506 houses and had actually constructed 25,056 by the end of 1961.

The Punjab was trailing behind all the States with only 42 houses constructed out of 246 planned for 1961. It had 108 houses under construction. Among the Union Territories, Delhi planned to construct 939 houses and could complete not a single one during the year. All the houses were listed as under construction.

In Madhya Pradesh, Madras and Rajasthan, the building activity was as per plan. Madhya Pradesh constructed 1,019 houses out of the planned 1,746 and the rest were under construction. Madras completed only 198 houses out of 802, but construction was in progress in regard to the rest. Rajasthan's tally was 239 built and 651 under construction out of the programme for 890. West Bengal planned for 1,852 houses and constructed only 336. But according to the table, more than 2,000 houses were under construction, presumably inclusive of the backlog.

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The performance of other States during 1961 was: Andhra Pradesh planned, constructed, under construction, 972, 210,450; Assam 100, 88,6; Mysore 1,596, 712, 284.

In Jammu and Kashmir, the review said industrial housing had not been considered as a "problem". The housing scheme would be taken up when large-scale industries came up.

Employers' Part.- Employers together constructed over 3,000 houses during the year in Bihar, Madhya Pradesh, Maharashtra, Mysore, the Punjab and West Bengal. There were over 600 houses under construction, not counting 1,028 houses in Maharashtra, inclusive of spill-over. The highest number of houses built by employers was in Bihar with 1,000. Next came Madhya Pradesh with 608 and the third Mysore with 522.

Housing plans of employers were available for only five States: Andhra Pradesh (693), Assam (100), Maharashtra (925), Mysore (1,482) and West Bengal (600).

In three States employers do not seem to have made known their plans but constructed 1,000 houses in Bihar, 608 in Madhya Pradesh and 172 in the Punjab. In Assam, employers planned to build 100 houses and they remained "paper houses" during the year. Nothing was constructed, nor was any house under construction.

Workers' cooperatives and other agencies did notable work in Mysore in that 156 houses were constructed and 18 were under construction out of the planned 174. In Madhya Pradesh, 167 houses were constructed, and in two States the entire planned programme was being implemented. In Rajasthan 126 were under construction and in Andhra Pradesh 34 were under construction. In Maharashtra 80 houses were under construction out of the planned 105.

Currently six schemes (1) Subsidised Industrial Housing Scheme, (2) Low-income Group Housing Scheme, (3) Plantation Labour Housing Scheme, (4) Slum Clearance Scheme, (5) Village Housing Project Scheme, and (6) Land Acquisition and Development Scheme are being operated by the Union Government.

Two non-Plan schemes, which are in operation, are Middle-income Group Housing Scheme and the Rental Housing Schemes.

Loans Advanced.- Under the Subsidised Industrial Housing Scheme, the total amount sanctioned to different constructing agencies since its inception in 1952 up to the end of 1961 was 488.7 million rupees.

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Since 1954, when the Low-income Housing Scheme was introduced to 31 March 1961, a sum of 427.4 million rupees had been advanced as loans to various States, including 24.1 million rupees to third parties in the Union Territories.

The total amount of loan drawn by the State Governments upto the end of March 1961 was 1.387 million rupees. Loan assistance by the State Governments to planters during the same period was 1.489 million rupees, the amount actually disbursed being 1.058 million rupees.

Under the Slum Clearance Improvement Scheme, which came into operation in 1956, the State Governments had constructed 19,221 dwelling units and work was reported to be in progress on other 8,532 units up to the end of March 1962.

Under the Village Housing Project Scheme, the total Central aid to the State Governments and the Union Territories during 1960-61 was 17.810 million rupees.

Over 90 million rupees had been sanctioned till 31 March 1962, by the State Governments for construction of over 5,500 houses. Of these 1,550 houses had been completed and 2,369 houses were stated to be under construction. In addition, the Delhi and Tripura Administration sanctioned 13.130 million rupees for building 703 houses, of which 221 houses had been completed and 85 houses were under construction.

(The Economic Times, 4 February 1963).

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

INDIA - FEBRUARY 1963.

41. Agriculture.

Survey of Living Conditions of Tea  
Plantation Labour in Darjeeling Hills\*.

The Statistics Branch of the Tea Board of India conducted during August to October 1961 a survey of social and economic conditions of tea plantation workers in Darjeeling, the second in the series of similar surveys proposed to be undertaken in all the tea plantation regions of India. (The first survey on the living conditions of tea plantation labour in Tripura was reviewed at pp. 29-40 of the Report of this Office for December 1962). A brief review of the results of the present survey is given below.

The Sample.- There are in all 90 tea gardens in this area of which 46 were selected for the Techno-Economic Survey. For the purpose of this selection all the tea estates in this region were first classified into 4 groups according to their yield per hectare and then 50% of each group was selected on a random basis. One-third of the gardens thus selected from different yield-groups were again selected for the Labour Survey.

The selection of the labour families, which formed the ultimate sample unit for this survey, was made from the roster of resident labour families maintained by the garden managements. The number of labour families selected for the investigation from any garden was 10% of the total resident labour families therein subject to a minimum of 10 families. The total number of

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\* Survey of the Living Conditions of Tea Plantations Labour in Darjeeling. Issued by the Tea Board of India, 14, Brabourne Road, Calcutta, January, 1963, pp. 47.

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labour families residing in the 15 gardens in which this survey was conducted, was 3,231 and the number of labour families selected for investigation was 324.

Besides the 'resident' labourers, there is another class of workers employed in the gardens. These are known as 'outside' or 'busti' labourers as they generally reside in bustis away from the garden and come to work in the garden when called for. But the employment of such labourers is generally very insignificant. Considering the Darjeeling Hills district as a whole 'outside' labourers constitute only about 3.7% of the total labourers employed. The following table presents a breakdown of the labour employment position in the District according to different categories of labourers:-

Type of labourers.	No. of labourers				
	Male	Female	Adolescents	Children	Total
Resident ...	15,064	18,730	2,233	1,654	37,681
Outside ...	277	783	210	166	1,436
Total ...	15,341	19,513	2,443	1,820	39,117
Proportion of outside labourers.	1.8%	4.0%	8.6%	9.1%	3.7%

Among the 15 gardens surveyed, 5 gardens did not employ any outside labourer, in the remaining gardens the percentage of outside labour was found to vary from 4.4% to 46.0% the overall average percentage working out as 13.7% only. On an overall basis, the number of labourers employed per acre works out to be 0.98, considering of course workers of all types viz., men, women and minors. This was quite near the recommended formula of one labourer per acre.

The productivity of labour, as measured by the yield of tea per annum per labourer employed was found to vary from 247 lb. to 699 lb. within the 15 gardens considered, the overall average being 389 lb. The reason why the yield per labourer varied so widely is quite obvious, for, yield rate depends primarily on soil, manuring, climatic condition and also on age and type of the bushes. For the same reason the above measure of the productivity of the labour could not be compared with that for other tea districts. Nor do these figures truly represent the productivity of labour as the conditions of the, different tea estates and the conditions in which labourers had to work varied widely.

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States of Origin.- Out of the 324 families investigated, 310 families or 95.68% were found to be Nepali speaking. But of these the large majority viz., 254 families declared themselves as natives of the Darjeeling District while 56 families cited Nepal as their native state. Eight families (2.47%) came from Bihar and 6 (1.85%) from Sikkim. Among these 70 immigrant families only 14 families still own some property in their native places and of them only 7 families stated that they visit their native places occasionally at intervals of 2 to 5 years. The remaining families have never visited their native places since migration and only one family expressed the desire to return to the native place permanently for settling down there after retirement.

Among the 324 labour families surveyed, 266 were Hindu by religion and the remaining 58 were Buddhist.

Age-Distribution & Employment Position.- Population aged less than 12 years constituted 40.63% of the total and only 4 individuals in this group were found to be earning members. These 4 earning members were actually bordering on 12 years and had obviously secured employment by passing as above 12 years for in the tea plantation employment below 12 years is prohibited under the law. In the next age-group of 12-15 years, there were 33 earners constituting 26.18% of the total population in this group. The age-group of 16-19 years, corresponding to the classification of 'adolescents' used elsewhere, contained 105 individuals of whom 49 i.e., 46.67% were employed. The main bulk of the working population was contained within the age-group of 19 to 55 years where the proportion of employed persons to all persons was 83.38%. This age-group comprised 41.96% of the total population but accounted for about 83% of the total number of earners. People aged above 55 years constituted only 4.52% of the total and 50.62% of them are still gainfully employed. The overall percentage of employment worked out to be 42.08. Among the potential working age-group of 19-55 years also, there seemed to be a substantial amount of unemployment, even though not all among the 16.62% unemployed population in this age-group were necessarily employable or willing to work. On an overall assessment 85.26% of the adult males, 75.35% of the adult females, 46.67% of the adolescents and 4.33% of the children were found to be employed. Among the 53.33% of adolescents not employed in gardens only 13.33% were students. But the remaining 40.00% had no occupation whatsoever except, perhaps, looking after the cattle or helping in the cultivation of farm land.

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Literacy.- The overall percentage of literacy among the surveyed labour population was found to be only 21.43. An age-groupwise study of the extent of literacy showed that the age-group of '7 to 11' years contained 45 literates which was 12.68% of the total number in this age-group. But all of them were actually still students. The number of students in this age-group was 82 or 23.10% of total. In the next age-group of 12-15 years 31.75% were literates but the number of students in this age-group was lower at 26.98% showing that a section of the students gave up study even before attaining 15 years. In the next age-group of 16-18 years (comprising the adolescent section), the percentage of literacy remained almost the same as in the preceding group viz., 30.48% but the percentage of students fell still further to 13.33% only. Among the population aged above 18 years the proportion of literates was slightly higher than in the preceding group viz., 32.05%. On the whole it appeared that the extent of literacy among the younger generation was no higher than among the grown up population. The proportion of students among the section of population of the school-going age, viz., 7-18 years also remained as low as 22.2% only. So, the available evidence does not point to any trend towards improvement in literacy. The situation undoubtedly demands that the labourers must be made aware of the necessity of schooling their children. The general apathy of the labourers to send their children to schools, which was reflected in the small number of students, inspite of the fact that facilities for free primary education is available in almost all the gardens, only indicates a complete lack of desire for education among them and practice of employing children and adolescents either to work for wages or to help the parents in their work.

Smoking and Addiction to Liquor.- Among the adult males 77.64% were found to be smokers while among the women the proportion of smokers was still higher viz., 81.69%. 36.19% of the adolescents were found to be habitual smokers while even among children, i.e. population aged upto 15 years, 4.22% were found to be given to this habit.

As compared to smoking habit addiction to liquor was found to be somewhat lower. Incidence of this habit was found to be 53.81% among men, 47.42% among women and 20.00% among adolescents. Even among children 21 or 2.46% were found to be given to this habit. The overall percentage of population addicted to liquor drinking works out to be 25.84. The minimum proportion of smokers viz., 36.33% occurred in the expenditure level of Rs.30.01-Rs.35.00 while the minimum incidence (viz., 20.67%) of liquor drinking was observed in the expenditure level of Rs.20.01 to Rs. 25.00.

Housing.— The houses provided by the tea garden managements to the resident labour population are generally situated in small labour colonies popularly known as 'lines'. Because of the climatic conditions and typical topography of the place, the labour quarters in Darjeeling Hills are of a different kind from those in the tea districts in the plains. Broadly, the type of accommodation provided may be classified into 3 categories as follows, although the distinction between one type and another is not always very clear:—

- (i) Pucca. — Brick-built walls, cemented floor and roof of C.I. Sheets.
- (ii) Semi-Pucca.— Wooden plank walls, stone built floors and C.I. sheet roof.
- (iii) Kutchha. — Thatched or stone walls with mud plaster, earthen or stone floors and roofing of thatch or planks.

Out of the 324 labour families surveyed, 90 families were found to be living in pucca houses, 108 in semi-pucca houses and the remaining 126 families in kutchha houses.

More than half of the families, viz., 171 families in a total of 324 surveyed, were found to be living in one-roomed quarters, 33 of these quarters having no verandah even. Families allotted two-roomed quarters numbered 115 — all except 7 of these quarters were provided with a verandah as well. Thirtyone families were living in 3-roomed quarters and only 7 families in 4-roomed quarters. It was found that in general the 3-roomed and 4-roomed quarters were occupied by big joint families which on the basis of number of earners would normally be entitled to separate quarters. The living space available per family worked out to be only 138.61 sq.ft. for an average family of 4.58 members in case of one-roomed quarters without verandah. On the other hand in the case of 4-roomed quarters the average area worked to be 413.71 sq.ft. and the average family-size there was 7.43 members. Living space per individual was minimum viz., 32.48 sq.ft. in single-roomed quarters ~~and with verandah.~~ and it had the maximum value of 57.08 sq.ft. in the case of two-roomed quarters with verandah. On an overall assessment, the living space available ~~in~~ per individual worked out to be 50.87 sq.ft. The living space available in an average quarter which worked out as 281.34 sq.ft. is not unsatisfactory for an average family of 5.53 members, but many of the quarters did not conform to the requirements of the Plantation Labour Act.

Size and Composition of Family.- The size of family in the sample of labour families selected for the survey varied from 1 to 14. The table below shows a classification of the families according to their size.

Family Size.	No. of families.	% to total.	No. of Individuals.
One	8	2.47	8
Two	24	7.41	48
Three	34	10.49	102
Four	46	14.20	184
Five	55	16.98	275
Six	50	15.43	300
Seven	44	13.58	308
Eight	32	9.87	256
Above-Eight	31	9.57	311
<b>TOTAL</b>	<b>324</b>	<b>100.00</b>	<b>1,792</b>

As average tea plantation labour family in the district consisted of 5.53 members of whom 1.26 were men, 1.31 were women, 0.32 were adolescents and 2.64 were children and the number of earners among them were 1.07, 0.99, 0.15 and 0.12 respectively, the total number of earners per family being 2.33. Thus 42.13% of the members in a family were earners, including earners of all types.

Income.- Besides the weekly cash income earned by way of wages, a plantation labour family generally had other sources of income, the net contribution from which added up to a significant sum. These included incomes from land, poultry, livestock etc, and indirect incomes derived from the garden managements through the benefit of getting certain articles, mainly rice, wheat and kerosene oil at subsidised rates. The regular income of a labour family might therefore, be classified under the following components:-

1. Cash income from the garden as wages and allowances.
2. Indirect income from garden by way of subsidies.
3. Income from land, poultry, livestock etc.
4. Other incomes.

The incomes from different sources of an average tea plantation labour family in the Darjeeling Hills are shown in the following summary table:-

Weekly income of an average labour family from different sources

Source of Income.	Weekly income per family (in Rs.)	% of total weekly family income.
Wages and allowances.	19.47	82.61
Food and other concessions.	1.09	4.62
Land, Live Stock, Poultry etc.	2.52	10.69
Other Sources.	0.49	2.08
<b>TOTAL.</b>	<b>23.57</b>	<b>100.00</b>

The total weekly earning of an average labour family of 5.53 members comprising 2.33 earners works out to be Rs.23.57 of which Rs.19.47 or 82.61% is earned wages, Rs.1.09 or 4.62% is indirect income from the garden subsidies. Rs.2.52 or 10.69% is derived from the produce of land, poultry, livestock etc. and the remaining Re. 0.49 or 2.08% is income from other sources not included in the above components. Thus besides wages, income from farm produce is the major source of income for the labourers.

The wage income as well as income from subsidies both maintained an upward trend towards the higher expenditure levels, increasing from Rs.11.11 to Rs. 34.93 and from Re. 0.51 to Rs.1.88 respectively between the lowest and the highest levels of expenditure. These increasing trends, of course, were due to the fact that they both depend on the number of earners per family. Income from farm produce also was marked by a discernible upward trend and this was due to the fact that the families with larger number of earners were allotted larger amount of land and the larger families were also in an advantageous position to look after cultivation, poultry rearing, etc.

Contribution of different members.- The contribution of different members to the weekly wage income of the family may be seen from the following table:-

Groups	Contribution to cash income		No. of earners.	Cash income per earner
	Rs.	%		
Men	9.96	51.16	1.07	9.31
Women	8.21	42.17	0.99	8.29
Adolescents	0.83	4.26	0.15	5.53
Children	0.47	2.41	0.12	3.92
<b>TOTAL.</b>	<b>19.47</b>	<b>100.00</b>	<b>2.33</b>	<b>8.36</b>

It will be seen that a little more than half of the total wage income or 51.16% to be precise, is earned by men while women earners come closely behind contributing as much as 42.17% of the total wage income. The shares of adolescents and children work out to be 4.26% and 2.41% respectively. Considering wage-income per earner also it is found that men come first with an income of Rs.9.31 per week, women come next with an income of Rs.8.29 per week whereas wage-income per working adolescent and working children work out to be Rs.5.53 and Rs. 3.92 respectively.

Absenteeism.- The position depicted below relates to the rate of absenteeism only during the week for which information was collected in course of the survey. The limitation of generalisation in this case to obtain an overall picture for a whole year can be easily appreciated.

Category of Labourers.	No. of days worked in a week.	Index of absenteeism. (%)
Men	5.52	8.00
Women	5.26	12.33
Adolescents	4.95	17.50
Children	5.29	11.83

The prevalence of absenteeism was found to be the maximum among adolescents and the minimum among men. On the average, in 100 working days an adult male worker remained absent on only 8.0 days, a woman worker remained absent on 12.33 days, an adolescent worker on 17.50 days and a child worker on 11.83 days. It has been suggested in certain quarters that the rate of absenteeism is partly due to the reason that on certain days the labourers deliberately do not report for work in the garden in order to look after their own cultivation, and other farm works. How far this is true is difficult to judge.

The loss of income suffered by an average family due to absence from work of its earning members amounted to Rs.2.00 per week. Income from farm produce came to as much as Rs.2.52. Thus on the whole the families were earning almost as much as they would have earned from work in estates had there been no absenteeism.

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Expenditure vis-a-vis Income.- The average weekly income and expenditure of the families in the different expenditure levels and the disparity between the two are shown in the following table:-

Expenditure levels.	Average weekly income.	Average weekly expenditure.	Difference of Col.(2)-(Col.(3))
(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
0.00 - 15.00	12.44	12.08	÷ 0.36
15.01 - 20.00	16.21	17.91	- 1.70
20.01 - 25.00	20.94	22.38	- 1.44
25.01 - 30.00	22.65	27.67	- 5.02
30.01 - 35.00	26.40	32.37	- 5.97
35.01 - 40.00	26.50	36.81	- 10.31
40.01 - 45.00	31.69	42.56	- 10.87
45.01 - 55.00	30.34	49.18	- 18.84
Above 55.00	45.92	70.92	- 25.00
<b>TOTAL.</b>	<b>23.57</b>	<b>29.87</b>	<b>- 6.30</b>

Excepting only the first expenditure-level, in all the rest, the weekly income of a family falls short of the weekly expenditure, the disparity having a rising trend towards the higher expenditure levels. In the two highest expenditure levels the disparity is particularly pronounced viz. Rs.18.84 and Rs.25.00 respectively. On an overall basis an average labour family in this district is found to be faced with a deficit of Rs.6.30 in the weekly budget which is 21.09% of its total expenditure.

The proportion of deficit budgets during in the different expenditure-levels and the average amount of deficit in the weekly budget considering these deficit budgets only are shown in the table below:-

Expenditure levels.	No. of budgets.	No. of deficit budgets.	Proportion of deficit budgets.	Avg. deficit per week considering deficit families only.	Deficit as % of avg. exp. of deficit families only.
(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)	(In Rs.)
0.00 - 15.00	36	19	52.78	3.00	25.27
15.01 - 20.00	39	26	66.67	4.35	23.94
20.01 - 25.00	45	27	60.00	5.18	23.04
25.01 - 30.00	64	50	78.12	7.64	27.45
30.01 - 35.00	48	37	77.08	8.63	26.66
35.01 - 40.00	34	28	82.35	12.95	35.12
40.01 - 45.00	26	24	92.31	12.39	29.06
45.01 - 55.00	19	18	94.74	19.62	40.01
Above 55.00	13	13	100.00	25.00	35.25
<b>OVERALL.</b>	<b>324</b>	<b>242</b>	<b>74.69</b>	<b>9.72</b>	<b>30.38</b>

The proportion of deficit budgets increases with increase in expenditure level. In the highest expenditure-level all the families were running deficit and the extent of deficit was 35.25% of the total expenditure of these families. In the two preceding expenditure levels also the proportion of deficit budgets is above 90%. The average deficit in weekly budget per family considering deficit budgets only comes to Rs.9.72 which is 30.38% of the average total budget of these families. The position being so distressing even during the peak period in the tea plantations when many of the labourers were actually found to make extra incomes by over-time work, would in all probability be still worse during the off-season. No wonder, therefore, many of the labour families were found to be involved in heavy debts.

Indebtedness.- The proportion of families with some outstanding debts was lowest at 31.25% in the expenditure level of Rs.30.01 to 35.00 but the highest proportion viz., 56.25% occurred in the immediately preceding group. The proportion did not exhibit any clear tendency to increase towards the higher expenditure levels even though it remained fairly high in the last 3 expenditure levels. The overall proportion of indebted families was 43.21%. Unlike this proportion, however, the extent of outstanding debt per indebted family maintained a clear increasing trend towards the higher expenditure levels, increasing from Rs.24.77 in the lowest level to Rs.173.33 in the highest. It was also seen that among this group of families the disparity in the weekly budget between income and expenditure was very high.

The foremost cause of running into debt was the performance of religious or social rites, such as pujas, marriage or funeral. Among the 140 families having outstanding debts as many as 61 got involved into debt due to this reason. The average amount of debt was also the highest viz., Rs.92.76 in the case of debts incurred due to this reason. Sickness was the next major reason accounting for as many as 49 families and the average amount of debt due to this cause was Rs.78.06. Sixteen families took loans for the purchase of some household requisites, 7 for the purchase of clothings while 4 other families got involved in debt for purchasing food stuffs. The most common source of taking loan was the shopkeeper. Among the 140 indebted families in the sample 89 were indebted to this source.

Savings.— Enquiries made in course of the survey about the savings habit of the labourers brought out a very dismal picture. Among the 324 families surveyed only 12 families, constituting a bare 3.7% of the total, were found to have made some savings last year. Of these 12 families, 8 belonged to the two lowest income expenditure levels. Among families belonging to the higher expenditure levels savings habit was practically non-existent. The amount of savings varied from Rs.5/- only to Rs.200/- among 12 families, the overall average yearly saving based on these families only being Rs.71.83 which is 5.25% of the total estimated yearly income of an average family of this group.

Kerala Tenants and Kudikidappukars Protection Act, 1963  
(Kerala Act 7 of 1963).

The Government of Kerala gazetted on 31 January 1963 the text of the Kerala Tenants and Kudikidappukars Protection Act, 1963, of the Kerala Legislature which repeals an Ordinance, namely, the Kerala Tenants and Kudikidappukars Protection Ordinance, 1962 (vide pages 21-22 of the report of this Office for December 1962). The Act provides for the stay of suits and other proceedings for the eviction of tenants and kudikidappukars and also of suits and other proceedings for recovery of arrears of rent accrued due before 15 February 1961 subject to certain conditions.

(Kerala Gazette, Extraordinary, 31 January 1963).  
pp. 1-14 ).

42. Co-operation.India - February 1963.All India Conference of State Ministers of  
Cooperation, Lucknow, 12 February 1963;  
Establishment of a Special Price Fluctuation Fund  
to help Marketing Cooperatives Urged.

A conference of State Ministers of Cooperation was held at Lucknow on 12 February 1963. Members of the Planning Commission, high Reserve Bank and State Bank Officials and secretaries and registrars of State Cooperative societies attended the conference. Among others, the meeting was addressed by Shri S.K. Dey, Union Minister for Community Development and Cooperation, Shri C.B. Gupta, Chief Minister of Uttar Pradesh and Shri Chaturbhuji, Sharma, Minister for Cooperation, Uttar Pradesh.

In his speech, Shri S.K. Dey, Union Minister for Community Development and Cooperation stated that the Planning Commission had set up six working groups to report on the various cooperative sectors like fishery, dairy, transport, housing, industry and cooperatives in the public sector undertakings. The reports of these working groups would be ready by the end of this year. They would be referred to a high-level committee for an integrated appraisal of the cooperative movement in the country.

The Conference came to a general agreement that a special Price Fluctuation Fund be created for helping cooperative marketing societies to make outright purchases of agricultural produce. Regarding the proportion of the losses incurred to be shared between the fund and the normal profits of societies as also the ratio of Central and State contributions to the fund, decision would be taken after further consideration.

The conference agreed that the surplus funds of municipalities, educational institutions and local bodies should be invested in cooperative institutions.

It was also agreed that a system of compulsory fixed deposits should be introduced at the primary level and that members should be persuaded to deposit every year a fixed amount based either on their borrowings or on their cultivable area.

During the discussion on the development of cooperative marketing, Union Minister for Cooperation, Shri S.K. Dey made the suggestion that the State Bank of India should take up as positive and promotional a role in the development of cooperative marketing as that of the Reserve Bank of India in the promotion of short-term cooperative credit.

In the course of the discussion the Planning Commission member, Shri Tarlok Singh said that pilot projects had been sanctioned in this sphere to yield a fund of experience for helping in the further planning and implementation. The cooperative farm could prove successful if not only agricultural production but marketing and full employment to the labour force were guaranteed. This involved coordinated planning and development and concerted action by the departments of agriculture small industries and cooperation.

The conference approved the programmes for labour and construction cooperatives. Several Ministers spoke of the importance of strengthening the administrative set up and also the need to build up non-official leadership in running labour cooperatives. Shri Dey said he would consider the question of setting up a labour cooperative advisory board to guide the development of labour cooperatives.

The conference was unanimous on the importance of developing official and non-official cadres for the promotion of the cooperative movement.

A committee headed by Shri V.L. Mehta, Chairman of the Khadi and Village Industries Commission, will study the measures for stabilising the official cadres. The National Cooperative Union will examine the problems connected with the expansion of the non-official cadres.

(The Statesman, 12 February 1963;  
The Hindustan Times, 13 February 1963).

Financial Assistance for Development of Labour  
Cooperative Societies.

The Union Government has decided to take steps to promote labour contract and construction societies.

The third Plan lays emphasis on the promotion of labour cooperatives. This will benefit the labour through continuous and increased volume of employment and help States reduce cost of construction.

Management subsidy is available to primary societies at the rate of 1,200 rupees for three to five years and to the district level unions at the rate of 3,000 rupees. A group of 10 primary societies can now get assistance of 7,200 rupees for maintaining technical staff, the expenditure being shared equally by the Centre and States. The Government will also participate in the share capital of a primary labour contract and construction society up to 2,000 rupees on a matching basis.

The Centre will provide loans to the extent of 75 per cent. of the amount of share contributed by a State.

A primary society will cover a few villages and have a membership of between 50 and 200. It will have the freedom to undertake works outside its area of operation. Voluntary organisations are expected to help provide honorary workers to the societies.

It is also proposed that the societies should undertake ordinary works without any financial limit. A ceiling of 50,000 rupees excluding the cost of material is fixed for works involving technical skill.

These societies may also be exempt from payment of earnest money and security deposits for contracts granted to them. The liberalised pattern of assistance has been agreed to for the present only for the year 1963-64.

The State Bank of India has agreed to provide reimbursement to Central co-operative banks up to 90 per cent. of the amounts advanced by them to the labour cooperatives.

(The Hindustan Times, 1 February 1963).

Kerala: Administration Report of the Co-operative  
Department for the Year 1960-61\* .

According to the administration report of the Co-operative Department in Kerala for the year 1960-61, during the year under report, the co-operative movement in the State recorded further progress. The number of working societies under the administrative control of the Department increased from 4,539 to 4,628 even after transferring Harijan Societies to the Director of Harijan Welfare. The membership of the societies stood at 1,427 millions at the end of the year as against 1,296 millions at the end of the previous year and the paid up share capital at 45,607 million rupees against 39,197 million rupees at the end of the previous year. All the societies together commanded a working capital of 217,820 million rupees at the end of the year. It was only 192,664 million rupees at the close of the previous year. The opening of the pasteurisation plant at Trivandrum, the organisation of the Kerala Goods Transport Co-operatives and the re-organisation of the credit and multipurpose co-operative societies into Service Co-operatives all over the State are important achievements of the Co-operative movement during the year.

The Co-operative year 1960-61 witnessed the completion of the II Five-Year Plan and the beginning of the 3rd Five-Year Plan. This period covered the last 3 quarters of the 5th year of the Second Plan and the first quarter of the first year of the 3rd Plan. During the period there was steady progress in the implementation of the Plan schemes. Co-operative marketing gained much importance, the objective being to strengthen marketing societies. The progress in the implementation of Co-operative Development Schemes under the Second Plan during the year 1960-61 has been satisfactory, the expenditure being 1,561 million rupees.

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\* Administration Report of the Co-operative Department for the Year 1960-61; Printed by the S.G.P. at the Government Press, Ernakulam, 1962. pp. 74.

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With the formation of a separate District Co-operative Bank for the Ernakulam Revenue District, the Apex Bank had 7 Central Banks as its constituent units. The paid up share capital of the Apex Bank, at the end of the year, stood at 3.935 million rupees of which 2 million rupees was contributed by Government. This Bank commanded a working capital of 27.973 million rupees as against 27.025 million rupees at the end of the previous year. The Reserve Bank of India continued to provide funds to the State Co-operative Bank at concessional rate of interest on the guarantee of State Government for giving short term and medium term agricultural loans. During the year a sum of 13.423 million rupees was drawn from the Reserve Bank of India as short term loan and 1.998 million rupees as medium term loan. The outstandings at the end of the year was 15.030 million rupees.

The Kerala State Co-operative Marketing Federation did not make much progress during the year. The North Malabar District Co-operative Supply and Marketing Society continued to do useful service to its members by issuing loans and arranging for the sale of their produce as agents. There were 72 primary agricultural marketing societies at the end of the year with 21,641 members and a paid up share capital of 1.134 million rupees of which 0.360 million rupees was contributed by the State Government.

At the end of the year under report there were 21 Joint Farming Societies and 3 Collective Farming Societies. In addition to these, there were 106 Better Farming Societies and 2 Tenant Farming Societies. All the 132 societies together had 16,000 members with a paid up share capital of 0.446 million rupees. All these societies together commanded 11,154 acres of land out of which 10,905 acres were under cultivation. The total value of production during the year was 1.089 million rupees. A scheme for establishing pilot projects in Co-operative Farming is being implemented in the Kozhikode and Channanore districts under the first year's programme of the III Five-Year Plan Schemes.

The State Government accepted the main recommendations of the working group on Co-operative Farming and enunciated the general principles to be observed in the organisation of Co-operative Farming Societies in the State.

There were 35 Irrigation Societies at the end of the year with 3,510 members and a paid up share capital of 47,658 rupees. The value of irrigation works executed during the year was 22,890 rupees.

There were 10 Milk Supply Unions and 136 Milk Supply Societies at the end of the year with a paid up share capital of 0.112 million rupees. The Milk Supply Societies had 12,199 members with a paid up share capital of 0.157 million rupees. The value of milk purchased by these societies during the year was 2.943 million rupees while the sale proceeds of milk and milk products amounted to 3.416 million rupees. The total loans issued during the year amounted to 0.335 million rupees.

There were 175 Primary Consumers' Co-operative Stores at the end of the year with 38,324 members and a paid up share capital of 0.702 million rupees.

There were 18 Urban Housing Societies and 40 Rural Housing Societies at the end of the year. All these societies together had 3,429 members with a paid up share capital of 0.520 million rupees. During the year 130 houses were constructed and 107 houses were under various stages of construction at the end of the year.

In June 1961, a Co-operative Farming Advisory Board was constituted with the Deputy Chief Minister as the Chairman and 16 other members consisting of officials and non-officials.

Labour Contract Societies.— Altogether there were 62 Labour Contract Co-operative Societies, 8 Forest Labour Contract Co-operative Societies in the State on 30 June 1961. These Societies had a total membership of 9,462 with a paid up share capital of 109,412 rupees. They had borrowings to the extent of 432,351 rupees. The total working capital of the Societies was 656,624 rupees. The extent of contract works handled by the Societies is indicated below:—

	<u>Rs. in Million.</u>
1. Total value of works pending execution at the beginning of the year. ..	3.058
2. Value of works secured during the year. ..	2.598
Total. ..	5.656
3. Value of works executed during the year. ...	2.119
4. Value of works cancelled during the year. ..	0.643
Total. ..	2.762
5. Value of works pending execution at the end of the year.	2.894

A sum of 1.051 million rupees was paid as wages to members and non-members. The gross income of the Societies during the year was 0.183 million rupees.

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Industrial Societies.- Weavers' Societies.-  
There were 22 Weavers' Co-operative Societies under the administrative control of this Department. They had 3,792 members on their rolls with a paid up share capital of 72,077 rupees. During the year they produced goods to the value of 2,383,308 rupees and effected sales for 2,503,140 rupees.

There were 27 other Industrial Societies engaged in various kinds of Cottage Industries. They had 2,279 members with a paid up share capital of 55,013 rupees. During the year they produced goods to the value of 23,838 rupees and effected sales to the value of 42,165 rupees.

Motor Transport Societies.- At the end of the year there were 22 societies engaged in transport activities. Of these, 9 societies were functioning exclusively for ex-servicemen. All the societies together had 1,567 members with a paid up share capital of 276,978 rupees. They owned 26 lorries, 27 buses and two jeeps. The total value of these vehicles was 1,913,008 rupees. The gross income from the vehicles during the year was 1,764,252 rupees. These societies provided work for 318 persons. Eight societies earned a total profit of 71,487 rupees while 13 societies sustained loss to the extent of 80,240 rupees.

The scheme of training officials and non-officials in Co-operation continued during the year. During the period 30-7 360 candidates were given subordinate personnel training at the 3 institutions in Trivandrum, Trichur and Kozhikode. Forty candidates were given training at the Regional Training Centres at Madras and the Block Level Officers' Training Centre at Hyderabad, etc. The non-official training for members, office bearers, etc., of the societies was also continued and 8,504 persons were given training under the scheme.

During the year, the Cochin Co-operative Institute, Trichur and the Malabar Co-operative Institute, Calicut also started Co-operative Colleges to conduct part-time courses in Higher Diploma in Co-operation as was being done by the Trivandrum Co-operative College.

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## Chapter 5. Working Conditions and Living Standards.

### 52. Workers' Welfare, Recreation and Workers' Education.

India - February 1963.

#### Iron Ore Mines Labour Welfare Cess (Amendment) Bill, 1963.

Shri Gulzarilal Nanda, Minister for Labour and Employment, Government of India, introduced in the Rajya Sabha, on 5 March 1963, a Bill to amend the Iron Ore Mines Labour Welfare Cess Act, 1961.

According to the Statement of Objects and Reasons of the Bill, the Iron Ore Mines Labour Welfare Cess Act, 1961, has not been brought into force so far, although it received the assent of the President as early as 19 December 1961. This has been due to the fact that Government of one State moved the Central Government for exemption under section 6 from the purview of the Act on the ground that there was a State Act which also provided for the financing of activities to promote the welfare of labour in the iron ore mining industry in that State. Though on principle there is no objection to granting exemption from the purview of the Act, the exemption could not be granted as the State High Court has declared the State Act inoperative. The matter of validity of the State Act is sub-judice. As the present section 1(3) of the Iron Ore Mines Labour Welfare Cess Act, 1961, does not provide for bringing the Act into force in different States at different times, it is proposed to amend the section to provide that the Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different States. The Bill seeks to give effect to this proposal.

(The Gazette of India, Extraordinary,  
Part II, Sec. 2, 5 March 1963, pp. 211-212).

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## Chapter 6. General Rights of Workers.

### 63. Individual Contracts of Employment.

India - February 1963.

#### Working of the Industrial Employment (Standing Orders) Act, 1946 during 1960.

Under the Industrial Employment (Standing Orders) Act, 1946, the employers are required to frame Standing Orders which define precisely the conditions of employment in industrial establishments for information of workmen employed therein and thereby remove the vagueness in this behalf which is reported to be a frequent cause of friction in industrial relations. The Act extends to the whole of Indian Union except Jammu and Kashmir and is applicable to all industrial establishments employing 100 or more workers. The Act empowers the appropriate Government to extend its scope to any establishment employing less than 100 workers or to any other class or classes of establishments as well as to exempt any establishment or classes of establishments from any of all the provisions of the Act. The Act is administered by both Central and State Governments. The Central Government is responsible for administering the Act on railways, major ports, mines, oil-fields and other industrial establishments under its control. In respect of undertakings falling within the State sphere the administration of the Act is the responsibility of the State Governments.

Extensions.- According to the information available in the annual returns furnished by the State Governments no notification was issued by any State Government extending the application of the Act to any new class of establishment during the year under review except Madhya Pradesh which have framed their own Act viz., Madhya Pradesh Industrial Workmen (Standing Orders) Act.

Progress of Certification.- The total number of establishments coming within the purview of the Act was 14,427 employing 4,208,535 workers in the Central and State Sphere undertakings. At the beginning of the year, the number of establishments having certified Standing Orders in respect of all or a group of employees was 8,558 or 59.3 per cent. of the total establishments covered by the Act. The number of employees in these establishments was 3,366,755 or 80.0 per cent. of the total employees in the covered establishments. The percentages of establishments having certified Standing Orders to the total number of establishments covered by the Act was 57.2 and 76.4 separately in the State Sphere and Central Sphere undertakings respectively at the beginning of the year. The percentages of workers employed in establishments having certified Standing Orders to workers employed in covered establishments were 79.2 and 84.0 in the State Sphere and Central Sphere undertakings respectively. At the end of the year, the total number of establishments having certified Standing Orders for all or a group of employees was 60.4 and 82.7 per cent. of the establishments covered in the State Sphere and Central Sphere undertakings and the percentages of employees therein were 80.7 and 90.0, respectively of the total employees in the covered establishments. It will thus be seen that the year under review has shown improvement in the certification of Standing Orders in the State Sphere and Central Sphere undertakings both.

The salient features regarding the progress in the certification of Standing Orders in different States are discussed briefly in the following paragraphs.

In the State of Madras 332 drafts were pending certification at the beginning of the year and 1,053 new applications for certification were received during the year. Out of these 1,395 cases, 257 cases were certified during the year leaving a balance of 1,138 cases still pending at the end of the year.

In Uttar Pradesh 54 cases were pending certification at the beginning of the year and 133 drafts were received for certification during the year. Out of these, 41 drafts were certified and 5 cases were rejected leaving 141 drafts pending certification at the end of the year.

In West Bengal, 60 fresh applications for certification were received during the year in addition to the 114 drafts that were pending certification at the commencement of the year. Out of these, 63 drafts were certified and 5 rejected as the establishments were found to have closed down. There were still 106 drafts pending certification at the end of the year.

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The progress of certification in the other States was not significant. In Tripura no progress was made in the certification of Standing Orders during the year under report. In Madhya Pradesh also no Standing Orders under the Industrial Employment(Standing Orders)Act,1946 (Central) were certified during the year. The work of certification of Standing Orders under the above Act was kept in abeyance as the State law i.e., the Madhya Pradesh Industrial Workmen(Standing Orders)Act,1959, was likely to be brought into force. Ultimately, this Act was brought into force from 31 December 1960.

In the erstwhile State of Bombay under an amendment of the Industrial Employment (Standing Orders) Act,1946 Model Standing Orders under the Bombay Industrial Employment (Standing Orders) Rules,1959 were promulgated. These Rules have been made mandatorily applicable to all industrial establishments employing 50 or more workers in the present States of Gujarat and Maharashtra.

Central Sphere Undertakings.- The year under review opened with a balance of 180 drafts pending certification and 100 new drafts were received for certification. Out of these, 99 drafts were certified during the year and 181 drafts were pending certification at the end of the year.

Application for Modification and Appeals.- In all 81 applications were received for modification during the year and 107 applications were pending disposal at the beginning of the year. Out of these, 90 applications were disposed of leaving a balance of 98 applications undisposed of at the end of the year.

There were 10 appeals pending at the commencement of the year and 37 appeals were received during the year. Out of these, 32 appeals were disposed of during the year and 15 appeals were pending at the close of the year.

(A review of the working of the Industrial Employment (Standing Orders) Act,1946, during 1959 was reported vide section 63, pp. 75-78 of the report of this Office for the month of August 1961).

(Indian Labour Journal, Vol.IV, No.2,  
February 1963, pp. 161-168).

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67. Conciliation and Arbitration.

India - February 1963.

Industrial Disputes in India during 1961.

The following statement presents the index number of industrial unrest for the years 1958, 1959 and 1960 for manufacturing industries, plantations, coal mines and ports:-

Year	Total No. of man-days lost.  (in 000's)	Total No. of man-days worked.  (in 000's)	Severity rate (man-days lost per million of man-days available for work).	Index Number of Industrial Unrest  (Base 1951 = 100)
1	2	3	4	5
<u>(a) Manufacturing Sector</u>				
1958 ...	4,314	1,021,040*	42.1	99
1960 ...	4,913	921,632	53.3	126
1961 ...	3,796	N.A.	N.A.	N.A.
<u>(b) Plantations</u>				
1958 ...	136	387,511(P)	3.5	219**
1960 ...	168	N.A.	N.A.	N.A.
1961 ...	210	N.A.	N.A.	N.A.
<u>(c) Coal Mines</u>				
1958 ...	328	111,927	29.2	91
1960 ...	129	117,414	11.0	34
1961 ...	201	121,940	16.5	51
<u>(d) Ports</u>				
1958 ...	26	(a) 16,925	15.3	(b)56
1960 ...	30	(a) 16,925	17.7	(b)65
1961 ...	30	N.A.	N.A.	N.A.

\* Inclusive of estimated man-days worked for Mysore and Jammu & Kashmir as no figures are available.

\*\* Estimated and hence provisional.

(a) As the figures of man-days worked for 1959 and 1960 are not available, 1958 figures have been repeated.

(b) This is only an estimate vide (a) and hence provisional.

N.A. - Not Available.

P. - Provisional and subject to change.

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It may be noted that the figures for 1958 and onwards are not strictly comparable with those for earlier years because of the change in the geographical coverage of the statistics of work-stoppages. Prior to 1958 the statistics used to cover only the Part 'A' States and Delhi and Ajmer. Only since 1957 the coverage has been extended to all-India.

The following table shows details regarding industrial disputes for all sectors Statewise during 1960 and 1961:-

State	1960			1961			Man-days lost per million of man-days available for work (Manufacturing industries only).
	No. of dis-putes.	Workers involv-ed.	Man-days lost.	No. of dis-putes.	Workers involv-ed.	Man-days lost.	
Andhra Pradesh.	70	32,603	234,096	69	35,157	201,465	50.9
Assam.	29	17,016	76,045	28	12,081	72,009	43.8
Bihar.	91	29,465	200,654	75	25,815	158,654	23.8
Gujarat. (a)	27(a)	3,400(a)	21,562	30	7,867	52,112	-
Jammu & Kashmir.	4	274	27,590	1	45	45	*
Kerala.	242	157,355	1,057,519	146	35,508	395,315	39.8
Madhya Pradesh.	84	34,871	136,627	83	22,724	215,920	32.2
Madras.	211	190,304	750,189	124	32,654	175,789	93.0
Maharashtra.	289	293,074	1,054,036	279	88,614	580,110	15.4**
Mysore.	80	24,181	42,812	71	30,582	80,895	3.3
Orissa.	9	14,396	111,680	7	15,787	236,801	86.0
Punjab.	15	3,580	54,633	8	574	7,206	17.1
Rajasthan.	24	6,077	28,317	11	3,294	51,359	84.8
Uttar Pradesh.	60	22,563	83,265	92	44,122	516,972	5.8
West Bengal.	311	153,878	2,606,698	276	152,123	2143,538	112.5
Andaman & Nicobar Islands.	6	1,470	39,059	3	273	797	655.4
Delhi.	30	1,761	11,735	55	4,642	29,768	4.4
Himachal Pradesh.	1	-	-	-	-	-	-
Tripura.	-	-	-	-	-	-	-
<b>TOTAL.</b>	<b>1,688</b>	<b>986,268</b>	<b>6,636,517</b>	<b>1,357</b>	<b>511,860</b>	<b>4918,765</b>	<b>53.3</b>

\* Not available as figures for man-days worked are not received.

\*\* Figures are for the Composite Maharashtra and Gujarat States.

(a) Figures of Gujarat since its inception (Not published earlier).

Taking all economic sectors together, the total number of disputes, workers involved and mandays lost decreased in 1961 as compared to 1960 by 14.3 per cent., 48.1 per cent., and 24.8 per cent., respectively. In 1961, West Bengal, Maharashtra, Madras and Kerala together accounted for 60.7 per cent., of the total number of disputes, 60.3 per cent. of the total number of workers involved and 67.0 per cent. of the total number of mandays lost. The average time-loss per dispute was the highest in the State of Orissa (33,829 mandays). As compared to 1960 the States of Andhra Pradesh, Assam, Bihar, Madras, Maharashtra, Kerala, Punjab, West Bengal, Jammu and Kashmir and Andaman and Nicobar Islands registered lesser time-loss during the year 1961.

It will be seen that, during 1960, taking all the States together, for ~~an~~ 100,000 mandays available for work in manufacturing industries 533 mandays were lost due to industrial disputes. Among the States, this rate was the highest in Andaman & Nicobar Islands (6,554). In 1960, the severity-rates increased in the States of Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Punjab, Rajasthan, West Bengal and Delhi. There was a marked decrease in the severity-rate in the cases of Mysore and Orissa States.

There was a decrease in the average time-loss per dispute and average number of workers involved per dispute. There was, however, an increase in the average duration in 1961 as compared to 1960. The following table gives average time-loss per dispute, average number of workers involved per dispute and average duration of disputes in 1960 and 1961:-

Item	1960				1961			
	All Sectors,	Plan-tations,	Mines,	Manu-factur-ing Industries.	All Sectors,	Plan-tations,	Mines,	Manu-factur-ing Industries.
Average time-loss per dispute (Mandays).	4,187	1,304	2,303	5,166	3,625	1,732	3,003	4,487
Average Number of workers involved per dispute.	632	357	483	702	377	350	523	373
Average duration of disputes (Days).	6.6	3.7	4.8	7.4	9.6	4.9	5.7	12.0

Analysis by lock-outs.- Out of 1,357 disputes reported during the year, lock-outs were declared at some stage or the other in 117 cases involving 79,524 workers with a time-loss of 1,950,196 mandays. The disputes in which lock-out was declared at any stage, accounted for 39.6 per cent. of the total time-loss in all industrial disputes during the year 1961. Although by number they formed only 8.6 per cent. the average time-loss per dispute was 16,668 mandays as against the average time-loss of 2,394 mandays for strikes. The highest number of lock-outs was reported from West Bengal which accounted for 59.0 per cent. of the total time-loss due to lock-outs. As in the case of all disputes, the maximum time-loss per lock-out was noticed in Orissa during the year. In 1961 there were no lock-out in Gujarat, Punjab, Rajasthan, Jammu & Kashmir and Andaman & Nicobar Islands. The average time-loss per lock-out increased in the States of Madhya Pradesh, Orissa, Uttar Pradesh and Delhi and decreased in other States.

Analysis by Industries.- The Manufacturing sector accounted for 77.2 per cent. of the total time-loss during the year 1961. Among other sectors, mining and quarrying accounted for 7.3 per cent. of total time-loss, agriculture, forestry and fishing for 4.7 per cent., electricity, gas, water and sanitary services for 2.3 per cent., construction for 0.8 per cent., services for 0.3 per cent., commerce for 0.2 per cent., and activities not adequately described for 4.9 per cent. In the manufacturing sector, highest time-loss was recorded by cotton mills, followed by jute mills, bidi industries and structural clay products. About 56.2 per cent. of the total time-loss in the mining and quarrying group was recorded in coal mines. As compared to the preceding year, the time-loss decreased in services, commerce, construction and manufacturing and increased in other major groups.

Analysis by causes.- For classifying the work-stoppages involving a number of causes and demands according to the specified categories of causes, the immediate cause leading to the work-stoppage is taken into account. If there is a number of immediate causes, the most important among them is taken into account. The statistics of industrial disputes classified by causes as above, for the years 1960 and 1961 are presented in the following table:-

Disputes Classified by Causes, 1960 and 1961

Cause	1960			1961		
	No. of disputes.	No. of workers involved.	No. of man-days lost.	No. of disputes.	No. of workers involved.	No. of mandays lost.
Wages and Allowances.	559	454,527	2,564,442	399	123,748	1,095,343
Bonus.	159	51,912	427,111	91	48,431	1,004,243
Personnel.	331	119,911	1,279,372	361	151,254	1,361,528
Retrenchment.	40	12,420	85,638	24	4,253	39,073
Leave and hours of work.	38	18,943	23,309	39	35,198	405,907
Others.	381	310,364	2,089,052	400	136,850	982,540
Not Known.	50	14,791	46,031	43	12,126	30,121
<b>TOTAL.</b>	<b>1,556</b>	<b>982,868</b>	<b>6,514,955</b>	<b>1,357</b>	<b>511,860</b>	<b>4,918,755</b>

Among the disputes classified by these groups of causes, except for "Others", "Wages and Allowances", accounted for the highest (399) number of disputes, followed by "Personnel" which accounted for 361 cases. Disputes relating to "Wages and Allowances" and "Personnel" constituted together 57.9 per cent. of the total number of disputes, 55.0 per cent. of the total number of workers involved and 50.3 per cent. of the total mandays lost. The corresponding percentages for 1960 were 59.1, 59.3 and 59.4 respectively. It will be seen on further analysis that there was an increase in the percentage of disputes, workers involved and mandays lost due to "Personnel" and "Leave and Hours of Work" whereas there was a marked decrease in the case of "Wages and Allowances" and "Retrenchment".

Analysis by results.— The statistics of disputes which terminated during the year are shown in the following table classified according to results:—

Terminated Disputes by Results, 1960 and 1961

Results	1960			1961		
	No. of disputes.	No. of workers involved.	No. of mandays lost.	No. of disputes.	No. of workers involved.	No. of mandays lost.
Successful.	457	254,612	1,730,590	328	111,259	849,896
Partially successful.	152	85,952	624,323	222	85,855	1,113,423
Unsuccessful.	421	277,096	1,577,814	336	153,790	1,324,181
Indefinite.	350	303,869	1,266,326	253	94,980	646,690
Not Known.	149	57,429	1,149,488	152	51,719	615,834
TOTAL.	1,529	978,958	6,348,541	1,291	497,583	4,550,024

Of the total number of terminated disputes in 1961 for which relevant information was available, 28.8 per cent. were successful, 19.5 per cent. were partially successful and 29.5 per cent. were unsuccessful. In 22.2 per cent. of the disputes work was resumed without any final decision having been reached. In such cases the matter might have been under further negotiation or under reference to an Industrial Tribunal, etc. As compared to the previous year, the percentages of disputes which were "successful", "unsuccessful" and "indefinite" decreased and that for "partially successful" increased.

Analysis by duration.- Duration represents the potential working days lost during the course of the work-stoppage and does not include Sundays and other scheduled holidays. About 63.4 per cent. of the work-stoppages which terminated in 1961 and for which relevant information was available, lasted for less than 5 days. The disputes continuing for a month or more accounted for only about 7.9 per cent. of all the disputes for which relevant information was available. The percentage of disputes with duration "more than 10 days upto 20 days" decreased considerably to 10.2 in 1961 from 20.2 in 1960. There were increases in the percentages of disputes relating to "more than a day upto 5 days", "more than 5 days up to 10 days" and "more than 20 days upto 30 days".

Analysis by normal employment-size of unit affected.- The number of workers normally employed is taken to be the number of workers employed on the last regular working day of the month preceding the one in which the work-stoppage took place excluding workers employed on special item of work not normally carried on by the employer. 63.8 per cent. of the disputes involved units employing 100 or more workers during the year under review. The units employing 1,000 or more workers were responsible for 19.6 per cent. of the disputes involving 68.1 per cent. of the total workers and 67.7 per cent. of the total time-loss.

Analysis by methods of settlement and results.- The disputes which terminated as a result of Government intervention formed 40.7 per cent. of the total for which relevant information was available. In 27.9 per cent. cases these terminated through mutual negotiations, while in 28.8 per cent. cases the workers resumed their duties voluntarily. Other cases like Government banning the strike, etc., accounted for the rest of 2.6 per cent. of the cases. Most of the cases of voluntary resumption of work by the employees were unsuccessful or indefinite from the point of view of the workers, whereas a large proportion of disputes terminating through conciliation and mediation by Government was successful or partially successful from the point of view of the workers. In case of disputes terminating through mutual settlement also, a large proportion was successful or partially successful from the workers' point of view.

Analysis by workers involved and time-loss.- A large number of disputes constituting 70.0 per cent. of the total disputes, for which relevant information was available, involved less than 500 workers. Only 19.6 per cent. of the workstoppages involved 1,000 or more workers. Most of these work-stoppages accounted for larger time-loss as can be normally expected. Of the total number of work stoppages, 93.2 per cent. accounted for a time-loss of less than 10,000 mandays. Only 1.3 per cent. of the disputes resulted in a time-loss of 50,000 or more mandays.

Analysis of disputes in Central Sphere Undertakings.- THE Industrial Relations Machinery of the Central Government is the competent authority for intervention in the event of industrial unrest in this sphere. The Central Sphere includes all Central Government establishments, docks and ports, banks and insurance companies, mines and oil fields. Disputes in this sphere accounted for 11.8 per cent. of the total number of disputes, 16.0 per cent. of the total number of workers involved, and 7.4 per cent. of the total number of mandays lost. During the preceding year these percentages were 16.3, 20.8, and 14.1 respectively. During the year under review ~~71.2 per cent~~ 71.2 per cent. of the total number of disputes in the Central Sphere occurred in the mining sector, involving 71.3 per cent. of the total number of workers involved and 88.7 per cent. of the total mandays lost. As compared to the preceding year the number of disputes, workers involved and mandays lost registered an increase in the case of docks and ports and mines, but there was a sharp decline in the case of banks and insurance companies.

By months.- The number of disputes current in a month was the highest in the months of July and November during the year 1961. Number of mandays lost, on the other hand, was the highest in November followed by that in December. The lowest number of disputes, and time-loss were recorded in January 1961. The time-loss in each of the first 9 months of 1961 was less than that in the corresponding months of 1960. The reverse was the case in the last 3 months of 1961. The main reason for this was the time-loss in "Mines and Quarries" which was found to be considerably high in 1961 as compared to the previous year.

Analysis of disputes according to the affiliation of the workers' union to the Central Organisation of workers.- Nearly 37.5 per cent. of the total disputes, 33.3 per cent. of the workers involved and 44.7 per cent. of the total mandays lost were accounted for by the A.I.T.U.C. Time-loss relating to the I.N.T.U.C. and the H.M.S. was considerably less.

Analysis of disputes by wages and value of production lost.- In respect of plantations, mines and manufacturing industries information on wages and production lost was available only for 759 and 521 cases respectively. In these cases there was a wage-loss of 8.2 million rupees of production amounting to about 53.8 million rupees. Per dispute, the reporting cases recorded a wage loss of Rs. 10,918 and a production loss worth Rs. 103,222 on the whole.

Public Sector Undertakings.- In the recent times, the public sector plays an important role in providing employment to the people in the country. However, it should be borne in mind while interpreting the figures for industrial unrest in this sector that there is a sharp difference between the coverage of the sectors as the private sector covers a considerable number of unorganised workmen who seldom demonstrate effectively for redress of their grievances. The total time-loss in the undertakings which were reported to be in the public sector in 1961 was 211,579 mandays and about a third of these were lost in the month of May and one fourth in July.

(Indian Labour Journal, Vol. IV, No. 2,  
February 1963, pp. 135-161).

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Industrial Disputes (Mysore Amendment) Act, 1962  
(Mysore Act No. 6 of 1963).

The Industrial Disputes (Mysore Amendment) Bill (vide page 90 of the report of this Office for December 1962) as passed by the Mysore Legislature received the assent of the President on 22 January 1963 and has been gazetted as Mysore Act No. 6 of 1963. The Act makes the following amendments to the Industrial Disputes Act, 1947, in its application to the State of Mysore.

Amendment of Section 7A.- In sub-section(3) of Section 7A of the Industrial Disputes Act, 1947 (Central Act 14 of 1947) (hereinafter referred to as the principal Act), after clause (a), the following clause shall be inserted, namely:-

"(aa) he is, or has been a District Judge, or"

Amendment of the First Schedule.- In the First Schedule to the principal Act, after item No. 10, the following item shall be added, namely:-

"10. Oxygen and Acetylene".

(The Mysore Gazette, Part IV-Sec. 2B,  
31 January 1963, pp 77-78 ).

Chapter 7. Problems peculiar to certain  
Categories of workers.

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

India - February 1963.

Rajasthan: Retirement Age raised to 58.

The Governor of Rajasthan, Dr. Sampurnanand, in his inaugural address to the Vidhan Sabha Budget session in Jaipur on 25 February 1963, stated that the Rajasthan Government had decided to raise the retirement age for its employees from 55 to 58 years. However, an employee may be retired at 55 if he was not considered fit for service. The Government, he said, had also agreed to the constitution of all-India forestry, engineering and medical and health services as proposed by the Union Government.

(The Statesman, 26 February 1963).

74. Indigenous Labour.

India - February 1963.

Economic Criteria to be applied for defining  
Backward Classes.

The Central Government has written to the States that it would be better to apply economic criteria rather than caste distinction for determining backwardness. The Government of India has also communicated to the States its decision not to draw up an all-India list of backward classes apart from Scheduled Castes and Scheduled Tribes.

Meanwhile, some State Governments have written to the Centre that they have started regarding persons whose annual income does not exceed 1,200 rupees as belonging to "other backward classes" for the grant of scholarships, tuition fees, etc.

(The Statesman, 24 February 1963).

CHAPTER 9. SOCIAL SECURITY.

INDIA - FEBRUARY 1963.

91. Pre-Legislation Measures.

Rajasthan: Retirement Age raised to 58.

The Governor of Rajasthan, Dr. Sampurnanand, in his inaugural address to the Vidhan Sabha Budget session in Jaipur on 25 February 1963, stated that the Rajasthan Government has, decided to raise the retirement age for its employees from 55 to 58 years. However, an employee may be retired at 55 if he was not considered fit for service. The Government he said, also agreed to the constitution of all-India forestry, engineering and medical and health services as proposed by the Union Government.

February,  
(The Statesman, 26 March 1963).

92. Legislation.

India - February 1963.

Employees' Provident Funds Act, 1952, extended  
to Employment in Confectionery Industry.

In exercise of the powers conferred under the Employees' Provident Funds Act, 1952, the Central Government has added with effect from 31 March 1963 the confectionery industry to Schedule I to the said Act.

(Notification No. GSR 424 dated 28 February 1963, the Gazette of India, Part II, Sec. 3, sub-sec. (i), 9 March 1963, page 390 ).

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Madras: Employees' State Insurance Scheme extended  
to Certain Areas.

In exercise of the powers conferred under the Employees' State Insurance Act, 1948, the Central Government has appointed 24 February 1963, as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force), and Chapters V and VI (except sub-section(1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the Said Act shall come into force in the following areas of the State of Madras, namely:-

- I. The areas within the limits of:-
  - (a) Peddakallupally revenue village;
  - (b) Vaniyambadi revenue village;
  - (c) Govindapuram revenue village;
  - (d) Chettiappanur, hamlet of Kalandra;
  - (e) Amburpettai revenue village; and
  - (f) Devastanam revenue village;in Vaniyambadi sub-Taluk, North Arcot District.
  
- II. The area within the limits of revenue village of Minnur in Vellore in North Arcot District.
  
- III. The areas within the revenue villages of:-
  - (a) Kathirvedu;
  - (b) Polal;
  - (c) Madavaram;
  - (d) Velakkupattu;
  - (e) Erukkanjeri;
  - (f) Kodungaiyur; and
  - (g) Thiruvanniyur;in Saidapet Taluk, in Chingleput District.

(Notification SO 525 dated 12 February 1963,  
the Gazette of India, Part II, Sec.3,  
Sub-sec.(ii), 23 February 1963, pp. 629-630).

93. Application.

India - February 1963.

VI. Compensation in Case of Employment Injury or Occupational Diseases.

Uttar Pradesh: Working of the Workmen's Compensation Act, 1923, during the Year 1960\*.

Submission of returns.- The Report on the working of the Workmen's Compensation Act, 1923 in Uttar Pradesh is based on the Annual Returns received from Workmen's Compensation Commissioners in various districts in the State. Statistics in respect of the Railways, Posts and Telegraphs, the Central Public Works Department and the Defence Installations are, however, not included in the Report.

Returns in respect of 8 districts out of 54 in the State, were received within the prescribed date, while Returns in respect of other districts were received after the prescribed date.

Accidents.- During the year under review, 9,841 (10,319) injuries as a result of 9,831(10,318) accidents were reported to have occurred in the registered factories other than those under the control of Ministry of Defence. For statistical purposes, the number of injuries has been taken as the number of persons injured as a result of accidents. It may be added here that these figures of accidents are exclusive of 22(23) occurrences, in which no workers are reported to have received injuries. These figures of injuries show that there has been a considerable fall in the total number of injuries in the year under review as compared to the preceding year. Some of the reasons which have led to the fall in the number of injuries are as follows:-

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\* Report on the Working of the Workmen's Compensation Act (VIII of 1923) in Uttar Pradesh for the Year 1960; Allahabad: Superintendent, Printing and Stationery, U.P., 1962; Price Re 1.00. pp. 29.

- 82
- (a) Strict vigilance by the Factory Inspectorate.
  - (b) Better co-operation extended by the management of the factories.
  - (c) Increase in the number of Safety Committees in the factories resulting in enhancing of safety consciousness among the workers.

The following table shows the average number of workers employed in the registered factories, number of injuries and the incidence of injuries per 100 workers in factories other than the Defence Installations during the year 1955 to 1960. The statistics of injuries contained in the following table relate only to registered factories under the Factories Act, 1948. The total number of injuries, occurring in the establishment other than those covered by the Factories Act, 1948 is however, not known and has, therefore, not been included in the table given below:-

Year	Average daily number of workers.	Total number of injuries.	Incidence of injuries per 100 workers.
1955 ..	209,674	8,200	3.91
1956 ..	232,974	9,302	3.99
1957 ..	242,519	9,816	4.01
1958 ..	236,635	9,611	4.06
1959 ..	253,136	10,319	4.08
1960 ..	273,817	9,841	3.59

Number of cases disposed of by Workmen's Compensation Commissioners.- At the commencement of the year under report, 149(137) cases, which include 70(62) cases of awards of compensation under section 10; 78(72) cases of deposit under section 8; 1(1) case of recovery of compensation under section 31 and nil(2) cases of "proceedings other than computation, review, recovery and not proceedings included in deposits under section 8" were brought forward from the preceding year for disposal during the year under report by the Workmen's Compensation Commissioners.

One hundred and fifty-two (172) cases were filed during the year, 59 cases were received from other Commissioners and 30 cases were transferred to other Commissioners for disposal. There were thus, in all, 330(348) cases (after excluding those cases, transferred to other Commissioners for disposal) available for disposal before the Workmen's Compensation Commissioners. Out of these, 216(199) cases were disposed of, leaving thereby a balance of 112(149) cases to be disposed of at the end of the year.

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Award of Compensation.- Out of 218(199) cases disposed of by Commissioners, 97(83) cases related to awards under section 10, 120(113) cases related to deposits under section 8, and 1(3) cases related to "proceedings other than commutation, review and recovery and not included under the head 'deposits under section 8'". Out of 97(83) cases of awards under section 10 disposed of, 41(27) cases were in respect of "fatal accidents", 40(32) in respect of "permanent disablement" and 16(24) of "temporary disablement". Of the total number of 120(113) disposed of cases of "deposits under section 8", 93(85) related to "fatal accidents" (under sub-section(1) of section 8), 6(9) to payment of compensation to women and persons under "legal disability (sub-section(1) of section 8)", and 21(19) to "permanent" and "temporary" disablement, i.e., under sub-section (2) of section 8.

Court-fees.- The amount of court-fees realized was Rs.315.75 nP. (Rs.324.00 nP.) during the year under review.

Registration of agreements.- Twenty (10) cases of "Registration of Agreements" were pending at the commencement of the year under report. Besides, 107(168) cases were "filed" during the year under review. There were thus 127(178) cases available for disposal during the year under review, out of which 107(156) cases were disposed of during the year, leaving thereby a balance of 20(22) cases pending at the close of the year. Out of 107(156) disposed of cases, 89(139) cases were registered and 18(17) not registered. Of the 89(139) cases registered during the year, 71(127) cases related to "permanent disablement" and 18(12) to "temporary disablement", while of the 18(17) cases "not registered", 17(14) cases related to "permanent disablement" and 1(3) cases related to "temporary disablement"; which could not be registered due to inadequacy or other causes.

Out of the 20(22) cases pending at the close of the year, 11(12) cases related to "permanent disablement" and 9(10) to "temporary disablement".

Classification according to Wage group.- Out of the total number of 166(144) cases in which compensation was paid after reference to Workmen's Compensation Commissioners during the year under report, the wage-group of Rs.50 to Rs.60 accounted for as many as 33 accidents which was the highest, while during the preceding year the wage-group of Rs.80 - 100 accounted for 36 cases which was the highest. The main wage-groups coming next in descending order in this regard are Rs.100 to Rs.200 and Rs.80 to Rs.100, which accounted for 32 and 26 cases, respectively, as compared to Wage-Groups of Rs.50 to 60 and Rs.100 to Rs.200 registering 24 and 18 accidents, respectively, during the preceding year.

Amount of Compensation paid after reference to Commissioners.— During the year under review, Rs. 291,947.45 nP. (Rs. 219,149.33 nP.), Rs. 29,477.79 nP. (28,788.60 nP.) and Rs. 4,612.98 nP. (Rs. 5,274.72 nP.) were paid as compensation in 121(97) cases of "fatal accidents", 27(26) cases of "permanent disablement" and 18(21) cases of "temporary disablement", respectively after reference to Workmen's Compensation Commissioners.

The average amount of compensation per case was Rs. 2,412.79 nP. (Rs. 2,259.27 nP.) in respect of "fatal" cases, Rs. 1,091.77 nP. (Rs. 1,51.54 nP.) in cases of "permanent disablement" and Rs. 256.28 nP. (Rs. 298.80 nP.) in cases of "temporary disablement".

Classification of cases of accident according to industries.— Out of 121(97) cases resulting in death, 46(22) related to "Factories", 29(49) to "Mines", 13(12) to "Building and Construction", 10(5) to "Motor Transport", 8(1) to "Electricity Undertakings", 1(nil) to "Plantations", Nil (1) to "Dock and Ports", and 14(7) to "Others" under "Miscellaneous" group. Out of 27(26) cases of "permanent disablement", 9(13) related to "Factories", 5(6) to "Building and Construction", 4(2) to "Motor Transport", 2(2) to "Mines" and 7(3) to "Others" under "Miscellaneous" Group. Similarly out of 18(21) cases of "temporary disablement", 11(15) related to "Factories", 4(2) to "Mines", 2(4) to "Building and Construction", 1(nil) to "Motor Transport", nil(1) to "Municipalities" and nil(1) to "Electricity".

Compensation paid directly by employers.— In addition to 166(144) cases, in which compensation was paid after reference to Commissioners for Workmen's Compensation, 817(415) cases were such in which compensation was paid directly by the employers without reference to Commissioners for Workmen's Compensation. Out of these, 145(183) cases related to "permanent disablement" and 672(232) cases to "temporary disablement".

Compensation amounting to Rs. 68,158.27 nP. (Rs. 74,894.70 nP.) and Rs. 14,542.35 nP. (Rs. 3,703.51 nP.) was paid in 145(183) "permanent disablement" and 672(232) "temporary disablement" cases, respectively, without reference to Commissioners for Workmen's Compensation.

The average amount of compensation paid per case was Rs. 470.06 nP. (Rs. 413.78 nP.) in respect of "permanent disablement" and Rs. 21.64 nP. (Rs. 15.96 nP.) in respect of "temporary disablement" cases.

Out of 145(183) and 672(232) cases of "permanent disablement" and "temporary disablement", respectively, 140(178) and 664(229) cases related to "Factories", 1(nil) and 3(nil) to "Mines", nil(3) and nil(nil) to "Buildings and Construction", nil(nil) and 1(nil) to "Municipalities", nil(nil) and nil(1) to "Electricity", nil(1) and nil(nil) to "Motor Transport" and 4(1) and 4(2) to "Others" under "Miscellaneous" Group.

Total and average amount of compensation paid.-

Considering all the cases of disablements in which compensation has been paid irrespective of the fact whether awarded by the Commissioners or paid by the employers as a result of direct settlement with the workmen, the total amount of compensation paid during the year under report was Rs. 291,947.45 nP. (Rs. 219,149.33 nP.), Rs. 97,636.06 nP. (Rs. 103,683.30 nP.), and Rs. 19,155.31 nP. (Rs. 9,978.23 nP.) in 121(97) cases of "fatal" accidents, 172(209) "permanent disablement" and 690(253) "temporary disablement" cases, respectively. The average amount of compensation paid per case thus works out to Rs. 2,412.79 nP. (Rs. 2,259.27 nP.), Rs. 567.65 nP. (Rs. 503.32 nP.) and Rs. 27.76 nP. (Rs. 39.44 nP.) in "fatal", "permanent disablement" and "temporary disablement" cases, respectively.

The following table shows the number of cases of accidents, amount of compensation paid and average amount paid per case in various types of disablements in which compensation has been paid directly by the employers and after reference to the Workmen's Compensation Commissioners:-

TYPE of cases.	Cases in which compensation was paid directly by the employers			Cases in which compensation was paid after reference to Workmen's Compensation Commissioners		
	No. of cases.	Amount of compensation paid.	Amount per case.	No. of cases.	Amount of compensation paid.	Amount per case.
		Rs. nP.	Rs. nP.		Rs. nP.	Rs. nP.
Death. .. .. .				121	(291,947.45)	(2412.79)
				(97)	(219,149.33)	(2259.27)
Permanent Dis- ablement.	145 (183)	68,158.27 74,894.70	470.06 413.78	27	(29,477.39)	(1091.77)
Temporary Dis- ablement.	672 (232)	14,542.35 3,703.51	21.64 15.96	18	(4,612.96)	(256.28)
				(21)	(6,274.72)	(298.80)

Time lag between occurrence of accident and payment of compensation.— The following table shows the number of accidents under sections 10 and 8 and the period lapsed in the award of compensation:—

Class Interval of Time Lag in award of compensation from the date of occurrence of accidents.	Number of accidents which compensation was awarded.	Percentage of accidents shown in column 2 to the total number of accidents in which compensation was awarded.
1	2	3
		Per Cent.
Less than 6 months. ..	21(19)	12.65 (13.19)
6 - 12 months. ..	43(28)	25.90 (19.45)
Over one year. ..	98(92)	59.04 (63.89)
Not known. ..	4(5)	2.41 (3.47)
TOTAL.	166(144)	100.00 (100.00)

Employees' State Insurance Scheme.— Section 53 of the Employees' State Insurance Act, 1952, provides that where an insured person is or his dependents are entitled to receive or recover, whether from the employer of the insured person or from any other person, any compensation, or damages under the Workmen's Compensation Act, 1923 or otherwise in respect of an employment injury sustained by the injured person as an employee under the Employees' State Insurance Act, 1952, such benefits shall be payable according to the provisions of the said Act and regulations thereunder.

The Employees' State Insurance Scheme continued to be enforced in the towns of Kanpur, Lucknow, Agra, Saharanpur, Varanasi, Rampur, Allahabad, Hathras, Aligarh, Bareilly, Shikohabad, Modinagar, Saharwar, Ghaziabad and Mirzapur as in the preceding year.

The Scheme covers 732(675) employers and 212,499 (196,726) workers in the above-noted towns of the State. During the year under review, the dependents' benefit and medical disablements were made available in 12(22) cases of "fatal accidents", 163(113) cases of "permanent disablement" and 6,827(4,387) cases of "temporary disablement" in which a sum of Rs.33,076.97 nP. (Rs.28,902.56 nP.), Rs.67,792.31 nP. (Rs.44,133.25 nP.) and Rs.183,662.61 nP. (Rs.139,421.34 nP.) was paid respectively.

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Employees' State Insurance Corporation  
Annual Report for 1961-62.

The following review of the working of the Employees' State Insurance Scheme for the year 1961-62 is taken from the Annual Report of the Employees' State Insurance Corporation for 1961-62\* .

General.- A significant feature during the year under report was the commissioning of 4 hospitals built in Bangalore, Kanpur, Bombay and Madras for the exclusive use of beneficiaries under the Employees' State Insurance Scheme, thus making a beginning to the Corporation's ambitious plans to have several Employees' State Insurance Hospitals.

Progress in implementation.- During the year under review the Scheme was implemented in the following further areas in the States mentioned below:-

State	Place	Coverage
Andhra Pradesh.	... Vizianagram, Kurnool*, Rajahmundry* and Dowlaiswaram*.	For insured persons and families.
Kerala.	... Punalur, Kottayam and Perambavoor.	For insured persons only.
Madhya Pradesh.	... Satna, Dewas, Bammore, Mandasaur, Raigarh* and Raipur*.	For insured persons and families.
Madras.	... Dindigul and Tirunelveli. Suburbs of Madras and Coimbatore.	- Do - For insured persons only.
Maharashtra.	... Bassein.	For insured persons and families.
Mysore.	... Mangalore* and Mysore* City.	- Do -
Punjab.	... Kharar, Jon-pal (contiguous to Bhiwani), Faridabad*, Phagwara* (including Chachoki), Kapurthala*, Gobindgarh*.	- Do -
Uttar Pradesh.	... Izzatnagar*, Roorkee*, and Jhansi*.	- Do -

\*(Medical care extended to the families of insured persons at these places after the close of the year under report - 18 weeks after the date of implementation).

\* Employees' State Insurance Corporation Annual Report 1961-62; Issued by Director General, Employees' State Insurance Corporation, New Delhi, pp. 203.

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The number of additional employees covered during the year was about 60,395 but after taking into account the variations in the number of insured employees in the areas already implemented, the total number of employees covered at the close of the year stood at ~~18.7~~ 1.8647 millions. At the close of the year, the Scheme was in force in 132 centres in 13 States and the Union Territories of Delhi. Medical care is being provided in all new areas covered during the year through the service system except in Perambavoor in Kerala where the medical facilities of M.Ct.M. Chidambaram Chettiyar Memorial Hospital are being utilised, and in Bassein in Maharashtra, suburbs of Coimbatore in Madras and Mangalore in Mysore where the panel system has been adopted.

Extension of medical care to families.- During the year medical care was extended to about 775,100 family units (insured persons) (i.e. about ₹ 2.232 millions additional) family member beneficiaries) in the implemented areas of Hissar, Sonapat, Bhiwani - Jompal and Karwar in Punjab; Dandeli in Mysore; Akola, Hinganghat, Greater Bombay and Bassein (Greater Bombay) in Maharashtra; Meerut, Ferozabad and Moradabad in Uttar Pradesh; Tiruchirapalli, Cauverynagar, Ranipet, Sivakasi, Rajapalayam, Daliapuram, Udumalpet, Salem, Tiruppur, Dindigul and Tirunelveli, in Madras; Mandasau, Diwas, Banmore and Setna in Madhya Pradesh; Trivandrum in Kerala; Vizianagram in Andhra Pradesh and Lakheri in Rajasthan.

Programme for future extension.- A substantial portion of the phased programme for extension of the Scheme could not be fulfilled during the year because the necessary medical arrangements could not be completed.

Provision of medical benefit.- According to the statistics received for the year under report, 5,182,355 new and 15,072,898 old cases were treated at the various State Insurance Dispensaries and clinics of panel practitioners as against 4,458,314 and 13,346,120 respectively in 1960-61; further 47,138 cases were referred for admission to hospitals and 412,791 cases for special investigation as against the corresponding figures of 39,782 and 346,975 in the 1960-61.

During the year under report, the all India rate of new attendances per 1000 insured persons was 3,124 as against 2,963 in the preceding year, thus showing a small increase. Further, the State-wise analysis of the rate of new attendances per 1000 insured persons indicates that it ranged between 4,729 and 1,616 during the year, whereas the corresponding figures during 1960-61 were 5,195 and 1,818 respectively. The incidence was particularly high in Mysore, Punjab and West Bengal Regions; but the proportion of old attendances to new, which reflects the number of attendances per spell, is comparatively low in these States. On the other hand, Andhra Pradesh, Madhya Pradesh and Bombay(V) Regions, have experienced comparatively higher proportion of old attendances. However, for the country as a whole, the proportion has registered only a slight increase when compared with that for 1960-61.

Morbidity data.- The pattern of sickness among insured persons during the year under review was more or less the same as in the previous year. One heartening feature was that the incidence of malaria went down as compared to 1960-61 and that this improvement has been steadily maintained since 1956. The table below gives the incidence of morbidity in respect of all the sicknesses having an incidence higher than the all-India average for all the diseases together during the 1960-61. The diseases are arranged in the decreasing order of their prevalence in the country as a whole.

Description of disease.	Incidence per 1000 Insured Persons.	
	ALL INDIA	
	1960-61	1961-62
Common Cold. ....	268.2	295.0
Bronchitis. ....	261.8	274.9
Diseases of nervous and urinary system.	251.6	257.8
Influenza. ....	228.6	232.8
Fracture, dislocation, poisoning, etc.	204.7	212.1
Dysentery all forms. ....	182.1	196.4
Arthritis & Rheumatism. ....	188.6	195.7
Other diseases of digestion.	166.5	186.4
Boil, abscess etc. ....	169.7	166.6
Diarrhoea & enteritis. ....	139.4	156.4
Diseases of stomach. ....	141.1	145.0
Pharyngitis & Tonsillitis. ..	83.2	90.3
Diseases of eye. ....	87.6	88.6
Avitaminosis. ....	75.2	88.4
Other diseases of skin. ....	64.9	67.6
Malaria. ....	71.3	63.0

Number of sickness attendance.- As <sup>in</sup> the last year, the incidence of sickness attendance in the dispensaries showed considerable variation in the States during the year 1961-62 also. The overall State-wise incidence of the combined 'new' and 'subsequent' attendances in dispensaries during the year and the corresponding figures for the preceding year are given below:-

State

(Please see table on the next page)

State	Total number of visits to dispensaries per 1000 Insured Persons.	
	1960-61	1961-62
Andhra	21,960	23,349
Assam	16,982	12,229
Bihar	9,924	11,512
Delhi	13,206	13,907
Kerala	14,139	12,697
Madhya Pradesh	18,796	19,208
Madras	13,976	14,216
Maharashtra:		
(i) Greater Bombay	8,305	8,851
(ii) Vidarbha	13,071	15,775
Mysore	15,952	17,571
Orissa	6,373	8,525
Punjab	10,974	11,658
Rajasthan	13,060	14,179
Uttar Pradesh	10,332	10,576
West Bengal	11,851	10,522
ALL INDIA	11,831	12,211

Improvements in the standard of medical care.-  
 During the year under report, the following four hospitals of the Corporation were constructed and commissioned for the in-patient treatment of insured persons:-

Place	Name of Hospital	No. of Beds.	Date on which commissioned.
Bangalore	-- E.S.I. Hospital.	170	29-12-1961
Kanpur	.. E.S.I. Hospital.	112	26- 1-1962
Bombay	.. Mahatma Gandhi Memorial Hospital.	300	24-3-1962
Madras	.. E.S.I. Hospital.	175	31-3-1962

In addition, construction work was progressing for other hospitals, annexes and dispensaries at various centres at the close of the year. Sanctions were accorded for a number of other projects for which construction work etc., was expected to be taken in hand shortly.

The total number of State Insurance dispensaries manned by 890 doctors in the various implemented areas in the country at the end of the year was 385 out of which 299 were full-time, 24 part-time, 35 mobile and 27 employers utilisation dispensaries. In the Panel System area out-door medical treatment is being provided at the clinics of 2111 panel doctors. Special and Specialist medicines are dispensed through 293 approved chemists shops and 16 Medical Stores established under the Scheme.

Facilities for specialists' attendance, consultation and treatment were provided to insured persons through 8 full-time and 328 part-time specialists in various branches of medicine.

In the case of certain prolonged diseases, the sickness benefit, which is normally restricted to 56 days in a year, is extended at half the ordinary sickness benefit rate for a period of one year in all. The period of entitlement to medical benefit is also extended by one year beyond the normal entitlement to medical care. During the year under report, these benefits were extended to cases of fracture of lower extremity arising otherwise than from employment injury. Cases of such fractures arising from employment injury are already eligible for disablement benefit.

At the beginning of the year under report, 31 cases were awaiting admission to the Artificial Limb Centre and 41 further cases were reported during the year. Sixty-five persons were admitted during the year to the Artificial Limb Centre and were being fitted or re-fitted with artificial limbs. Thus by the close of the year under report, 159 insured persons had been or were being fitted or re-fitted with artificial limbs.

During the year, artificial dentures were provided free of cost to four insured persons who lost their teeth due to employment injury.

During the year under report, the Corporation decided that if an insured person develops partial loss of eyesight on account of employment injury directly to the eye, spectacles may be provided to him free of cost as a part of medical care, provided that he was not using spectacles prior to the employment injury. It also decided that insured persons suffering from cataract of the eye due to exposure to radiations like infrared-rays, which are covered within the term "Occupational Disease" may also be provided with free spectacles as a part of medical treatment.

The Corporation recommended to the State Governments that separate tuberculosis clinics under the Scheme may be established in centres with an insurable population of 50,000 or more for the exclusive use of insured persons and their families. These clinics will be equipped and staffed on the scale recommended by the Union Ministry of Health to provide for all necessary facilities for investigations, diagnosis and out-door and domiciliary treatment to patients suffering from tuberculosis.

Medical referees.- At the end of the year there were 17 full time and 19 part time medical referees in the service of the Corporation.

The Medical Referees disposed of a total of 100,737 incapacity references. The number of cases actually examined was 50,247 (49.9%) out of which 10,596 (10.5%) were found fit to resume duty and 39,651 (39.4%) were found unfit, of the remaining references 21,315 (21.2%) cases were declared off (made fit to join duty by the Insurance Medical Officers/ Insurance Medical Practitioners) and 29,175 (28.9%) cases did not report for examination before the Medical Referees.

Contributions and enforcements.- During the year under report, rates of contributions continued to be same as in the previous years, viz., 1 1/2% for the implemented and 1 1/2% for the non-implemented areas as the Employers' Special Contribution and approximately 2 1/2% of the wages as Employees' Contribution. The total amount collected was Rs. 40,153,612.00 as Employers' Special Contribution and Rs. 54,320,024.00 as Employees' Contribution as against Rs. 37,362,109.00 and Rs. 50,107,123.00 received respectively during the last year. ~~Details are given in the App~~ The rate of Employers' Special Contribution has been increased from 1 1/4% to 2 1/4% in the implemented area with effect from 1 April 1962. There has been no change in the rate of contributions in the non-implemented areas.

During the year under report, a close watch was continued to be kept on the progress of the inspection work by the Headquarters Office. A detailed review of actual requirements of Insurance Inspectors vis-a-vis inspection work loads in various Regions, was carried out and 26 new posts were sanctioned in November 1961. As a result of the close supervision of the inspection work there has been improvement in the number of inspections carried out besides improvement in prompt and regular receipt of contributions. A comprehensive training course was conducted for the benefit of Insurance Inspectors in some of the Regions. Inspectors continued to provide guidance to employers and training to their staff in maintaining records in various formalities and procedures necessary under the Employees' State Insurance Act and Regulations.

Region-wise allocation of the Insurance Inspectors including Leave Reserves for the previous year and the year under report is given below:

Region	No. of Insurance Inspectors	
	1960-61	1961-62
Andhra Pradesh ..	5	5
Assam ..	1	1
Bihar ..	4	4
Delhi ..	3	5
Gujarat ..	5	7
Kerala ..	3	5
Madhya Pradesh ..	4	4
Madras ..	7	10
Maharashtra ..	18	26
Mysore ..	3	5
Orissa ..	1	1
Punjab ..	3	4
Rajasthan ..	2	2
Uttar Pradesh ..	7	9
West Bengal ..	14	18
	<u>80</u>	<u>* 106</u>

\* Additional 26 Insurance Inspectors were sanctioned in November 1961. Number of inspection days available as a result of additional Insurance Inspectors was off-set to a great extent by the number of days spent on their training and the training of the other Insurance Inspectors of a few Regions.

The total number of inspections carried out during the year 1961-62 was 14,371 as against 13,776 for the year 1960-61.

During the year a total of 1,693 cases were instituted under section 73-D of the Employees' State Insurance Act, as total amount of 2,254,939 rupees and a total of 567 cases involving a total amount of 1,336,398 rupees under section 75. A total amount of 860,765 rupees was recovered under section 73D while under section 75 the total recovery amount was 380,579 rupees.

Four hundred and fifty-two cases were filed under section 85 of the Act.

During the period under report, 58 cases involving a sum of Rs. 162,206.85nP. were filed under Section 66 in the Employees' Insurance Courts and a sum of Rs. 73,564.13nP was recovered from the employers. Six cases involving a sum of Rs. 30,899.00nP. were filed under Section 67 and a sum of Rs. 21,715.03nP. was recovered.

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Number of payments made.- Cash benefits are paid at the local/sub-local/pay offices set up by the Corporation in different areas. At the end of the year under report there were 250 such offices and about 21.87 lakh payments were effected during the year, giving a monthly average of over 1.82 lakh payments.

Sickness Benefit.- As a result of the implementation of the Scheme in new areas between 1 July 1960 and 30 June 1961, about 54,200 more employees became eligible for sickness cash benefit during the year under report. The total number of employees entitled to sickness benefits as on 31-3-1962 is estimated at 1.804 millions. During the year, an amount of 30.243 million rupees was paid as Sickness Cash Benefit as against 24.876 million rupees in 1960-61. This increase is primarily due to the increase in the coverage of workers, arising out of extension of the Scheme to new areas as stated above, as well as increase in employment in the already covered area and also, to a small extent, to the increasing trend in wages and sickness incidence.

Insured Persons suffering from tuberculosis as well as from leprosy, mental and other malignant diseases are now eligible for extended sickness cash benefits at a reduced rate, for an additional period of 309 days beyond the 56 days of full sickness cash benefit. Insured Persons affected by fractures of the lower extremity have also been made eligible for extended sickness benefit at the same rate and for the same period as stated above with effect from 1-11-1961. During the year under report 1.138 million rupees were paid to Insured Persons on this account as against 0.803 million rupees paid in the previous year. This increase is mainly accounted for by the increasing number of claims due to increase in coverage. Further, this is the first year when the full effects of the extension of the duration of payment of benefit are reflected.

The average number of benefit days per spell increased slightly from 7.9 during 1960-61 to 8.2 during 1961-62. The amount of benefit per spell, however, showed a more appreciable increase from Rs.17.4 to Rs.18.8. There was also a small increase in the average number of fresh spells per insured employee from 0.95 in 1960-61 to 0.97 in 1961-62. The average number of benefit days per annum per insured employee also registered a slight increase from 7.5 to 7.9. Similarly, the average amount paid per annum per insured employee registered a rise from Rs.16.5 to Rs.18.2. A study of the corresponding figures for the three preceding years suggest that the incidence of sickness claims has not yet stabilised. The possibility of its steadying itself, after a few years, at a slightly higher level cannot, be altogether ruled out particularly as more and more new and sparse areas are covered.

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Maternity Benefit.- During the year the amount paid as maternity benefit was 1.871 million rupees as against 1.516 million rupees in 1960-61. The number of women employees exposed also rose from 95,720 to 114,850 due to increase in employment and also extension to new areas. The number of claims was 6,997, registering an increase of 1,204 over that of 1960-61. The average cash benefit paid per maternity claim increased from Rs. 232/- in 1960-61 to Rs. 267/- and this is possibly due in part at least to the rise in wages. The number of claims per 1,000 insured women employees exposed increased slightly from 60.5 in 1960-61 to 60.9 in 1961-62.

Temporary Disablement Benefit.- On the implementation of the Scheme in new areas, 60,395 more employees became entitled to temporary disablement benefit during the year under report. This together with the increase in employment in the already covered areas brought the total number of workers covered for this benefit to 1,864,700 as on 31-3-1962. During the year 1961-62 a sum of 3,063 million rupees was paid as against 2,593 million rupees in 1960-61. The average number of fresh spells, the number of benefit days and the amount paid per annum per employee are 0.05, 0.83 and Rs.1.81 respectively as against the corresponding figures of 0.05, 0.79 and Rs. 1.66 in 1960-61. The number of benefit days per spell has increased from 15 to 16 and the amount of benefit per spell also upsurged from Rs. 32/- to Rs.35/-.

The number of benefit days per spell showed considerable variation among the States, ranging between 10 and 24 days. In the States of Orissa, Punjab and Madras, however, the duration of temporary disablement per spell has been comparatively low, being only 10, 11 and 13 days respectively.

Permanent Disablement Benefit.- The coverage of workers for this benefit is the same as for temporary disablement benefit. The number of fresh permanent disablement cases admitted during the year under report was 2,630 as against 2,288 during the previous year. The incidence rate per thousand insured employees has registered a slight increase as compared with last year; however, the increase in incidence viewed as a proportion of the last year's figure is less than the corresponding proportion for the last year. An analysis shows that in the States of Madhya Pradesh, Maharashtra, Orissa, Punjab and West Bengal the rate of incidence of permanent disablement benefit is round about 1.9 per thousand employees. It was, however, the highest in Delhi with 3.13 per thousand. The rate was low in Assam, Kerala and Rajasthan where it ranged between 0.4 and 0.5 per thousand.

As permanent disablement benefit is in the form of a life annuity and the Scheme has been expanding, the number of beneficiaries on the Fund naturally has increased from 8,975 at the beginning of the year to 10,948 at the end thereof. The actual amount disbursed as benefit has also gone up from 0.927 million rupees in 1960-61 to 1.123 million rupees in 1961-62.

The capitalised value of the permanent disablement benefit claims in respect of fresh admitted during the year under report was 4.166 million rupees as against 3.776 million rupees in 1960-61.

The Permanent Disablement Benefit Reserve Fund stood at 16.020 million rupees (net) at the close of the year, thus showing a net increase of 3.505 million rupees over the last year's figure.

Dependent's Benefit.- The coverage of the workers for the benefit is the same as in the case temporary disablement benefit. The number of dependants' benefit claims arising during the year under report declined slightly from 148 in 1960-61 to 143. The actual amount paid as dependants' benefit has increased from 0.352 million rupees in 1960-61 to 0.468 million rupees in 1961-62.

During the year under report, the total amount number of new dependants admitted was 369, and the details of the dependants according to various groups were as under:-

Description	As on 31st March	
	1961	1962
Widows	478	582
Sons and daughters	857	1,062
Fathers	25	34
Mothers	46	59
Other children	22	36
TOTAL.	1,428	1,773

The Dependents' Benefit Reserve Fund stood at 4,852 million rupees on 31-3-1962 as against the corresponding figures of 3,926 million rupees on 31-3-1961.

Total cash benefits paid.- The total amount of cash benefits paid to insured persons during the year ended 31 March 1962 were as follows:-

		<u>Rs.</u>
Sickness Benefits	--	30,243,366.24
Extended (S.B.)	--	1,138,177.75
Maternity Benefits	--	1,870,674.98
Disablement Benefits	--	7,129,229.91
Dependants' Benefits	--	1,246,360.00
Total.		<u>41,627,808.88</u>

Income from contributions.— For the year ended 31 March 1962, the total amount received by way of contribution, was Rs. 94,473,635.73; the employers' share was Rs. 40,153,611.80 and that of employees' was Rs. 54,320,023.93.

Cost of Administration.— The statement below shows the comparative cost of administration per insured employee during the last four years from 1958-59 to 1961-62;—

1958-59	--	Rs. 5.28 per insured employees.
1959-60	--	Rs. 6.12 per insured employee.
1960-61	--	Rs. 6.11 per insured employee.
1961-62	--	Rs. 6.23 per insured employee.

CHAPTER 10. SOCIAL MEDICINE.

INDIA - FEBRUARY 1963.

101. Maintenance of Community Health.

Results of a Survey under Trachoma Control Pilot Project published: 15 Million found Visually Handicapped.

According to a survey carried out as part of the Union Government's activities under the Trachoma Control Pilot Project (TCPP), 15 million people in India were either economically blind or visually handicapped, and that there were nearly three million economically blind in the rural areas.

The economically blind are persons who with both eyes open cannot count fingers beyond a two-metre distance.

The TCPP figures, as quoted in an article on the problem of blindness in a Health Ministry publication "Swasth Hind", also revealed that for every economically blind individual there were four suffering from mild to moderate degrees of visual handicap in one or both eyes.

The article expresses the view: "The total of 15 million economically blind and/or visually handicapped is a staggering total which becomes all the more tragic when one considers that most of this blindness is preventible."

The incidence of trachoma is stated to be very high, ranging between 35 and 78 per cent. in Rajasthan, Punjab, Uttar Pradesh, Gujarat, Bihar and Madhya Pradesh. In the otherhand other States, it said, "though the overall prevalence rate is 25 per cent. only, pockets of high endemicity have been found, particularly in three States - Mysore, Assam and Jammu and Kashmir." Certain important findings had been made as a result of an intensive epidemiological studies confined to a relatively small area of western Uttar Pradesh.

The disease was usually either moderate or severe in intensity, the latter being more common in women. The age of onset was between one and three years, and the main victims of active trachoma were children under 10 years.

Smallpox complications of the eyes and gross malnutrition, especially among infants and children are also other causes of blindness.

(The Hindustan Times, 26 February 1963).

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CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - FEBRUARY 1963.

112. Legislation, Regulations, Official Safety and Health Codes.

National Mine Safety Council set up.

The Union Government had constituted a national mine safety council. The council will consist of 16 members drawn from mine-owners, workers, mine managers and supervisory staff with the Chief Inspector of Mines, Dhanbad, as chairman. It will promote propaganda for safety in mines.

The council will be registered under the Societies Registration Act and will be assisted by administrative and technical staff. It will meet its expenditure from the fund-statutory welfare funds for coal and mica mines which were set up to finance measures and activities for promoting the welfare of labour employed in these mining industries.

(The Hindustan Times, 14 February 1963).

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LIST OF THE PRINCIPAL LAWS PROMULGATED DURING  
THE PERIOD COVERED BY THE REPORT FOR FEBRUARY  
1963.

INDIA - FEBRUARY 1963.

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

The Kerala Tenants and Kudikidappukars Protection  
Act, 1963 (Act 7 of 1963) (Kerala Gazette, Extraordinary,  
31 January 1963, pp. 1-14).

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

The Industrial Disputes (Mysore Amendment) Act, 1962  
(Mysore Act No. 6 of 1963) (The Mysore Gazette,  
Part IV-Sec. 2B, 31 January 1963, pp. 77-78 ).

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CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

- \* "Five-Year Report 1956-1961"; Central Mining Research Station; Barwa Road, Dhanbad, Bihar, India. pp. 58.

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\* Publications received in this Office.