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INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

Industrial and Labour Developments in April, 1963.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - APRIL 1963.

12. Activities of External Services.

Meetings

(a) The Director of the Office attended the 11th Annual Convention of the Hind Mazdoor Sabha held at Dalmianagar on 12 April 1963.

(b) The Director attended the inauguration of an Asian Seminar on Workers' Participation in Management organised by the ICFTU Trade Union College. The Seminar which was held at Delhi on 14 April was inaugurated by Shri Gulzarilal Wanda, Union Minister of Labour and Employment and Planning.

Lectures

The Director addressed the trainees at the Workers' Education Centre, Bangalore on 25 April 1963.

Tour

The Director was on tour in Madras from 25-27 April. While at Madras he visited the C.T.I. and interviewed an official who had been offered an expert assignment abroad by the I.L.O.

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25. Wage-Earners' Organizations.

India - April 1963.

Maharashtra: Administration of the Indian  
Trade Unions Act, 1926, during the Year  
1960-61\*.

Number of unions and membership.- According to the annual report on the working of the Indian Trade Unions Act, 1926 for the year 1960-61, there were 1,861 registered trade unions in the State of Bombay at the end of the year 1959-60 and during the year under review 272 unions were registered. Thus there were in all 2,133 unions on the register during the year 1960-61. Out of these 2,133 unions the records of 493 registered trade unions were transferred to the States of Gujarat and Madhya Pradesh in view of the bifurcation of the State of Bombay. During the year the registration of 222 unions were cancelled while one union was dissolved. Thus there were 1,417 registered trade unions at the end of the year 1960-61.

Of these 1,417 unions 1,144 unions submitted their returns for the year 1960-61 by due date. After scrutiny only 844 returns which were in order in material particulars were accepted for the purpose of the report.

Out of the 844 unions whose annual returns are accepted for the purpose of this report, 811 are State Unions (including 7 federations) and 33 (which includes 4 federations) are Central Unions.

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\* Government of Maharashtra: Annual Administration Report on the Working of the Indian Trade Unions Act, 1926 (For the Year 1960-61): Printed in India by the Manager, Government Central Press Bombay, and Published by the Director, Government Printing and Stationery, Maharashtra State, Bombay-4. pp.685. 1963.

The total membership as reported by 833 unions (excluding 11 federations) included in the report was 554,915 at the beginning of the year and 578,073 at the end of the year 1960-61. The number of members who joined the unions during the year was 159,827 while the number of members who left the unions during the year was 136,669. Thus the net increase in the membership of these unions is 23,158. The average membership of the unions included in the report which stood at 1,361 in the year 1949-50 considerably declined in the last few years and was 694 at the end of the year 1960-61. The total membership of all the 1,402 unions (excluding 15 federations) at the end of the year 1960-61 was 980,234 as compared with the total approximate membership of 965,638 of 1,359 unions(excluding 14 federations) at the end of the year 1959-60.

Out of the 144 unions whose registration was cancelled for failure to submit annual returns for the year 1960-61, 37 were registered during the year under report, 28 unions were registered during the year 1959-60, 20 were registered in the year 1958-59 and 59 had more than three years standings. It would appear that more efforts are required to be made for ensuring the building up of stable organisations rather than bodies designed to handle purely local issues.

The following table gives the classification of 1,402 registered Trade Unions (excluding 15 federations) and their membership according to industrial groups as on 31 March 1961:-

Group.	Number of registered Unions.	Membership (latest available).
0. Agriculture, Forestry, Fishing, etc.	32	5,257
1. Mining and Quarrying.	20	16,039
2-3. Manufacturing.	482	406,216
4. Construction.	17	3,794
5. Electricity, Gas, Water, and Sanitary Services	46	11,515
6. Commerce.	162	48,872
7. Transport and Communications (other than Workshops).	122	322,576
8. Services.	316	86,029
9. Activities Not Adequately Described.	205	79,956
	<u>1,402*</u>	<u>980,234</u>

\*This excluded 15 Federations.

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The available information regarding the geographical distribution of Trade Union Membership in the State shows that unions in Greater Bombay had 71.77 per cent. of the total membership of 1,402 unions while Poona, Nagpur, Sholapur, Ahmednagar and Thana Districts accounted for 5.12, 3.98, 3.55, 2.77 and 1.58 per cent. respectively of the total membership.

The number of unions having female membership was 275 in the Private Sector, 112 in the State Sphere of Public Sector and 26 in the Central Sphere of Public Sector with a membership of 30,417, 9,113 and 956 respectively.

Out of the 1,417 registered trade unions at the end of the year under review 1,366 unions (including 7 federations) were State unions and 51 unions (including 8 federations) were Central Unions. The following table shows the variation in the membership of registered trade unions in the State since 1955-56:-

Year	No. of registered unions in the report.	No. of unions included in the report.	Total membership of Unions (Shown in the column 3)			Average membership per unions included in report.	Percentage of Female members to total membership.
			Males.	Females.	Total.		
1955-56.	1068	607	371,312	32,760	404,072	666	8.10
1956-57.	1599	859	443,180	37,364	480,544	559	7.78
1957-58.	1699	1030*	553,354	47,298	601,964	584	7.86
1958-59.	1749	1051	564,661	48,804	613,465	595	7.96
1959-60.	1373	825*	568,913	48,370	617,283	748	7.83
1960-61.	1417	833*	552,615	45,458	578,073	694	7.86

\* This number excludes federations.

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Income and expenditure.— The total income of 833 unions (excluding 11 federations) during the year under report was 2,873,033 rupees with a balance of 3,182,729 rupees at the beginning of the year, while the total expenditure for the year was 2,500,388 rupees with the balance of 3,555,374 rupees at the end of the year. Three unions maintained Political Funds and collected 2,442 rupees during the year under review. They had an opening balance of 12,001 rupees and a closing balance of 14,443 rupees in their Political Fund accounts. They did not however incur any expenditure during the year under review.

The total income of 11 federations (7 State and 4 Central) was 32,355 rupees during the year under report with a balance of 21,196 rupees at the beginning of the year, while their total expenditure during the year was 28,606 rupees with a balance of 24,946 rupees at the end of the year.

Income of State Unions.— Total income of 574 State unions in the Private Sector, 176 State unions in the State Sphere of Public Sector and 54 State unions in the Central Sphere of Public Sector amounted to 1,978,359 rupees, 332,158 rupees and 98,596 rupees respectively whereas the corresponding figures of total expenditure were 1,639,011 rupees, 340,481 rupees and 89,179 rupees respectively. The general fund of these unions which was 2,216,037 rupees, 350,439 rupees and 145,664 rupees respectively at the beginning of the year stood to 2,555,385 rupees and 392,116 rupees and 155,054 rupees respectively at the end of the year under review.

Contributions from members was the main source of income in case of all the three divisions of unions. Of the total contribution of 1,451,713 rupees an amount of 1,277,738 rupees was actually received from the members and 75,631 rupees was in arrears for three months or less, 48,057 rupees was in arrears for more than three months but upto six months and 50,287 rupees was in arrears for more than six months ~~but~~ upto in case of the unions in Private sector. Similarly in case of the unions in the State Sphere of Public Sector the contribution actually received was 225,891 rupees while the contribution in arrears was 35,470 rupees for three months or less, 47,409 rupees for more than three months but upto six months and 7,766 rupees for more than six months. In respect of the unions in the Central Sphere of the Public Sector the

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contribution actually received was of 48,040 rupees whereas the contribution in arrears was of 6,138 rupees for three months or less, 3,778 rupees was for more than three months but upto six months and 12,789 rupees for more than six months. Donations was the next source of income to all the three divisions of the unions and it comprised of 16.43 per cent. of the total income in respect of the unions in Private Sector, 14.72 per cent. of the total income in case of the unions in the State sphere of Public Sector and 21.06 per cent. of the total income for the unions in the Central Sphere of Public Sector.

Expenditure of State Unions.— An amount of 917,591 rupees representing 55.99 per cent. of the total expenditure of 1,639,011 rupees was spent on salaries and expenses of officers and establishment in respect of the unions in the Private Sector. The other expenses which included meeting and propoganda expenses irrecoverable unpaid subscription, depreciation written off, etc., amounted to 350,247 rupees or 21.37 per cent. of the total expenditure. The expenditure on account of establishment charges of the unions thus covered 77.36 per cent. of the total expenditure. The expenditure on other items such as expenses towards educational, social and religious benefits, expenses in conducting trade disputes, expenses for payment of compensation to members for loss arising out of trade disputes, legal expenses etc., represented 22.64 per cent. of the total expenditure.

The unions in the State Sphere of Public Sector incurred 164,820 rupees on salaries, allowances and expenses of officers and establishment of the total expenditure of 340,481 rupees which represented 48.40 per cent. of the total expenditure. The other expenses which included meeting and propoganda expenses, irrecoverable unpaid subscriptions, depreciation written off etc., amounted to 119,357 rupees or 35.06 per cent. of the total expenditure. Thus the expenditure on account of establishment charges covered 83.46 per cent. of the total expenditure. Only 16.54 per cent. of the total expenditure was spent on other items such as expenses in conducting trade disputes, expenses on educational, social and religious benefit, legal expenses etc.

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The unions in the Central Sphere of Public Sector spent 59,613 rupees out of the total expenditure of 89,179 rupees representing 44.42 per cent. of the total expenditure. The other expenses which included meeting and propaganda expenses, irrecoverable unpaid subscriptions, depreciation written off etc., amounted to 24,540 rupees or 27.52 per cent. of the total expenditure. The expenditure on account of establishment charges thus amounted to 71.94 per cent. of the total expenditure. The 28.06 per cent. of the total expenditure was spent on other items.

As regards funds all 574 unions in the Private Sector except 6 unions opened the year with credit balances. Of these 6 unions, one union ended the year with credit balance. Of the 176 unions except 2 unions in the State sphere of Public Sector opened the year with credit balances. Of these 2 unions one union ended the year with credit balance. All the 54 unions in the Central Sphere of Public Sector opened year with credit balances and also ended the year with credit balances.

The total amount to the credit of the general fund accounts of all the State Unions in the Private Sector was 3,280,614 rupees and other liabilities amounted to 676,037 rupees as against the total assets of 3,956,651 rupees.

In case of State Unions in the State Sphere of Public Sector the general fund of the unions accounted for 393,684 rupees of the total liabilities when other liabilities amounted to 57,456 rupees as against against the total assets of 451,140 rupees.

The unions in the Central Sphere of Public Sector had a general fund of 155,055 rupees and other liabilities of 4,749 rupees as against the total assets of 159,804 rupees.

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Eighteen unions in the Private Sector maintained separate fund for specific purposes. Out of these 18 unions three unions have maintained "Building Fund" the highest amount namely 529,707 rupees being set aside by Rashtriya Mill Mazdoor Sangh, Bombay, while Shahu Mill Kanger Sangh, Kolhapur and Rashtriya Mill Mazdoor Sangh, Nagpur set aside an amount of 12,954 rupees and 8,571 rupees respectively for the same purpose. The "Reserve Fund" is maintained by two Unions and the highest amount namely 26,545 rupees was set aside by Glaxo Laboratory Employees' Union, Bombay. Eleven unions maintained funds for specific purposes other than those mentioned above, such as "Staff leave funds", "adjudication Fund", etc.

Unions with Political Funds.— Five unions in the Private Sector namely, (1) Rashtriya Mill Mazdoor Sangh, Bombay, (2) Amalner Girmi Kanger Union, Amalner, (3) Kirloskar Kanger Union, Kirloskarwadi, (4) Indian Motion Pictures Employees' Union, Bombay, and (5) Bhos Industries Kanger Union, Bhos reported that they had maintained Political Funds under Section 16 of the Act.

In the State Sphere of Public Sector only one union namely the Municipal Kanger Union, Bhos maintained Political Fund of 50 rupees.

Unions in the Central Sphere of the Public Sector did not maintain political fund.

Agricultural trade unions.— There were 29 unions in the Private Sector who had enrolled as their members workers working on Sugarcane Farms adjoining the sugar factories. Information furnished by 10 unions out of these 29 unions shows that 11,775 out of the total 36,187 or 32.54 per cent. of the total membership were engaged in agricultural operations on sugarcane farms.

State Federations.— There were seven State Federations, namely (1) the Vidarbha Bank Employees' Federation, Nagpur, (2) Madhya Pradesh Provincial Primary Teachers' Federation, Amravati, (3) Provincial Federation of Secondary School Teachers' Association, Nagpur, (4) The Municipal Primary Teachers' Federation, Brihan Mumbai, (5) Vidarbha Local Bodies Employees' Federation, (6) Federation of Western India Cine Employees' Bombay, and (7) Maharashtra Prantik Marketing Hamal Mapari Federation, Shrirampur registered under the Indian Trade Unions Act, 1926 at the end of the year 1960-61.

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These federations are classified according to revised classification. Of the seven federations one federation viz., (1) The Vidarbha Bank Employees' Federation, Nagpur is classified under the "Commerce" group, 5 federations viz., (1) Madhya Pradesh Provincial Primary Teachers' Federation, (2) Provincial Federation of Secondary School Teachers' Association, (3) The Municipal Primary Teachers' Federation, (4) Federation of Western India Cine Employees', and (5) Vidarbha Local Bodies Employees' Federation are classified in the "Service" group and one Federation viz Maharashtra Prantik Marketing Hamal Mapari Federation is classified in the group "Activities not Adequately Described".

The assets of one federation in the "Commerce" group were made up of cash amounting to 597 rupees and the other assets amounting to 1,165 rupees. The federation had general fund of 1,552 rupees and other liabilities amounting to 210 rupees. Out of the total income of 3,499 rupees during the year under report, 1,541 rupees were collected by way of contributions, 1,229 rupees were collected by way of donations and 2,629 rupees were collected from miscellaneous sources. The federation incurred an expenditure of 2,499 rupees during the year out of which 1,605 rupees were spent on the administration only.

The assets of 5 federations in the "Service" group were made up of cash amounting to 10,133 rupees and other assets amounted to 6,604 rupees. The federations had general fund of 8,996 rupees and other liabilities of 7,741 rupees. The main source of income of federations was donation from members which amounted to 7,493 rupees. The contribution from members amounted to 7,176 rupees out of the total income of 16,184 rupees. The federation incurred an expenditure of 17,816 rupees and 12,216 rupees were spent on administration only.

The assets of one federation in the group "Activities not Adequately Described" were made up of the cash amounting to 2 rupees whereas the other assets amounted to rupees nil. The general fund of the federation accounted for 2 rupees while the other liabilities was of rupees nil. The main source of income of the federation was income from the miscellaneous sources which amounted to 55 rupees out of the total income of 75 rupees. The contribution received from members was 10 rupees and 10 rupees were received by way of donations. The federation incurred an expenditure of 73 rupees and the whole amount was spent on administration only.

Application of State Unions.— Available information regarding the affiliation of the State Unions to the All India Organisations of Labour shows that out of 574 State unions in the Private Sector 62 unions were affiliated to the Indian National Trade Unions Congress, 47 unions to All India Trade Union Congress, 22 unions to Hind Mazdoor Sabha and 24 unions to Bharatiya Mazdoor Sangh. Out of the 176 State Unions in the State Sphere of Public Sector 17 unions were affiliated to Indian National Trade Union Congress, 12 unions to Hind Mazdoor Sabha, 7 unions to All India Trade Union Congress, 6 unions to Bharatiya Mazdoor Sangh and one union to United Trade Union Congress. Of the 54 unions in Central Sphere of Public Sector only 2 unions were affiliated to Indian National Trade Union Congress and 5 unions to Hind Mazdoor Sabha.

Central Unions.— Out of the 43 Central Unions (excluding 8 Central Federations) 24 unions were classified in the Private Sector and 19 unions in the Central Sphere of Public Sector. There was however no union classified so far in the State Sphere of Public Sector. Out of the 24 unions in the Private Sector the statistics of 18 unions have been included in the report. Similarly of the 19 unions in the Central Sphere of Public Sector the returns of 11 unions are accepted for the report purpose. The registration of one union in the Public Sector viz. the Reserve Bank D Class Employees' Union, Bombay was cancelled on 6 November 1961 for failure to submit annual return for the year under review. The records of one union viz. All India Defence Medical Association (Civilian) from this Sector is transferred to Madhya Pradesh State during the year under report.

Female membership.— Out of the 18 unions in Private Sector 9 unions reported female membership of 274 at the end of the year under report. In the Central Sphere of Public Sector 8 unions out of the 11 unions reported female membership which stood at 4,698 at the end of the year under report.

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The main source of income of the unions in the Private Sector was contributions from members. Out of the total contribution of 141,756 rupees an amount of 103,966 rupees was actually received from the members, 2,573 rupees were in arrears for three months or less, 2,065 rupees were in arrears for more than three months but not more than six months and 33,152 rupees were in arrears for more than six months. The donations received by unions amounted to 11,436 rupees i.e. 6.56 per cent. of the total income while the income from miscellaneous sources was 18,390 rupees i.e. 10.55 per cent. of the total income. The main source of income of the Unions in the Central Sphere of Public Sector was also contribution from members. Out of the total contributions of 224,934 rupees an amount of 147,838 rupees was actually received from the members, 37,302 rupees were in arrears for three months or less, 31,799 rupees were in arrears for more than three months but not more than six months and 7,995 rupees were in arrears for more than six months. The donations received by the unions amounted to 3,661 rupees i.e. 1.53 per cent. of the total income and the income from miscellaneous sources was 8,626 rupees i.e. 3.60 per cent. of the total income.

Out of the total expenditure of 165,642 rupees the unions in the Private Sector spent an amount of 111,118 rupees on salaries, allowances, and expenses of officers and establishment representing 67.08 per cent. of the total expenditure. Other miscellaneous expenses which included expenses on meeting and propaganda ~~chag~~ expenses, irrecoverable subscriptions and depreciation written off amounted to 26,650 rupees or 16.09 per cent. of the total expenditure. Thus the total expenditure on administration amounted to 137,768 rupees or 83.17 per cent. of the total expenditure. An amount of 13,033 rupees or 7.87 per cent. of the total expenditure was spent on expenses incurred under section 15(j) of the Act while 2,118 rupees and 1,659 rupees were spent on legal expenses and in conducting trade disputes respectively.

The total expenditure incurred by 11 unions in the Central Sphere of the Public Sector amounted to 266,075 rupees. Out of the total expenditure an amount of 100,713 rupees was spent on salaries, allowances and expenses of officers and establishment representing 37.85 per cent. of the total expenditure. Other miscellaneous expenses which included meeting and propaganda expenses, irrecoverable subscription, and depreciation written off amounted to 137,639 rupees or 51.73 per cent. of the total expenditure. Thus the total expenditure, on administration amounted to 238,352 rupees or 89.58 per cent. of the total expenditure. An amount of 16,552 rupees or 6.21 per cent of the total expenditure was spent on expenses incurred under section 15(j) of the Act while 2,550 rupees and 1,319 rupees were spent on legal expenses and expenses in conducting trade disputes respectively.

The general fund was the principal liability of the unions in the Private Sector. The amount of general fund of all the 18 unions stood at 250,122 rupees as against 108,138 rupees as other liabilities. The total assets of the unions amounted to 358,260 rupees which included securities worth 88,192 rupees. There were only four unions which held securities out of which the Maritime union of India alone held securities worth 66,692 rupees. Out of the total assets of 358,260 rupees an amount of 42,729 rupees or 11.93 per cent. represent unpaid subscription due. Out of the total amount of unpaid subscription due 37,256 rupees were due to the year under review and 5,473 rupees were due for the previous year. The Maritime Union of India, Bombay reported 31,245 rupees as unpaid subscription due. An amount of 143,691 rupees of the total assets represents cash either in hand or in banks. Of this amount Maritime Union of India, Bombay, accounted for 100,403 rupees. An amount of 83,648 rupees of the total assets represents miscellaneous assets which included items such as loans given, goods and furniture, etc.

The general fund was also the principal liability of the unions in the Central Sphere of Public Sector. The amount of general fund of all the unions stood at 202,697 rupees as against 58,527 rupees as other liabilities. The total assets of the unions amounted to 261,224 rupees which included securities worth 25,995 rupees. There was only one union viz., State Bank of India Employees' Union, Bombay Circle, Bombay, which held securities worth 26,995 rupees. Out of the total assets of 261,224 rupees an amount of 78,265 rupees or 29.96 per cent. represents unpaid subscription due. Out of the total amount of unpaid subscription due 77,665 rupees were due for the year under report and 610 rupees for the previous year. The State Bank of India Employees' Unions (Bombay Circle) Bombay reported 11,236 rupees as unpaid subscription due. An amount of 47,306 rupees of the total assets represents cash either in hand or in banks. Of this amount the Western Railway Employees' Union Bombay and Air Corporation Employees' Union, Bombay accounted for 16,108 rupees and 11,350 rupees respectively. An amount of 108,658 rupees of the total assets represents miscellaneous assets which included items such as loans given, goods and furniture, etc.

Only one union namely the Maritime Union of India, Bombay, of the unions in Private Sector, maintained separate funds for specific purposes. The Union had a "Building Fund" of 29,406 rupees, "Reserve Fund" of 24,799 rupees and "Welfare Fund" of 32,884 rupees. One union namely National Railway Mazdoor Union, Bombay, in the Central Sphere of Public Sector maintained separate funds for specific purposes. The Union had a "Building Fund" of 3,753 rupees and "President Fund" of 1,797 rupees.

Central Federations.— There were eight Central Federations namely (1) Federation of Bank Employees' Bombay, (2) Federation of the Bank of India Staff Union, Bombay, (3) All India Bank of Baroda Employees' Federation, Bombay, (4) All India Federation of New India Assurance Company Ltd., Employees' Union, Bombay, (5) All India Life Insurance Employees' Association, Bombay, (6) Federation of Press Trust of India, Employees' Union, Bombay, (7) All India Voltas and Volkart Employees' Federation, Bombay, and (8) Sanyukta Kenger Sangh (Federation), Lasalgaon.

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These Federations are classified according to revised classification. Of the eight federations five federations namely (1) Federation of the Bank of India Staff Unions, (2) Federation of Bank Employees' Bombay, (3) All India Bank of Baroda Employees' Federation, (4) All India Federation of New India Assurance Co. Ltd., Employees Union and (5) All India Life Insurance Employees' Association are classified in 'Commerce' group and the remaining three federations namely, (1) Federation of Press Trust of India Employees' Union, (2) All India Voltas and Volkart Employees' Federation, and (3) Sanyukta Kanger Sangh (Federation) are classified in group 'Activities not Adequately Described'.

Of these federations returns of four federations are accepted for the report purposes. Information regarding income, expenditure, opening and closing balances, etc. of the four federations is given in the Statement in Form 'B' appended to the report.

The assets of the federations in 'Commerce' group comprised of cash amounting to 12,484 rupees unpaid subscription due to 3,856 rupees, and other assets to 2,110 rupees out of the total assets of 21,779 rupees. The federations had a general fund of 13,375 rupees and other liabilities amounting to 8,404 rupees. The main source of income of federations was contributions from members which amounted to 10,629 rupees. Out of the total income of 11,052 rupees the expenditure of the federations was 7,199 rupees during the year under report. Of the total expenditure 4,686 rupees is spent on administration.

The federations in the 'Activities not Adequately described' group had cash in hand or in banks of 924 rupees and other assets of 846 rupees. The federations has a general fund of 1,021 rupees and other liabilities of 769 rupees. The main source of income of the federations was contribution from members which amounted to 1,453 rupees. Out of the total income of 1,546 rupees the total expenditure of the federations was 1,019 rupees. Almost all amount was spent on administration only.

Application of Central Unions.— Available information regarding the affiliation of Central Unions in Private Sector and the Central Unions in the Central Sphere of Public Sector to the All India Organisations of Labour is given in the following table:—

Name of the Central Organisation of Labour.	Private Sector		Central Sphere of Public Sector.	
	No. of Unions reporting as on affiliation, 31 March 1961 of the unions mentioned in Column No.2.	Total strength reporting as on 31 March 1961 of the unions mentioned in Column No.4.	No. of Unions reporting as on affiliation, 31 March 1961 of the unions mentioned in Column No.2.	Total strength reporting as on 31 March 1961 of the unions mentioned in Column No.4.
1	2	3	4	5
Indian National Trade Union Congress.	1	1,560	1	26
Hind Mazdoor Sabha.	5	2,206	2	94,964
All India Trade Unions Congress.	2	4,121	—	—
Bharatiya Mazdoor Sangh.	1	39	—	—
Not affiliated.	6	2,708	4	1,596
Affiliation not known.	5	1,346	4	7,128
<b>Total.</b>	<b>18</b>	<b>11,980</b>	<b>11</b>	<b>103,714</b>

Employers' Unions.— There were 26 unions of the Employers registered under the Act at the end of the year.

(The Report on the working of the Act for 1958-59 was reviewed at pp.3-8 of the report of this Office for June 1961).

28. Employers' Organisations.

~~67. Conciliation and Arbitration.~~

India - April 1963.

Thirty Sixth Annual Meeting of the Federation  
of Indian Chambers of Commerce and Industry,  
New Delhi, 16 March 1963.

The 36th annual session of the Federation of Indian Chambers of Commerce and Industry was held at New Delhi on 16 March 1963. The meeting was inaugurated by Shri Jawaharlal Nehru, the Prime Minister of India and presided over by Shri Shriyans Prasad Jain. Shri C. Subramanian, Union Minister of Steel and Heavy Industries and Shri B.M. Birla also addressed the conference. Among others, leading industrialists and businessmen attended the session.

Presidential address.— In his presidential address to the conference, Shri Shriyans Prasad Jain said that immediately after the Chinese invasion, the Federation became very much conscious of the need to take positive steps on the part of the business community to stand solidly behind Government in meeting the grave peril to the freedom and integrity of the nation and decided upon a programme of action to take effective steps in regard to the following and widely publicised it: (i) maintain and increase production of — (a) essential commodities; (ii) maintain the price line; and (iii) subscribe to the various schemes of Defence Bonds, Loans and Funds. It appealed to all the Central Organisations of manufacturers to make arrangements to see that the products of their industries were distributed in such a manner that they reached the ultimate consumers at prices which they were expected to pay. Four Zonal Committees, consisting of leading businessmen and industrialists, in different zones of the country, to exercise vigilance and guide action in maintaining the price line were constituted.

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As regards increasing the war potential and industrial production generally, the Federation has been in touch with Government and placed at their disposal the resources of Indian Industry, both in material and manpower. It was also brought to the notice of Government that a sense of urgency has to permeate the consideration of matters relating to defence production and mobilisation, so that the Industry could also be geared for the trying times that may lie ahead. Speaking about the pace of economic development Shri Jain said that a faster rate of economic development was a pre-condition to better defence effort, and a faster growth of defence oriented industry could create conditions in which a higher rate of economic development was possible. Shri Jain however pointed out that during the last two years, on account of various causes such as shortages in transport and power, industrial raw materials, capital equipment, the rate of growth has been slower. Quoting the Planning Minister in the Transport and Power Conference, 9 September 1962, that "there can be no place for rigidity in a situation of dynamic growth", Shri Jain regretted that this hope had so far not been fulfilled, and neither had the authorities fully utilised the enthusiasm of the people nor the opportunities which the challenge has presented. To the best knowledge of the Federation, there had been little evidence of the authorities taking advantage of the co-operation so readily offered by industrial establishments in private hands to galvanise defence effort. There was a virtual freeze on plans of expansion and development of industry. He urged that vexatious and dilatory regulations and procedures should be smoothened and streamlined, and there should be a purposive speed in policies, both in their conception and implementation. Criticising the tax proposals of the Government he said if as large a sum as 3,000 million rupees was to be added to the tax collections in one big sweep, where were the finances for private industries to come from? Sizeable additions have been made in direct taxes, which will have to be borne by the salariat and middle classes. The surcharge now was so heavy that their entire savings would be able wiped off. The corporate sector too would neither be able to save nor distribute by way of dividends, excepting what was left after paying the steep super-tax. Here again, the additional incidence amounted to nearly 15 per cent. to 25 per cent. on the better-managed concerns in the corporate sector, and in some cases, even more. This he emphasised would dry up all the sources of finance for

industry, and the capacity of Industry to fulfil the part assigned to it in the Third Plan would be considerably diminished. Shri Jain, in the course of his speech, suggested the formation of a small committee consisting of officials and non-officials to review the utilisation of foreign credits, examine the factors which restricted their utilisation and study the methods by which these impediments could be overcome. Speaking about export Shri Jain urged the industrialists to improve the competitive capacity and strength in the foreign markets. He pointed out that in the last decade India's share in the world trade had declined from 2 per cent. to 1.1 per cent. and this was a challenge which must be met squarely and fully.

Prime Minister's speech.- Inaugurating the Conference the Prime Minister of India, Shri Jawaharlal Nehru said the Government wanted both the private and the public sectors to progress. But if an impression was created that the private sector was not maintaining moral and ethical standards, which one expected of it, it was that sector which would suffer in public estimation. The growth of the nation depended ultimately on the quality of the human material, not only the capacity and expert knowledge, but also character. Shri Nehru accepted criticism of delay in Government procedures and said these should be changed and improved as far as possible. Some progress had been made towards that end. But he said the criticism sometimes ignored the realities of the modern world. Dealing with the budget, the Prime Minister said the Finance Minister had put forward "an unusual budget in the sense he has gone pretty far and deep" tapping sources of revenue. It would not be proper for him (Shri Nehru) to discuss the budget here.

"But I would like you to consider the strategy of the budget apart from the individual items with which you may or may not agree. On the whole, I submit to you that the broad strategy of the budget is good and on the whole, attempt has been made to spread out the burdens so that they should not fall very much on particular groups, specially those who can least afford."



By a resolution on the Problems faced by industry on account of red tape and slackness in administration, the Federation urged that with some effort on the part of the authorities it should not be difficult to bring about efficiency and speed in the work of the administrative machinery. The Federation also appealed for an impartial consideration of the root causes which would reveal the connection between multiplicity of legislative measures, rules and regulations and administrative inefficiency and unproductive time-consuming work all round, as also between indecisiveness and slackness in administrative machinery and proliferation of governmental agencies.

In another resolution relating to the need for revision in the fiscal and monetary policy of the Government, the Federation referred to the slowing down of the rate of growth of national income which meant that there was decrease in the pace of production. The resolution criticised the imposition of the Super Profits Tax and said that it would damage the very source of development, viz., capital formation. The new levy will make it very difficult, perhaps even impossible, for the companies to repay borrowed moneys. This will be particularly unfortunate in the cases of foreign collaboration and foreign loans and affect the status of India in the international field.

The Federation urged upon the Reserve Bank to liberalise its credit policy so as to enable the Banks to extend advances to industries whereby production can be stepped up. The Federation earnestly requests the authorities to revise their fiscal and monetary policy in such a way as to encourage investment and production and assist the economic objectives to be achieved in the shortest time.

Regarding export promotion the Federation requested the authorities to develop the infrastructure for export promotion and also assist businessmen to undertake studies of markets abroad and promote personal contacts. This required among other things, release of foreign exchange on a larger scale, so that offices overseas might be opened and purposeful foreign visits by businessmen could be undertaken.

Shri Bharat Ram was unanimously elected president of the Federation of Indian Chambers of Commerce and Industry for the year 1963-64 and Shri K.P. Goenka vice-president.

(Documents received in this Office from the Federation of Indian Chambers of Commerce and Industry, New Delhi; The Hindustan Times, 17 March 1963).

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30th Annual Meeting of the All India  
Organisation of Industrial Employers,  
Bombay, 8 April 1963.

The 30th Annual Meeting of the All-India Organisation of Industrial Employers was held in Bombay on 8 April 1963. The meeting was inaugurated by Shri S.G. Barve, Finance Minister of Maharashtra and presided over by Shri D.C. Kothari.

Inaugural address.— Inaugurating the Conference Shri S.G. Barve, Finance Minister of Maharashtra said that employers and workers will have to co-operate to improve the productivity of industrial enterprises in the country so that their products are not priced out in world markets. He said that though the impact of employment opportunities created during the last decade of planning was not significant, the progress recorded on the industrial front, in its variety and diversity of production, was remarkable. The present stresses and strain in different aspects of the nation's economy were the birth pangs of growth. The Minister said that substantial improvement had been made in the living conditions of workers and in providing them with social security benefits. But the problem of housing of industrial labour was still a vexed question which called for efforts on a big scale for its solution.

Presidential address.— Shri In his presidential address, Shri D.C. Kothari said that good industrial relations, improved techniques of productions, ~~improved~~ and development-oriented labour and employment policy were the basic instruments for achieving higher production and improving the conditions of labour. He said ~~these had become~~ that in the present political situation, these had become a pre-condition to reinforcing the country's defence effort. Dwelling on industrial harmony, Shri Kothari said that while the Government had powers to regulate the conduct of groups and individuals, these powers were delegated to, and its functions performed by, several agencies - legislative, executive and judicial. These different agencies were not fully co-ordinated and their decisions not completely integrated. He stressed that the laws concerning the relations between capital and labour should be consistent and homogeneous.

These should not be passed in haste to meet specific and immediate issues outside the general context. Otherwise, instead of providing a sound basis for integrated relations between capital and labour they would result in confusion with a growing disposition to react against them.

He said the trade unions in the country had yet to achieve a mature outlook. They often attached more importance to slogans rather than to socio-economic considerations. He felt that the employers should show that employees need not depend on power politics but could, through organisation and representation of the right type, work jointly with management to solve mutual problems. The workers' education programme had an important part to play in the creation of healthy and informed trade unions and harmonious employer-employee relations. Shri Kothari said that the management must make it plain that it was not discouraging the growth of unions. It should welcome the support of organised labour. Trade unions should be considered as co-operative agencies which could contribute towards the success of the enterprise.

He said that legislation could not achieve much for it contained an element of compulsion, and therefore, could not create that sound foundation for industrial relations which conventions evolved through voluntary efforts could. The remedy, in Shri Kothari's view, lay in resorting to more and more bipartite consultations and negotiations. In this connection, the decision of the joint consultative board of industry and labour should be welcome, he said. Shri Kothari stated that the board had decided to set up a bipartite mediation service on an industry-cum-region-wise basis for resolving industrial disputes. The employers' and workers' organisations associated with the board had agreed to refer all differences to the joint mediation service for settlement. He disclosed that it was proposed to approach the Government not to refer to adjudication any issue pending before the mediation service of the board. He said to achieve a higher use of productive resources and, at the same time, to improve the productive efficiency of the equipment, purposive improvement in the techniques of production were both a condition and a test. He thought the most efficient technique was one that minimised the cost of production in the prevailing economic conditions, and left enough surplus to

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finance industrial growth. In this context, Shri Kothari said that in the broader national interest, the pace of rationalisation had to be stepped up with the full co-operation of labour.

On the question of bonus payment, he said that wherever possible it should be replaced by scientifically designed incentive schemes. This adjustment could be undertaken in stages spread over a period of two to five years, he said. According to Shri Kothari the present level of fringe benefits to workers and the expenditure on social security, which constituted an important element in labour costs, could not by any means be considered inadequate in the circumstances obtaining in India. The essential problems before the country was providing larger employment to a growing population. He, however, conceded that simultaneous efforts should be made to extend the existing social security benefits to as large a number of workers as possible.

He said that no wage policy could succeed unless economic imbalances created by the Government's fiscal policies were rectified. Every rise in the price level of commodities which entered into the budget of industrial workers would give rise to demands for a further increase in wages. In other words, the industry would be called upon to bear the burden of any taxation imposed on anything in any State or of specific shortages caused in agriculture.

(The Economic Times, 4 April 1963).

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30th Annual Conference of the Employers'  
Federation of India, Bombay, 17 April,  
1963.

The 30th annual session of the Employers' Federation of India was held at Bombay on 17 April 1963. Shri Naval H. Tata, President of the Federation for the year 1962 presided.

Shri Tata's speech.— Addressing the 30th annual meeting of the Federation, Shri Naval H. Tata said that indirect taxes affected very substantially the wage structure, as also the cost structure of numerous industrial and consumer products. In many cases they affected not merely the final product, but the entire range of intermediates. Referring to the impact of indirect taxes on prices, Shri Tata said that the indirect tax revenue of the Central Government had been increasing at a fast rate. The indirect taxes and their percentage to the total revenue had risen from 3,640 million rupees (63 per cent.) in 1956-57 to 6,020 million rupees (66 per cent.) in 1960-61 and 10,090 million rupees (68 per cent.) estimated in 1963-64.

Similarly, excise duties under the 1963-64 Budget were levied on 67 different commodities, classified broadly as wage goods, yield 2,580 million rupees (37 per cent.) — producers' goods — 2,450 million rupees (35 per cent.) — and luxuries — 1,990 million rupees (28 per cent.). Thus the total yield including miscellaneous items amounted to 7,050 million rupees. It would be noticed that the bulk of indirect taxation was on wage goods and producers' goods and, therefore, had great an inflationary implication.

Shri Tata, citing an example of multiple taxation, said not only cigarettes cellophane but also raw tobacco, tissue paper, packing paper and industrial products had been subjected to tax. Another led to think that the price of sugar is rising, because of profiteering by the manufacturer.

Shri Tata said that the price line could, therefore, be held only by holding the wage line and the tax line.

He drew attention to the warnings uttered by the Planning Minister in the matter holding the price line. The impression one got from the Minister's warnings was that they were directed principally at industrialists, who were invariably accused of profiteering at the expense of the poor consumer. Everyone seemed to overlook the fact that profiteering was often indulged in at the distribution end, for which the manufacturer could not be held responsible. In this connection, Shri Tata stated that the industrialist had very little scope for inflating the prices of his products. The prices of most of the basic commodities were rigidly controlled by the Government, and if under such a controlled economy, there was any upward movement in prices, it was mostly due to factors beyond the control of industry.

Industrial Truce.— Shri Tata quoted figures to illustrate that indirect taxes, both by the Central and State Governments, were mainly responsible for the present inflationary trend and that they materially affected the wage structure and the cost structure of numerous industrial and consumer products. He was forthright in saying that, while one could hardly question the right and justification of the Government to levy taxes, it would be unfair not to educate the people about all the factors that were responsible for the rise in prices.

Referring to the Industrial Truce Resolution which was passed at a tripartite conference in November last, Shri Tata observed that, despite occasional charges and counter-charges levelled against each other by employers and workers, the parties to the agreement had behaved fairly well. The spirit of the Resolution had been respected by both parties.

Arbitration.— Shri Tata spoke at length on the ethics of voluntary arbitration and its practical application under Indian conditions. He expressed his belief that voluntary arbitration was not just a device which could be suddenly fitted into the framework of industrial relations. It must grow from within. It must be based on the mutual faith and confidence of the parties to the dispute. In his opinion, an arbitration forced on the parties is, ab initio, contrary to the very spirit of voluntary arbitration. Nevertheless, Shri Tata said that he was prepared to make a beginning in respect of cases which did not involve a substantial stake.

He expressed the hope that even with such a modest beginning over a period of time, voluntary arbitration could become an established pattern.

Shri Tata made a passing reference to the Bonus Commission and hoped that it would set at rest for ever the complexities and confusion arising out of conflicting judgements by tribunals and courts. The Commission would keep in view that there would be no bar to employers and workers arriving a mutually-agreed schemes for the abolition of bonus by making appropriate adjustment in wages or by linking additional payments to productivity. When once workers opt out of the payment of bonus, no demand should be permitted for the revival of it.

He said that some of the workers' organisations, both in India and elsewhere, acted as tools of political parties. In his opinion, the primary objective of a trade union should be the improvement of the conditions of its members within the existing national social structure. No Government could show latitude of forbearance towards a trade union if its political objective was to overthrow the prevailing economic order.

Shri Naval H. Tata was re-elected President of the Federation for the year 1965.

(The Economic Times, 18 April, 1963)

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## Chapter 3. Economic Questions

### 32. Public Finance and Fiscal Policy.

India - April 1963.

Cut in Duty on Kerosene: Small Income Group exempted from Compulsory Deposits: Finance Minister announces Tax concessions.

Reduction in the budget levy on inferior kerosene by 50 per cent. and that on superior kerosene by 20 per cent. was announced by the Finance Minister, Shri Morarji Desai, in the Lok Sabha on 16 April 1963.

The Finance Minister also announced that in order to ensure that the corporate sector was not deprived of resources necessary for new development and meeting committed obligations, he proposed to allow a deduction from the profits chargeable to the Super-Profit Tax a sum equal to that of 10 per cent. of the total income before the payment of any tax.

The Finance Minister said that the concessions relating to kerosene were being given effect to by a notification "so as not to delay the relief for a day longer than is necessary".

The Finance Minister said that the concessions in the Super-Profits Tax would amount to rupees fifty millions per annum. He now placed the income from Super-Profits Tax to be 200 million rupees.

Shri Desai said that the concession in regard to levy on kerosene would mean a sacrifice of 110 million rupees beyond which he was afraid he could not go. "It would mean a reduction of 54 rupees per kilo-litre of inferior kerosene and 27 rupees per kilo-litre of superior kerosene. In terms of bottles of kerosene this will amount to a reduction of four naye paise and two naye paise respectively."

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The Finance Minister said that people paying land revenue of less than five rupees per annum would be exempt from the Compulsory Deposit Scheme.

Salaried classes whose income was below 1,500 rupees per year and below the Income-tax level, who were already saving 11 per cent. of their income in the form of Provident Fund, etc., would also be exempt from the scheme, he said. There would be no change in the Compulsory Deposit Scheme so far as it related to people who were subject to income-tax.

In the case of professional firms, he reduced the surcharge on income-tax leviable on registered firms from 20 per cent. to 10 per cent.

Shri Desai said that as a result of the changes he had proposed in taxes and the drop of 150 million rupees in the Centre's share of compulsory savings, the budgeted overall gap of 1,510 million rupees for 1963-64 will now increase to 1,810 million rupees.

(The Hindustan Times, 17 April 1963).

34. Economic Planning, Control and Development.

India - April 1963.

Bihar: Report of Survey of Mineral Resources published.

According to a report of survey of mineral resources in Bihar, the State of Bihar is the leading State in India in mineral production.

Bihar produced minerals worth 569 million rupees in 1960, which is 36 per cent. of the total mineral production in the country. The State possesses vast resources of coal, iron ore, bauxite, limestone, mica, kyanite and many other minerals. Chotanagpur plateau in Bihar is the richest mineral belt in India. It contains about 80 per cent. of India's known deposits of coal and practically 100 per cent. of its coking coal. The proved and inferred reserves of coal in Bihar are of the order of 38,000 million tons, of which 2,500 million tons are of coking grade. The iron ore deposits in the Singhbhum district, together with their extension in Keonjhar district of Orissa, are among the largest in the world.

Copper belt.— A conservative estimate of the reserves of these areas is of the order of 2,683 million tons of ore, of which the Singhbhum district deposits alone come up to 2,000 million tons. The major deposits are in Sasengda, Gandhi Buru, Kiyiburu Dirisum and Banalata blocks. The largest deposit of pyrite is also located in Shahabad district of Bihar. The total reserve so far estimated is about 200 million tons. The Singhbhum copper belt is another monopoly of Bihar and is responsible for a major contribution in the industrial progress of the country.

(The Hindustan Times, 9 April, 1963).

Meeting of the Development Council for  
Sugar Industry, Yamunanagar, 6 April  
1963: Increase in Production urged.

A meeting of the Development Council for Sugar Industry was held at Yamunanagar on 6 April 1963. The meeting, among others, was addressed by the Chairman of the Council, Shri L.G. Rajwade, Joint Secretary, Union Ministry of Food and Agriculture and Shri V. Shankar, Food Secretary.

Addressing the meeting Shri Shankar said that the remedy for the present sugar problem was not to curtail internal consumption but to increase production. He called upon the industry to go "all out" in the 1963-64 season to produce as much sugar as it could, even exceeding the target of 3.2 million tons for the year. The job, he said, was stupendous but not impossible. There was no problem of shortage of cane if one took into account the overall availability. The question was one of making the cane reach the factories.

Shri Shankar ruled out the possibility of any excise duty rebate to enable the factories to pay more money to the cane-growers. About the question of installed capacity, Shri Shankar said even with the present capacity production could be increased to the level needed. In the past, production had been 125 per cent. of the installed capacity. With today's capacity of about 2.7 million tons, it should be possible to reach 3.5 million tons of production. This, however, did not mean that there would not be any increase in capacity. The policy in this regard would be that wherever there was to be an increase in capacity, the first preference would be given to uneconomic units in order to make them economic. The Food Secretary referred to the vital problem of rehabilitation and modernisation of factories and promised to see that the necessary finances were available for the purpose. He was considering whether, as a preliminary step, an expert survey of the industry could be organised in order to assess new requirements covering all aspects of production for bringing about economic production of sugar.

(The Hindustan Times, 8 April, 1963).

Economic Survey 1962-63: Supply and Demand in Better Balance: Improvement in Price Situation but over-all Economic Growth below expectation.

As part of the 1962-63 budget papers the Government of India published\* an economic survey. A brief review of the survey for 1962-63 is given below.

Development in 1961-62.- During the year 1961-62, the first year of the third five-year plan, an expenditure of the order of 11,400 million rupees was incurred on programmes of development in the public sector; and private investment maintained its general momentum. At the same time, considerable progress was made with the mobilisation of resources, both domestic and external. On the whole, supply and demand were in better balance than in the preceding few years and this was reflected in an improvement in the price situation. The balance of payments, however, remained under pressure and the overall rate of growth of the economy was below expectations.

In itself, the low rate of growth in 1961-62 could not be assigned much significance as it reflected, in the main, the failure of agricultural output to advance beyond the record level of the preceding year on account of weather conditions. But there was some slackening in the rate of growth of industrial output as well; and this was in response not only to shortfalls in agricultural production but also to shortages of power, transport, coal, steel and imported materials. The rephasing of the second plan after 1958-59 on account of foreign exchange shortage and the somewhat slower progress in the implementation of programmes for which foreign exchange was assured had led to weaknesses in the basic sectors which were brought into focus as the third plan began to gather momentum.

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\* Government of India: Economic Survey 1962-63: 28th February 1963: Printed in India by the General Manager, Government of India Press, New Delhi, 1963. pp. 43+Charts+Tables.

Economic developments in the country during the first half of 1962-63 had thus called for adjustments in policy on a number of fronts. And it was at this juncture that the economy was exposed, at the outset of the second half of the year, to armed aggression on the northern borders. The immediate task of economic policy, in the wake of the emergency, was to permit defence mobilisation at as quick a pace as possible without upsetting the general balance of the economy; and by all available evidence, the proximate objective has been achieved with the help of the spontaneous cooperation of the people.

The 1962-63 Budget had originally provided for a defence outlay of 3,760 million rupees. A supplementary provision for 950 million rupees was made in November in the wake of the emergency. No fresh proposals for raising revenue were introduced at the time. The spontaneous and enthusiastic response of all sections of the people to the National Defence Fund and the general acceptance of the need for austerity reduced the urgency for compulsory measures to restrain demand. Immediately after the declaration of the emergency, the National Defence Fund was set up and a new series of National Defence Bonds and Defence Savings instruments was introduced. A little later, the Gold Bonds and Premium Prize Bonds were issued, and in keeping with the earlier trend to lever up the interest rate structure, the new borrowing instruments were offered at more attractive rates of return. Contributions to the National Defence Fund and subscriptions to the National Defence Bonds together are expected to amount to 650-700 million rupees during the current fiscal year. From January 1963, compulsory emergency insurance has been introduced and it is expected to yield a sum of 90 million rupees during the current fiscal year.

The absence of any significant upsurge in speculative tendencies and the reduction in the pressure on prices in recent months are also important indicators of the community's willingness to help preserve the health and stability of the economy in the face of the emergency. Prices remained stable around the peak level reached in August for the next 2½ months and the normal seasonal decline did not start till the middle of November. Since the middle of November, however, the downward trend in prices has been quite marked in the case of almost all agricultural commodities and the general index of wholesale prices had declined to 125.8 by the middle of January 1963, i.e. to a level a little

below what was reached at the beginning of the third plan. To a certain extent, recent price trends at the reflect the impact of greater releases from stocks as well as of action to counter speculation in commodity markets and to prevent excessive increase in credit.

On the whole, there has been little further pressure on balance of payments since the beginning of October. Total foreign exchange reserves remained virutally unchanged during the October-December quarter and there has been some improvement in reserves in recent weeks. The period from October to March is generally a favourable part of the year from the point of view of export earnings, although in recent years it has also emerged as a period of substantial obligations in respect of interest charges and debt repayment. Export earnings during October-December 1962, according to trade statistics, were significantly higher (by 148 million rupees or 8 per cent.) than in the corresponding period of 1961. If this trend continues during the January-March 1963 quarter, total exports during 1962-63 may reach the level of 6,800 million rupees (or 6,950 million rupees including exports from Goa, Daman and Diu) as against 6,690 million rupees in 1961-62 and 6,310 million rupees in 1960-61. Over the past three years, therefore, there have been some signs of a modest but steady increase in export earnings. Reimbursements under the U.S. non-project and other credits have gathered momentum in recent months, and this has also been a significant factor in sustaining reserves. On February 15 February this year, the foreign assets of the Reserve Bank stood at 1,051 million rupees.

The present emergency has also had a salutary effect on labour-management relations and it has led to a general appreciation of the importance of increasing production and reducing costs. In responce both to the efforts made before and after the onset of the emergency, the production in a number of basic industries this year is expected to increase significantly over the level reached last year. On current indications, the output of coal in 1962-63 is likely to be 62 million tonnes against 55 million tonnes in 1961-62, of cement, 8.7 million tonnes against 8.3 million tonnes and of saleable steel, 4.1 million tonnes as against 3.2 million tonnes the year before. The railways are expected to carry 175 million tons of freight in the current year as against 160 million tons in 1961-62. The addition to installed capacity for power genera-

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generation this year, although still small in relation to requirements, is expected to be larger than in 1961-62 (650 mw as against 580 mw).

In one particular respect, however, the immediate impact of the emergency has been somewhat adverse. Since the middle of May 1962, a hesitant trend in stock markets was in evidence and share prices had tended to decline except for a brief spurt in August. This downward trend in share prices was further accentuated after the beginning of hostilities; and although market sentiment has revived from time to time in recent weeks, the general feeling of uncertainty has prevailed and it has an inhibiting effect on the floatation of new issues. There have also been occasional signs of sluggishness in recent months in regard to production in a few industries. The underlying economic conditions in the country offer little warrant for the uncertain and generally subdued trend in a few stock markets or for any slackness in the economy. But it is quite clear that the performance of the economy in the coming months would depend to a significant extent on the confidence of private investors and in their ability to raise the funds necessary for the expansion of essential business.

The prospect of a substantially larger defence effort for some years to come naturally called for a re-examination of plan priorities and of the scale of plan expenditure in the coming year. For some years now, the course of plan outlay from year to year has been determined by annual plans framed in the light of emergent conditions. Discussions on the annual plan for 1963-64 were conducted this year at the highest level and were brought to a focus at two meetings of the National Development Council. In view of the reassessment undertaken earlier, the implementation of the plan had already gathered a certain momentum during the second year of the plan; and the need to complete speedily the programmes already in hand would dictate considerable further step-up in plan outlay during 1963-64. Provision had also to be made for programmes directly related to the immediate needs for defence. Considering the continuing nature of the threat to the country's security and the vital connection between defence potential and the development of the basic sectors which form the corner-stone of the third plan, it was felt that a slowing down of plan implementation would not serve the paramount interests of defence. Accordingly,

the National Development Council decided that, with the utmost regard for efficiency and economy in both plan and non-plan expenditure and for the continuing health and buoyancy of the productive forces in the country, every endeavour should be made to mobilise domestic resources on a scale and in a manner which would permit defence and developmental effort to be carried to the full limit of available physical resources.

The limits to available physical resources, particularly in regard to the most scarce yet versatile resource of foreign exchange, and the ability of the economy to endure the organisational and other strains implicit in a sharply increased and broad-based mobilisation of domestic resources could not, in the nature of things, be defined in advance with absolute precision. But given the inescapable necessity of continuing assessment of policies and possibilities, it is clear that the objectives set by the National Development Council for 1963-64 would call for unprecedented effort at resource mobilisation.

Recent trends: Agricultural production.- Agricultural production increased at the rate of 3.5 per cent. per annum during the decade of the first two five-year plans. In the first year of the third plan, it remained at the same high level as in the previous year. Production of foodgrains was slightly lower - 78.6 million tons in 1961-62 as compared to 79.7 million tons in 1960-61. There was an impressive increase in production of wheat by as much as 7.4 per cent, and the output of rice was maintained at the previous year's level. The decline in production occurred mainly in the inferior cereals and pulses. Jowar output declined as much as 16.8 per cent, and output of pulses by 7.3 per cent..

Imports of foodgrains in 1962 amounted to 3.58 million tons as compared to 3.44 million tons in 1961 and Government stocks of foodgrains were also drawn upon to the extent of about half a million tons during the year. Thus the lower output of foodgrains was compensated by supplies from these sources and the total availability was about the same as in 1961. On a per capita basis there was a small decline in the availability, but not necessarily consumption, of foodgrains.

The outturn of commercial crops in 1961-62 was more satisfactory with the exception of cotton and sugarcane. Acreage under cotton declined by about the one per cent. in 1961-62 on account of adverse weather conditions at the time of sowing.

The smaller cotton crop in 1961-62 was supplemented by imports of 0.81 million bales mainly under P.L.480. Nevertheless, the cotton year (September-August) ended with stocks with mills of 1.46 million bales - about 0.35 million bales less than the opening stocks. Cotton production during the current season is expected to be larger and imports of about 0.6 million bales have been arranged for.

In keeping with the emphasis placed on agricultural production during the third plan, a series of measures were taken during the year to intensify the efforts for increasing production particularly of cotton and oilseeds which are important from the point of view of foreign exchange.

Industrial production. - Industrial production increased at an annual rate of about 7 per cent. over the first two plan periods. In the first year of the third five-year plan also the growth in industrial production, as shown by the revised index of industrial production, was about the same - 6.8 per cent. This was, however, a considerably slower rate of increase than was achieved in the last two years of the second plan when industrial output had increased at an exceptionally high rate of 10 to 11 per cent. During the first two quarters of the current year the index of production was maintained at the high level reached at the end of 1961-62 and the average for the two quarters was about 7.2 per cent. above the average of the first two quarters of 1961-62.

Agriculture-Based Industries. - The following table gives the recent trends in the output of agriculture-based industries:-

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Production in Agriculture-Based Industries

Unit	1960-61 Total	1961-62 Total	Percentage change in			
			1962-63 (April- Septem- ber)*	1961-62 over 1960-61	1962-63 (April- Septem- ber) over 1961-62 (April- Septem- ber).	
Cotton cloth (Total):	Million meters.	6738	7114	3534	+ 5.6	- 0.5
Mill.	"	4649	4686	2310	+ 0.8	- 2.7
Decentralised sector.	"	2089	2428	1224	+16.2	+ 3.9
Jute textiles.	'000 tonnes.	1070	1002	604	- 6.4	+35.4
Sugar**.	"	5029	2745	-	- 9.4	-
Teg.	Million kgs.	317	348	233	+ 9.8	- 0.4
Coffee.	'000 tonnes.	54.1	66.6	20.9	+23.1	-35.3
Vanaspatti.	"	340	341	175	+ 0.3	+10.8

\* Provisional.

\*\* During the sugar season November-October.

Other industries.— The improvement in the availability of power and transport and the increase in production of coal and steel during the current year had a beneficial effect on other basic industries, production of which has also increased. The following table summarises the recent trends in the output of selected industries:—

Output in Selected Industries

Unit	1960-61 Total	1961-62 Total	Percentage change in			
			1962-63 (April- Septem- ber)*.	1961-62 over 1960-61	62-63 (April- Septem- ber) over 1961-62 (April- Septem- ber).	
Coal.	Million tonnes.	55.5	55.2	29.9	- 0.5	+13.3
Finished steel.	"	2.4	3.0	1.8	+25.0	+28.6
Aluminium (virgin metal).	'000 tonnes.	18.3	19.9	16.4	+ 8.7	+86.4
Cement.	Million tonnes.	8.0	8.3	4.1	+ 3.8	+ 2.5
Electricity generation.	Billion kwh.	16.9	19.8	10.8	+17.2	+11.3
Chemicals.	Index 1956=100.	141.2	195.4	225.1	+38.4	+32.3
Metal products.	"	114.7	158.6	182.4	+38.3	+23.2
Electrical Machinery.	"	184.9	169.6	208.2	+ 2.5	+ 7.5
Transport equipment.	"	127.6	131.4	144.2	+ 3.0	+10.0

\* Provisional.

Money and Capital Market.— The pace of monetary expansion which had slackened somewhat in 1961-62 got accelerated during the current year. During April to October 1962 (the major part of which is the usual slack season) money supply with the public declined by only 210 million rupees in contrast to a decline of 580 million rupees during the same period in 1961. The smaller decline in money supply during the earlier part of the current year was mainly a reflection of the fact that bank credit to the private sector did not show as large a seasonal decline in 1962 as during 1961. In fact between the end of March and the end of October, there was a small increase in bank credit (gross) to the private sector during the current fiscal year. Reserve Bank's credit to Government (as also credit extended by commercial banks to Government) was about the same during the earlier part of the current year as in the corresponding period of last year.

The gilt-edged market showed the impact of the uptrend in the interest rate structure. There was a steady trend up to June 1962. Since July gilt-edged prices tended to decline in a process of adjustment to the new pattern of yields based on the terms of new loans announced by government in July 1962. The index of government and semi-government securities (1952-53=100) which was 100.7 in January 1962 and was about the same level in June 1962, declined steadily thereafter, the level at end-January 1963 being 99.2.

The stock markets had been buoyant at the beginning of 1962 and the uptrend continued till the middle of May 1962. This was followed by a reaction which, except for a brief spurt in August, continued throughout the remaining part of the year. The downtrend in share prices was further accentuated in October and in the first week of November, there was a sharp fall in share prices. The index of variable dividend industrial securities which had risen from 180.9 in October 1961 to 195.3 in May 1962 declined to 168.8 during the week ended 10 November 1962. As a result of the measures taken by the stock exchanges and the Government, there was some revival in the following weeks and the index had gone up to 172.5 by the beginning of 1963; but the general feeling of uncertainty continues.

It is difficult to say on the basis of available data whether the subdued sentiment on the stock exchange has had any adverse effect on private investment. Capital issues made during 1962 by relatively large public limited companies (other than government companies) are estimated at 981 million rupees (including 500 million rupees of debenture issue by Oil India) as against 716 million rupees in 1961. The amount of consents for capital issues - an approximate indicator of investment intentions of the private sector - also rose from 1,350 million rupees in 1961 to 1,650 million rupees in 1962. On the other hand, there has been some slowing down of fresh applications for industrial licences and for capital issues in recent months; new issues on the stock market have been less than usual since November 1962.

Prices.— The decline in the level of wholesale prices which commenced in August 1961 continued till December and wholesale prices remained more or less stable during the first three months of 1962. The average level of the index of wholesale prices for 1961-62 was 125.1 which was only fractionally higher than in 1960-61. Foodgrain prices for the greater part of 1961-62 were lower than at the corresponding time of the previous year. The decline in prices of raw jute and jute textiles since March 1961 also helped to offset the rise in prices of food articles and other manufactures.

Since April 1962, however, there were signs of renewed pressure on prices. The output of foodgrains in 1961-62 was slightly lower than the peak output of the previous year and the output of cotton and sugarcane was also smaller. Between March and August 1962 the general level of wholesale prices rose by 6.1 per cent. mainly due to a rise in the prices of foodgrains. There was a sharp increase in the prices of gur (raw sugar) and prices of tea, oilseeds, edible oils and cotton also recorded some increase. The following table brings out the effect of the rise in prices of foodgrains and other food articles on the general index:—

Index Numbers of Wholesale Prices  
(1952-53=100)

Commodities.	Weights	March 1962	August 1962	Contribution (per cent.) to rise in general index.
Food Articles .	50.4	119.1	151.5	83
of which:				
Rice.	11.5	103.2	115.9	16
Jowar.	1.0	120.1	140.5	3
Pulses.	4.2	94.1	113.0	11
Sugar.	1.8	124.1	135.6	2
Gur.	3.0	117.9	161.4	17
Others.	49.6	128.2	130.7	17
All Commodities.	100.0	123.6	131.1	100

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The peak level of prices in August 1962 was 4.1 per cent, higher than a year ago and for the next 2½ months the level of prices continued to be 4 to 5 per cent, higher than what it was in the corresponding period of 1961. Although the normal seasonal decline in prices was somewhat delayed, a sharp downward trend set in from about the middle of November and by the end of the year the index for rice had ~~de~~ declined from 117.0 to 108.1; of jowar from 139.5 to 128.9; and of gur from 166.1 to 145.8. The general index of wholesale prices fell from 130.8 to 125.3 by the end of December 1962 and was around 126 in January 1963. The index for January 1963 was 2.2 per cent, higher than a year ago and the average level of prices for April 1962-January 1963 was also 2.2 per cent, higher than for the same period in 1961-62.

The striking feature of the present structure of prices is the relative stability in prices of major cereals like rice and wheat over the last decade. As compared to 1952-53, present wheat prices are lower by 10 per cent, whereas rice prices are 10 per cent, higher. The increase of some of the other food articles has, however, been more pronounced reflecting in the main the shortage of supplies in relation to demand.

The All-India Working Class Consumer Price Index (1949=100) continued to increase till October 1962 when it reached the high level of 134 an increase of 4.7 per cent, since January 1962. As usual, there has been a slight decline in retail prices towards the end of the year. The average level of consumer price index in April-December 1962 was 132 as against 125 in the same period last year. Many of the existing indices of consumer prices are based on pre-war patterns of family consumption which have undergone marked changes in recent years. New series of consumer price indices have been under preparation to show more realistically the changes in the cost of living of different classes of the community.

The pressure on prices which was quite marked between 1958 and 1960 has been moderate in the last two years; and the current level of wholesale prices is more or less the same as at the commencement of the third plan. In recent months, the weak undertone on the stock exchanges, the declining trend in bullion prices and the effect of Gold Control Rules, the need for commercial banks to readjust their advances portfolios to avoid an over-extended position - all these have had an impact on market sentiment and

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have contributed to a lessening in the pressure on prices.

Government Policies.— The price policy of Government during the current fiscal year was primarily concerned with preventing an undue increase in the prices of essential commodities. It was recognised that adequate increase in the production of these commodities was a necessary condition for maintaining their prices at reasonable levels; and that in the case of some commodities marginal increases in prices received by producers would stimulate production. At the same time suitable control or regulation of distribution was necessary to ensure that the prices paid by the consumers were not unduly high. Reference has already been made in an earlier section to measures in respect of producers' prices of wheat, rice and sugarcane and ceiling prices of cotton which aim at stimulating production of these commodities. With a view to preventing any sharp fall in the prices of raw jute, which would eventually have an unfavourable effect on production, exports of low grade jute were permitted and the operations of the Jute Buffer Stock Association were supplemented since October 1962 by purchases by the State Trading Corporation through the apex co-operatives. Following the declaration of emergency, the mills were required to make certain minimum purchases in the months of November and December 1962 and January 1963; they were also asked to maintain certain minimum stocks of raw jute with them. The State Governments have been given financial assistance to undertake raw jute purchases.

While the incentive to higher production of cotton is sought to be provided, among others, by an increase in the ceiling prices of cotton, it was felt, that the control on cotton prices had to be continued in view of the shortage. The new cotton policy announced in September 1962 provided for compulsory survey of cotton at the last stage, i.e., after the delivery is taken by mills and other consumers. It was also provided that purchases by mills should be made through approved supervisors who would survey and determine their proper grade of cotton. Restrictions were imposed on the maximum amount of cotton which could stock with them. Future trading in cotton was regulated by the Forward Markets Commission with a view to curbing speculative tendencies and towards the end of November 1962, forward trading in kapas (unginned cotton) was altogether banned. With the expectation of a substantially improved crop during the current year, cotton prices tended to decline towards

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the end of 1962 and some of the restrictions imposed earlier have been relaxed. The quotas of mills' purchases have also been increased.

As regards the prices of food articles, a series of measures have been taken to augment supplies and regulate trading with a view to protect the consumer. In view of the increase in the prices of millets and rice which had occurred in the earlier part of 1962-63, larger releases of wheat from official stocks were authorised in the millet and rice consuming areas. Issues of wheat from Government stocks in Maharashtra were twice as much during October-December 1962 as during the corresponding quarter of 1961. In the six major rice and jowar consuming areas, Government released about 700,000 tonnes of wheat during the three months ending December 1962, and an increase of more than 60 per cent. over similar releases in October-December 1961. The programme of imports of rice has been reviewed with a view to obtain larger quantities from abroad. A contract for the supply of 150,000 tons of rice in the year 1963 has already been signed with Burma. Stocks are also being built up from internal procurement. Selective credit controls continue to be in operation with a view to checking use of bank credit for hoarding. Mention has already been made in an earlier section of the measures which have been initiated for augmenting the supplies of subsidiary foods, prices of which have tended to rise in recent years.

Following the declaration of emergency, a further strengthening of the measures of price regulation was made. Several State Governments have fixed controlled maximum prices of rice. The administration of fair price shops is being improved and some State Governments have opened fair price shops for the sale of cloth also. Under the Defence of India Rules, all distributors of drugs and medicines are required to fix maximum prices to be displayed by the retailers. No cut in the quota of drugs and medicines was made in the import policy for the current half year, except in the case of those items which are now being produced internally. Trading in other essential commodities like sugar, kerosene, etc., is sought to be regulated by specific orders issued by the several State Governments. Government has set up a machinery to organise quick flow of information about changes in the prices of essential commodities and to recommend prompt action as and when warranted. From a somewhat longer-term point of view, it is considered

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desirable that distribution of essential commodities should be through a net-work of consumer co-operatives which would ensure fair practices and reasonable prices.

Among administered prices, the retention price of steel payable to the main producers for the period April 1960 to March 1962 was raised by Rs. 10.50 to Rs. 522.50 per tonne, and the question of price to be paid for the period beyond March 1962 is under examination. As mentioned earlier, prices of coal have also been increased. An addition to the fixed retention price has been permitted for additional production of cement. No major change has been made in other administered prices, except that the price of calcium ammonium nitrate has been reduced by about 10 per cent. in order to popularise its use.

Balance of Payments. The balance of payments has been under considerable pressure since the commencement of the second plan in April 1956. In the initial stages, the foreign exchange requirements of development were met largely by drawing down the foreign exchange reserves. Thus, in the first half of the second plan i.e. from April 1956 to September 1958, the foreign exchange reserves declined by 5,674 million rupees. As a result of the measures taken to restrict less essential imports and to secure additional external resources in the form of credit from abroad, withdrawal from reserves was only 423 million rupees in 1958-59 and 160 million rupees in 1959-60. Indeed, but for certain extraordinary items of payments such as the purchase of gold of 182 million rupees for the payment of additional subscription to the International Monetary Fund and also the repayment of 238 million rupees to the Fund, foreign exchange reserves in 1959-60 would have shown an increase. Since 1960-61, however, the pressure on balance of payment has re-emerged; and the decline in reserves (including net borrowings from the Fund) was 486 million rupees in 1960-61 and 647 million rupees in 1961-62.

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The strain on the balance of payments continued in the first half of 1962-63; and the decline in reserves (inclusive of borrowings from the Fund), at 635 million rupees was only 60 million rupees less than the corresponding period of 1961-62.

External Assistance.— A balance of approximately 7,000 million rupees of foreign credits and grants was available at the commencement of the third plan. Of this, 3,720 million rupees represented the carry-over of assistance from the second plan, the remainder being aid authorisations, primarily from the U.S.S.R. and other East European countries, for third plan projects. At the Consortium meeting organised by the World Bank in June 1961 to consider India's requirements of assistance for the third plan, the members of the Consortium agreed, subject to the necessary legislative sanctions, to commit assistance of 6,160 million rupees (\$ 1295 million) during the first year of the plan. The requirements for the second year of the plan were to be considered further; and at the Consortium meeting held in July 1962, commitments for another 5,100 million rupees (\$ 1070 million) were indicated. Thus total Consortium assistance promised for the first two years was 11,260 million rupees; against this, actual agreements had been signed for an amount of 8,210 million rupees by December 1962, leaving a balance of 3,050 million rupees in respect of which formal agreements were expected to be signed soon. The Consortium procedure for commitment of aid in principle had made it possible in many cases to allocate foreign exchange for urgent needs even before the signing of formal agreements.

In addition to the assistance mentioned above, another 358 million rupees of aid, including a credit of 160 million rupees from Poland, was authorised between April 1961 and December 1962, bringing the total assistance authorised since the beginning of the third plan to 8,560 million rupees. Including the balance from second plan of 7,000 million rupees, external assistance available as on 1 January 1963 was 15,560 million rupees.

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A significant proportion of the aid which has been authorised for the first two years of the third plan consists of credits which are meant not for specific projects but for imports of materials, components and spares in general. The U.K. and West Germany gave assistance totalling 520 million rupees in this form during 1961-62. As part of its commitment of \$ 545 million for the first year of the plan, the United States authorised two credits, one for \$ 200 million and the other for \$ 29 million for the import of machinery and spare parts, non-ferrous metals, steel, lubricants, etc. During the current year (in April-December 1962), non-project assistance received from the U.K. has been 200 million rupees and from West Germany 120 million rupees. The United States has recently agreed to a \$ 240 million non-project assistance as part of its commitment for the second year of the plan. A sizeable part of Canadian assistance has for long been available for financing non-project requirements; and some of the IDA credits, which finance a part of the local currency cost of the projects assisted, also provide, in effect, general support to the balance of payments.

There has been considerable improvement in the utilisation of available assistance during the current year. In 1961-62, a sum of 2,430 million rupees was drawn from various credits and grants. In the first nine months of the current year, corresponding disbursement of external assistance amounted to 2,290 million rupees. There has been a considerable improvement in the rate of utilisation of project assistance as a result of the momentum gathered in plan implementation. Utilisation of assistance for power projects alone, for instance, totalled 136 million rupees during April-September 1962 as against 56 million rupees in April-September 1961. Utilisation of project assistance from the U.S.A. amounted to 620 million rupees in 1961-62; in the first nine months of 1962-63, alone, it had totalled 770 million rupees. Disbursements of Russian credits in the first nine months of the current year have been as large (250 million rupees) as those during the whole of 1961-62. Reimbursements under the U.S. non-project assistance have also gathered momentum during the current year.

The figures mentioned in earlier paragraphs are exclusive of commodity assistance under the U.S. P.L.480 programme. At the end of the second plan, there was an unutilised balance of 5,980 million rupees (mainly from the provision made by the May 1960 agreement for the import of 17 million tons of foodgrains). Three more agreements have been signed during the current year for import of cotton, tobacco, and other products valued at \$ 90 million (450 million rupees). During 1961-62, P.I. 480 imports amounted to 900 million rupees and in April-December 1962, 850 million rupees, leaving a balance of 4,660 million rupees for future utilisation.

Prospects for 1963-64. Economic developments in 1963-64 would be influenced greatly by the outturn of the agricultural crop during the 1962-63 season. This year's kharif season was marked by deficient rainfall in June over most parts of the country and this was followed by excessive rainfall and floods as well as locust invasions in some regions. Despite these adverse weather conditions, the overall prospects for agricultural production during the 1962-63 season appear to be satisfactory. The total output of foodgrains is expected to be larger than in 1961-62 with the notable exception of rice. There are definite indications of a much better cotton crop although both sugarcane and jute may register a decline in output.

Further movement in transport, power and coal supplies should act as a spur to industrial production in general. Notable progress is expected in regard to production of fertilisers, cement, aluminium, mineral oil and petroleum products. Existing capacity in steel is already reaching full utilisation and expansion programmes in the public and private sector plants will not be completed for some time. The output of steel next year, therefore, would not show as marked an improvement as this year. Prospects for a number of engineering and chemical industries are difficult to judge at this stage particularly in view of uncertainty regarding availability of imported materials and components. Among traditional industries, while the output of sugar may be less, production of jute and cotton textiles would turn largely on the state of demand abroad and the ability of the industries to meet it competitively.

On the demand side, the endeavour of policy must necessarily be towards accommodating the substantially larger claims of defence and development by judicious restraint on private consumption and less essential investment. Much would depend on buoyancy in private investment and on continued vigilance in regard to speculative pressures on available supplies.

The containment of any tendency towards excess demand is all the more imperative in view of the prospective pressures on balance of payments. Restrictions already imposed on imports, foreign travel and on gold transactions should have a favourable effect next year. On the other hand, interest charges and repayment obligations would be significantly larger; and considerable improvement would in any case be called for to correct the imbalance in external accounts which has persisted for some years now. There would, therefore, be every need for increasing exports to the maximum extent possible and for keeping a check on imports. It is to be hoped, however, that the flow of non-project assistance would increase over the coming year and that the additional claims of defence would not be ~~set~~ set up significant pressures on free foreign exchange resources.

India's earnings from exports and net invisibles have not been sufficient in recent years to meet the requirements of debt charges as well as of the maintenance of the economy. With the decline in foreign exchange reserves, earnings of interest on foreign assets have dwindled, whereas repayment obligations and interest charges on foreign debt have been growing at a rapid pace. India has also achieved a considerable degree of diversification in industrial structure including a sizeable capacity for the manufacture of capital goods within the country. The growing production of capital goods, however, is still based on the import of components, spares and materials from abroad. These components as well as the many indirect requirements of projects included in the Plan cannot always be covered by available assistance. The result is that, even with the policy of undertaking project commitments essentially against assistance already assured, there remains a residual problem which has had to be met, in the short run,

by securing assistance for financing a part of non-project requirements and, failing this, by drawing on reserves or/and by starving the economy of the imports needed to make full use of the capacity already created. There is no scope left for further drawal on reserves which, in fact, need to be strengthened if there is to be some room for manoeuvre in shaping plans and policies. With the progressive tightening of import restrictions a stage has already been reached when any further increase in the degree of restrictions would impair seriously the chances not only of higher production but of higher exports as well. Over a period, the solution of this basic weakness in India's overseas payments position must be found progressively in terms of an increase in exports at a rate much faster than in the case of imports as well as by a reduction in the proportion of "hard" debt. But, in the meanwhile, the actual availability of non-project assistance has become a major factor in preserving India's external viability.

In many respects, mobilisation of productive potential and available resources for defence, development and exports calls for specific action on a number of fronts. Generalised fiscal and monetary measures, while necessary as a pre-condition for success in directing specific resources in desired directions, cannot replace the need for organisation, co-ordination and ingenuity in overcoming specific constraints in the situation.

36. Wages.

India - April 1963.

Working of the Coal Mines Bonus Scheme during 1961.

Scope.— The Coal Mines Bonus Scheme, 1948 was introduced mainly with the object of ensuring regularity of attendance and providing a stable labour force in the coal mining industry by arresting the tendency to absenteeism and resorting to illegal strikes. It provides for the payment of lump sum amount as bonus to workers every quarter provided they fulfil certain conditions relating to attendance and strikes. During the year 1961, the Coal Mines Bonus Schemes were in operation in the States of ~~Assam~~ Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and West Bengal. These Schemes are applicable to those employees in coal mines whose basic earnings do not exceed Rs. 300 per month but excluding certain categories of workers not directly connected with mining operations and workmen employed in State collieries. At the end of the year under review, 627 collieries employing an average labour force of 535,036 were covered by the schemes.

Administration.— The Coal Mines Bonus Schemes are administered both by the Central Industrial Relations Machinery and the Coal Mines Provident Fund Inspectorate. The bulk of the work relating to the enforcement of the provisions of the Schemes was done by the Labour Inspectors and Junior Labour Inspectors. The Regional Labour Commissioners and Conciliation Officers also visited the collieries to check the work of inspectors. During the period under review, inspections were carried out in 607 collieries. In all 1,444 inspections were carried out and 2,099 irregularities were detected. The corresponding figures for the previous year were 3,389 and 13,056 respectively. Most of the irregularities (i.e., 22.2 per cent. of the total irregularities) related to non-payment of bonus. Some other irregularities related to non-maintenance of registers, delay in non-submission of bonus returns, non-grant of allowance for leave, etc.

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Out of 2,099 irregularities 1,778 irregularities were rectified during the year. This figure does not include 1,069 irregularities rectified during the year out of these carried over from the previous year. Thus, a balance of 323 irregularities was left at the end of the year. Of the 1,778 irregularities rectified during the year as many as 1,332 were rectified within three months.

Out of 827 collieries, the average number of quarterly bonus returns received during the year was 698 as against 708 in the previous year. Out of average number of 535,086 workers employed in collieries submitting returns, 327,986 workers qualified for bonus (i.e., 61.3 per cent.). The average number of workers who were paid bonus was 314,986 as against 297,335 during the previous year. The total amount of bonus paid to the workers during the year under review was Rs. 58,752,963 as against Rs. 37,860,577.56 nP. in the previous year.

Enforcement.— During the year under review, 894 show-cause notices were issued (exclusive of 210 at the beginning of the year) were served on the employers. Prosecutions were launched in 605 cases as against 37 in the previous year. In addition to these, 121 cases were pending at the beginning of the year. Of the total 726 cases, 148 cases were decided, of which 142 cases resulted in convictions. Thus, a balance of 578 cases were pending in courts at the end of the year.

The enforcement of the Scheme during the year under report has recorded further improvement in all directions. The gap between the number of workers who qualified for bonus and those actually paid bonus has been substantially narrowed down. The improvement in the percentage of workers earning bonus shows that the Coal Mines Bonus Schemes have been steadily achieving their object of reducing absenteeism and thereby providing a stable labour force in the coal industry.

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pp. 391-392 )

58. Housing.

India - April 1963.

Meeting of Housing Ministers, New Delhi,  
15 April 1963: Need for a Housing Board  
discussed.

A conference of Housing Ministers of seven States was held at New Delhi on 15 April 1963. Shri Mehr Chand Khanna, Union Minister for Works, Housing and Supply, Shri G.L. Nanda, Union Minister for ~~Labour~~ Labour and Employment and Planning and Shri Morarji Desai, Union Finance Minister also attended the meeting.

Shri Gulzarilal Nanda, the Planning Minister, impressed upon the need for a Central Housing Board. The Housing Ministers left it to the Planning Commission to work out details and draft a constitution for the proposed Board, provision for which had been made in the third Plan but for which nothing had been done during the past two years. The draft ~~is~~ constitution will be examined by the Union Housing Ministry before being circulated to the States for their comments.

The Ministers decided that housing for workers should be made part of industrial schemes before licences were granted. This was said to have become necessary especially in view of the recent directive that new industries should be set up away from congested areas. They agreed to consider housing schemes for industrial workers as essential and to give them high priority. A suggestion that a levy should be imposed on industrialists to provide funds for workers' housing was left to be discussed at a conference of the Housing Ministers and employers' representatives.

Disagreeing with the suggestion of the setting up of a Central Housing Board, Shri Morarji Desai, Union Finance Minister said that one of the arguments the Planning Minister had advanced in favour of the proposed Board was that it could raise money to some extent directly and help to channel funds into housing and encourage flow of credit in diverse ways. The Finance Minister raised the question whether the Board could raise enough funds from the market when there were already a number of governmental and other agencies trying to raise money.

Shri Desai also seemed to hold the view that the Board would merely duplicate the functions now discharged by other agencies. He was also not quite clear if it could play an additional role in encouraging house-building.

Shri Desai assured the Ministers that he would see if more funds could be provided for housing during the remaining period of the third Plan. At the same time he urged the need States to find more resources for housing themselves. After speaking at some length on the proposed Central Housing Board, he told the Ministers that if it was not ultimately set up the money allocated for it could be utilized for housing by other agencies. He advised the States to draw up larger housing programmes, making sure that they did not exceed the financial ceiling.

Meanwhile the Planning Commission's Housing Division seems to have convinced itself that no significant progress in the field of industrial housing can be achieved unless employers are made statutorily responsible for providing houses for their employ a definite percentage of their employees every year. Under the scheme, according to a report recently prepared by the Commission, only 227.5 million rupees out of the reappraised provision of 270 million rupees was drawn during the second Plan by the States. A provision of 25 million rupees had been made in the same Plan for disbursement to employers. Of this only 14.1 million rupees was drawn. During the third Plan, the amounts earmarked for industrial housing by the States have steadily decreased.

If, in 1961-62, the total provision was for 46.5 million rupees, in 1962-63 it had fallen to 46.2 million rupees. During the current year the allocation has been further reduced to 27.5 million rupees.

Another distressing feature is that even the houses that are built are not always properly utilized. Up to the end of June 1962, 119,694 houses were built. Of these as many as 11,465 were lying vacant, while 14,690 were occupied by "ineligible persons".

(The Statesman, 16, 17 April, 1963)

More Housing Factories may be set up:  
Minister's statement in Rajya Sabha.

Shri Mehr Chand Khanna, Union Minister for Works, Housing and Supply stated in the Rajya Sabha on 22 April 1963 that the Government was in touch with the USSR, Czechoslovakia and Poland in connection with the setting up of housing factories in cities like Madras, Bombay and Calcutta besides a second one in Delhi. Each such factory would require imported machinery costing 7 million rupees.

Hindustan Housing Factory Ltd., had been expanded. He paid a tribute to the 1,609 workers and the management of the factory who had worked hard to make the factory a successful undertaking. The factory's production had steadily risen from 7 million rupees in 1961-62 to 9 million rupees in 1962-63. The Government had placed orders worth 15 million rupees with the factory for big construction works in the capital.

Speaking about housing for Central Government employees in the capital, Shri Khanna said his Ministry had sanctioned schemes worth 150 million rupees this year as against 75 million rupees in the past five years. He realised the difficulties of Government employees who had to pay high rents and live far away from their offices. He hoped that within the next five years, ~~this~~ this problem would be solved.

(The Statesman, 23 April 1963).

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Marked Progress in the Low-income Group Housing Schemes: Report of the Ministry of Works, Housing and Rehabilitation for 1962-63 published.

According to the annual report of the Ministry of Works, Housing and Rehabilitation for the year 1962-63, which has been published recently, the housing schemes for low-income groups made a marked progress during 1962-63 when 18,000 more houses were completed. The number of houses built under these schemes now total over 250,000.

Residential accommodation for Government employees has been given equal importance. Projects costing about 125 million rupees were sanctioned during the year. Over 4,000 residential units were added to the general pool in Delhi bringing the total of units to 35,220.

The report states that 155,500 houses have so far been sanctioned under the subsidised industrial housing scheme, out of which 127,000 had been completed till December 1962.

Under the low-income group housing scheme, the State Governments sanctioned the construction of 106,000 houses, of which 74,600 were completed till the end of the last year. About 79,000 dwelling units were sanctioned under the slum clearance improvement schemes, out of which, till the end of 1962, 33,000 units are reported to have been completed.

Village housing scheme.— Under the village housing scheme, 37,400 houses were sanctioned, out of which 12,470 houses have already been completed.

Under the middle-income group housing scheme, 4,375 houses have been completed, out of the 10,163 houses sanctioned for construction.

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In the plantation labour housing scheme, the States have sanctioned projects for 892 houses, out of which 690 houses have been completed.

In Delhi, 4,900 houses of various types, costing 36.524 million rupees, were either completed during the year or will soon be completed, and construction of another 98 flats 2,928 houses is in progress as also the construction of another 98 flats. The estimated cost of the houses in progress is 21.045 million rupees.

(The Hindustan Times, 1 April 1963).

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

INDIA - APRIL 1963.

41. Agriculture.

Rural Works Programme: Review of Progress.

The progress of the rural works programme is reviewed in a recent issue of Yojana. The programme was started towards the end of 1960 with the object of providing additional employment not merely by starting new, supplementary programmes, but to a greater degree by maximising the employment benefits generated by all the various programmes in the selected areas.

In organising the programme, the following approach has been adopted:

(i) to get a much closer knowledge of the employment impact of different activities undertaken through the Community Development and other departments, than was available at the moment;

(ii) to arrange for a study of the types of surplus labour which existed in different areas;

(iii) to find out the scope for integrating works programmes, such as could be undertaken in the slack season with the operations and needs of the agricultural economy, on the basis of an integrated block plan; and

(iv) to secure participation of local leadership, voluntary organisations and labour co-operatives in the execution of schemes ~~including~~ included in the block plan.

Review of Progress.- The first series of 32 projects was taken up in the last quarter of the last financial year of the Second Five Year Plan.

As many as 196 projects were sanctioned as part of the second series to be started in late 1961. However, the 32 projects of the first series having gathered momentum only in December 1961-June 1962, not much work was done on the second series during this period. The delay in starting work on these projects was due to several factors: (i) delay in preparation of plan and estimates and securing administrative and technical clearance, (ii) difficulty in getting free surrender of lands in some States, (iii) delay in release of funds to the block authority, (iv) delay in putting in position, technical and supervisory staff, specially sanctioned for the programme, (v) revision of proposals in the light of suggestions and recommendation made at the three regional conferences, and (vi) difficulty experienced in realising contribution from beneficiaries. The pre-occupation of the countryside with the third general election also added to the delay. The programme deliberately excluded schemes involving grant of loans to individuals for irrigation wells, orchards, purchase of pumping sets, land reclamation, etc. Therefore, few ready-made schemes were left under which quick expenditure could be incurred. The programme involves sustained effort in organising community works directly related to stepping up agricultural production. Up to the end of December, work had begun in about 125 blocks of the second series. Besides, work had continued on the 32 projects of the first series. An expenditure of a little above 7.7 million rupees had been incurred on the supplementary schemes taken up under the programme resulting in generation of employment tentatively estimated at 3.8 million man-days. For an expenditure of 100 rupees the employment generated amounted in Andhra Pradesh to about 68.6 man-days, in Madras 82.7 man-days, in Maharashtra 64.5 man-days, in Mysore 56.2 man-days, in West Bengal 62.7 man-days. In view of the higher wage rates prevailing in the areas selected for the programme in Punjab, Assam, Orissa and Kerala, man-days generated against each hundred rupees of expenditure have been lower. An interesting feature reported is the co-existence of high unemployment and high wage rates in these areas.

Reorientation under Emergency.— The National Development Council decided that the rural works programme should be continued, with emphasis on short-term agricultural schemes yielding large additions to agricultural production in areas which are markedly backward in economic development. The Council also felt that instead of dispersing the effort too thinly over a wide area, the programme should concentrate on pockets with high incidence of unemployment and under-employment. A number of steps have been taken to increase the tempo of work during the current season. First of all, the State Governments have been told of how many blocks are to be selected for the next phase of the programme. Secondly, to enable quick start of work on schemes ready for execution, as also for advance planning, the tentative allocation for 1963-64 was intimated to the State Governments as early as January 1963. Thirdly, the procedures for the formulating proposals have been simplified and the State Governments authorised to start work on agricultural schemes pending submission of detailed check lists. Fourthly, it has been clarified that schemes relating to irrigation wells, land reclamation and orchards, etc., can be taken up provided the work is organised on a community basis in a concentrated manner. Panchayats and labour co-operatives (or even the departments) can execute the works and recover the cost from beneficiaries in instalments. Finally, steps have been taken to release funds in time, and to strengthen technical staff at the block level and create a small cell at the State headquarters for advancement advance planning.

Positive Gains.— Out of about 500 projects allotted under the next series, proposals in respect of about 260 projects have already been received in the Planning Commission, processed and agreed to for implementation and the State Governments have been advised to go ahead with them. The remaining ones will also be finalised shortly.

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In a number of States employment surveys have been initiated by the State Governments as well as, the Director-General of Employment and Training in some of the blocks selected under the first and second series. These surveys will be of great help in obtaining a clearer picture of the employment requirements at the block level and the impact of the development programmes. A second significant gain is that the programme is tending to benefit those sections of the rural community for whom it is specially designed. The labourers who are coming forward to take advantage of the programme belong to the various backward landless classes. For instance, in Rajasthan the majority of the workers are Bhils and professional labourers, in West Bengal the workers are mostly Harijans and Santhals, and in Assam most of the labourers, both men and women, are tribal people. In Gujarat and Madhya Pradesh also the labourers belong mainly to the tribal classes. A third gain is that in a number of States the schemes have proved to be more labour intensive than had been originally envisaged. A fourth gain is that in almost all the States Panchayats are being increasingly involved in the execution of the schemes included under the rural works programme. The experience gained regarding the period in which works are executed will also make it possible to have a clearer idea of what the agricultural slack season means. While the slack seasons for the different States are known in a general way, there are considerable variations from area to area within the State, and it is essential for good planning to know their precise nature.

("Yojna", 26 May 1963 ).

42. Co-operation.

India - April 1963.

National Advisory Board for Labour  
Cooperatives set up.

A National Advisory Board for Labour Contract and Construction Cooperatives has been constituted by the Government of India.

The Board will have the Union Minister for Community Development and Co-operation as Chairman and the Union Deputy Minister for Co-operation as Vice-Chairman.

The Board will review the progress of the programme of labour co-operatives, suggest measures for enlisting the participation of the labourers in the programme and for fostering initiative and leadership among them. It will help State Governments in formulating their schemes relating to labour co-operatives. The Board will also suggest arrangements for education and training of personnel required for implementation of the programme.

(The Hindu, 20 April 1963)

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Conference of All-India State Cooperative  
Banks, Lucknow, 18 April 1963: Establishment  
of an Agricultural Credit Stabilisation Fund  
Recommended.

The Conference of All-India State Cooperative Banks was held at Lucknow on 18 April 1963. The Conference, among other matters, recommended the establishment of a national agricultural credit stabilisation fund, the formation of an all-India State cooperative banks' association and the setting up of a relief and guarantee fund. It considered various problems concerning the availability of short-term finance and reimbursement finance for medium-term loans by the Reserve Bank. The Conference recommended the implementation of the recommendations of the Mehta Committee regarding the national agricultural credit stabilisation fund and the framing of rules governing this fund so that the co-operative financing agency may know the circumstances under which assistance from the fund may become available. The Conference felt that the need for the relief and guarantee fund, recommended by the Mehta Committee, was greater when the co-operatives had to undertake financing of the agriculturists on a much bigger scale than hitherto. The Conference asked the State Governments to make suitable provision in that behalf in the plans as recommended by the Mehta Committee.

The Conference felt that it was essential for the State cooperative banks in the country to have an all-India organisation to represent the viewpoints of the banks before the Government of India, the State Governments, the Planning Commission and the Reserve Bank as also to study and advise the member banks on the various problems facing them in their day-to-day working.

The Conference suggested that the National Co-operation Union should convene as early as possible, in any case within the next two months, a meeting of the chairmen of all the State co-operative banks to consider the various aspects of this important question. The Conference felt that if any change in policy or procedure was to be introduced by the Reserve Bank with regard to short-term financing it should be done well in advance so that the co-operative banks would have enough time to make the necessary adjustments and also to present their opinion in special circumstances so that there might be no feeling of uncertainty in their mind about the availability of funds from the Reserve Bank. The Conference was of the opinion that the new policy of the Reserve Bank in granting medium-term loans to the extent of 75 per cent. of the medium-term loans granted by the apex bank out of their resources over and above the basic level obtaining as on 30-6-1962 required some consideration.

The Conference recommended that at least 75 per cent. of the reserve fund of each central cooperative bank should be invested in the State co-operative bank at an attractive rate. It expressed the opinion that it is not desirable for the apex bank to open branches in a centre where there is already a district bank operating. The Conference considered the question of extending the benefit of deposit insurance scheme to State and central co-operative banks and decided that the recommendations of the standing committee of the Reserve Bank should be awaited.

The Conference requested the Central and the State Governments ~~for issuing~~ ~~directives~~ to the local bodies, educational institutions and other Government-controlled institutions to invest their funds in the co-operative banks.

(The Economic Times, 20 April 1963).

Committee constituted to suggest measures to strengthen Co-operative Administration in States.

The Ministry of Community Development and Co-operation, Government of India, in a notification published on 27 April 1963, says that the third five year Plan has a large programme of co-operative development. The implementation of such a large programme will require an efficient co-operative administration staffed adequately in number and quality. The Conference of Ministers of Co-operation of the States held at Lucknow in February 1963 considered this question and recommended that a study should be undertaken on measures necessary to strengthen co-operative administration in the States. The Government of India ~~have~~ has accepted this recommendation and has decided to constitute a Committee with Shri V.L. Mehta as Chairman and 5 other members.

The following will be the terms of reference of the Committee:

(a) To review the existing departmental set up in the various States and suggest the broad lines for determining the strength of departmental staff at various levels, namely, at headquarters, divisional, district and lower levels;

(b) To make recommendations regarding the special staff required to be provided at various levels to deal with special items of work, like co-operative farming, co-operative marketing, processing, industrial societies and other types of societies;

(c) To make recommendations regarding the criteria for determining the strength of the audit staff at various levels;

(d) To suggest criteria for fixing the strength of supervisors whether employed by Government, co-operative unions or by financing banks as the case may be;

(e) To suggest measures necessary for ensuring adequate training to the staff at various levels; and

(f) To suggest broadly procedures for recruitment at various levels with a view to securing continuity of policies and programmes.

The Committee may visit States for collecting information and for recording evidence of both officials and non-officials.

The headquarters of the Committee shall be at Bombay.

The Committee shall report as early as possible.

(The Gazette of India, Part I,  
Sec.1, 27 April 1963, page 205).

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## Chapter 5. Working Conditions and Living Standards

### 51. Hours of Work

India - April 1963.

#### May Day declared Holiday for Workers.

The Government of India have issued instructions to all their officers in charge of industrial undertakings that they should on timely request from a substantial number of workers in their establishments, declare 1 May as a holiday to enable the workers to take part in May Day celebrations on condition that in lieu thereof, the workers agree to work on the same other paid holiday. Private and public industrial undertakings and State Governments have been requested to adopt the same policy.

(The Hindu, 29 April 1963).

53. Women's Work.

India - April 1963.

Women Workers' Section to be started by  
I.N.T.U.C.

At its Working Committee meeting held at New Delhi on 25 February 1963, the INTUC decided to open a Women Workers' Section in all the Pradesh Branches and at the national headquarters of the INTUC. The main function of the Section would be to study the peculiar problems confronting women workers and compiling information and data about the same so that it could be used for their general well being and economic security. The INTUC has asked all its Pradesh Branches and Industrial Federations to compile data on the following points:-

Women workers in the labour force; Women workers in the trade unions; Wages and working conditions; Vocational training; Maternity protection; Women workers with family responsibility; Working of creches; Conveyance to and from working place; Sitting arrangements in canteens; Arrangements for rest rooms; Housing facilities; and Social categories of workers.

(The Indian Worker, 25 March 1963).

55. Protection of Minors.

India - April 1963.

Madras: Child Welfare Project undertaken.

The first integrated Child Welfare Project (a pilot project) in Madras State, was inaugurated by Shrimati Soundaram Ramachandran, Union Deputy Minister for Education on 28 April 1963. The integrated project (a 500,000 rupees scheme) sponsored by the Government of India as a pilot project to be introduced in the Poonamallee Panchayat Union of this State envisages the total wellbeing of the child up to 16 years, integrating all aspects that build up the child in its daily routine, health, hygiene, food, environment, education and physical activity play important roles in the programme.

(The Hindu, 29 April 1963).

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56. Labour Administration.

India - April 1963.

Inspection of Mines in India: Annual Report of the Chief Inspector of Mines in India for the Year ending 31 December 1961\*.

The following information relating to the working of the Mines Act, 1952, is taken from the Annual Report of the Chief Inspector of Mines for 1961.

Application.— The Mines Act 1952 as amended by the Mines (Amendment) Act, 1959 continued to be in force throughout India excepting the State of Jammu and Kashmir. Prospecting mines and mines of specified minerals continue to be exempted from the provisions of the Act subject to certain conditions specified therein. The year under review saw the coming into force of the new code of Metalliferous Mines Regulations 1961, superseding the India Metalliferous Mines Regulations 1926 and the Mysore Gold Mines Regulations 1953. Certain amendments to Mines Creche Rules 1959 (requiring the construction of creche in a mine wherein women were employed in the preceding twelve months), Mines Rules 1955 (conversion to metric units of measures), Coal Mines Regulations 1957 (empowering the Board of Mining Examinations to make bye-laws as to precede the procedure and conduct of examination, additional powers to Courts of Enquiry, etc.), and the Coal Mines Rescue Rules 1959 were also made.

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\* Annual Report of the Chief Inspector of Mines, for the year ending 31 December 1961, Mines Act, 1952. pp. 395.

The number of mines (coming within the purview of the Mines Act, 1952) excluding mines of atomic minerals reported to have been worked during the year under review was 3,533 comprising of 860 (coal Mines and 2,673 Non-Coal Mines), as against 3,498 mines (859 coal mines and 2,639 non-coal mines) in 1960. The number of mines submitting returns was however slightly less, their number in 1961 being 3,171 (848 coal and 2,323 non-coal) as against 3,534 (848 coal and 2,486 non-coal) in 1960. The statistics presented in the report are mostly based on these returns.

Employment.— The average daily number of persons working in and about the mines regulated by the Mines Act, 1952 in the year 1961 was 670,986 which shows a significant increase as compared to the earlier years and has recorded a new level of employment in mines coming under the purview of the Act.

The two tables given below show the trends in employment by place of working and by major miners.

(1) By place of working

Year	Under-ground	Open-cast-workings		Surface		Total	Index.
	Men	Men	Women	Men	Women		
1959	251,513	123,699	59,489	139,645	43,671	618,017	112.6
1960	255,536	141,557	63,905	147,235	43,836	652,069	118.8
1961	261,703	157,032	67,927	145,944	38,380	670,986	122.2

(2) By Major Minerals

Year	Coal	Nica	Manganese	Iron-ore	Gold	Line-stone	Others
1959	383,761	32,489	59,935	41,465	16,634	36,447	47,286
1960	397,422	33,278	56,859	49,902	16,092	44,412	54,104
1961	411,265	29,635	46,923	54,540	16,295	54,637	57,691

This significant increase in employment was mainly due to the considerable increase of employment in quarries, the said increase in 1961 being nearly one tenth of the employment in the preceding year. Relatively, the increase of about 6,000 in underground employment (constituting only about one fortieth of the preceding year's under-ground employment), was less significant. Of significant interest is the continuation of the decreasing trend in surface women employment, which has been a noticeable feature during the past few years. As against a decrease of about 5,500 in surface the female employment registered ~~by an~~ only an increase of about 4,000 in quarries with the result that overall there was a decrease of about 1,500 female employment in mines and this, together with the increase in overall employment in mines has brought down the proportion of female employment to about 16 per cent. against 17 per cent. in the preceding ~~year~~ two years.

Mineral-wise, the increase was significant in Coal mines (14,000), Limestone mines (10,000) and Iron-ore mines (4,500). The recession in trade and tough competition in exports continued to affect the Manganese industry, with the result that the employment has further decreased by about 10,000 in 1961. Another significant drop in employment was in Mica Mines (3,600).

The number of coal mines on the basis of which employment figures have been arrived at remained the same in the year under review as in the preceding year, viz., 848. The overall increase of about 14,000 in employment was mainly in under-ground workings (9,000) and in quarries (6,000). Surface female employment registered a further drop of about 2,600, ~~according to~~ accounting for nearly half the total drop in the total mining industry. Field-wise, the increase was mainly in Boniganj field (7,700) and Jharia field (4,300), which fields together account for two-thirds of the overall employment in coal mines.

As regards manganese mines the number of mines submitting annual returns in the current year went down by about a hundred, the actual figures being 416 in 1961 as against 519 in 1960. The reduction in employment was also considerable, the magnitude being of the order of 10,000. From the various reports received, it has been observed that the general economic conditions affecting the manganese-ore industry continued to be adverse during the year and the slump in the foreign demand has brought down with it the price of the ore. This in turn has led to a fall in output and increase in overall cost per tonne of ore produced.

While the reduction ~~the~~ in the number of mines has been more or less evenly distributed in the various principal producing states, it was in Mysore that the fall in employment and number of mines was significant. The reduction in employment in this states alone was 6,000, followed by about 1,600 in Madhya Pradesh and about a 1,000 each in Maharashtra and Orissa. The bulk of the decrease and as can be expected was in open-cast workings.

There was a decrease of about 119 in the number of mica mines submitting returns as compared to those in the preceding year. This brought down the level of employment in the year 1961 in mica mines to about 30,000 - the lowest in recent year and at about the same level as in 1955. The bulk of the decrease in the number of mines was in Bihar and Rajasthan.

While the decrease of about 72 mines in Bihar resulted in the fall in employment of the order of 2,500, that in Rajasthan had a relatively insignificant effect, though the decrease in the number of mines was 45, which indicates that the employment in the reporting mines had increased in 1961 as compared to 1960. The overall decrease in under-ground workings was mainly in Bihar while the decrease whatever in open-cast workings was in Rajasthan.

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With the increase in the number of reporting iron-ore mines from 213 in 1960 to 225 in 1961, the employment in iron-ore mines in theyear 1961 was more by about 4,500 than in the preceding year. The increase in the employment was mainly due to the coming into active operation of an iron-ore mines under public sector in Madhya Pradesh which had reported an employment of about 9,500. This together with a decrease of about 3,500 in employment in another public sector mine in Madhya Pradesh and a fall in employment of about 1,400 in Mysore resulted in the overall increase of only 4,500.

The continuing trend observed in the past decade (except for the year 1959) of increase in employment in limestone mines recorded a further upward movement, the increase in employment in the current year over the preceding year being of the order of 10,000. This increase in employment was a feature observed in almost all states, the magnitude of the increase varying from state to state.

The following table gives the distribution of coal and non-coal mines by size of their average daily employment in 1961:-

	Up to 50	51-150	151-250	251-400	401-600	601-1200	1201-1600	1601 and above	Total
Coal Mines.	164	188	106	86	138	63	45	58	848
Non-Coal Mines.	1,514	540	101	64	55	15	10	24	2,323
<b>All Mines.</b>	<b>1,678</b>	<b>728</b>	<b>207</b>	<b>150</b>	<b>193</b>	<b>78</b>	<b>55</b>	<b>82</b>	<b>3,171</b>

(1) 12 coal mines and 350 non-coal mines did not submit annual returns.

(11) Mines of Atomic Minerals not included.

Labour Situation. Generally speaking supply of labour in most of the areas was adequate, and labour-management relations were cordial. However, the percentage of absenteeism (absenteeism being defined as to include absence due to sickness, accident, leave, etc., and excludes absence due to strikes, lock-outs or maternity leave) among colliery workers registered a further increase during the year under report for the country as a whole as also in the Raniganj Coalfield. The table below gives the comparative figures in respect of major fields.

Year	Bihar								
	Andhra Pradesh.	Assam	Bokaro.	Jharia.	Maha-rash-tra.	Madhya Pradesh	Orissa	Rani-ganj	All India
1959 -	17.74	17.83	15.58	12.31	13.40	12.76	13.89	11.60	13.11
1960 -	17.06	19.38	15.22	11.75	12.74	13.91	14.22	12.22	13.27
1961 -	17.23	18.84	14.76	11.90	13.60	15.97	13.46	12.46	13.53

Labour earnings. - The following table shows the index of labour earnings in the various States since 1959 (Base December 1951=100):

	1959	1960	1961
<u>Coal -</u>			
Andhra Pradesh	178.2	176.4	178.9
Assam	145.2	155.0	150.7
Bihar (Jharia)	213.7	217.0	215.2
Madhya Pradesh	247.1	262.8	260.2
Vindhya Pradesh			
Orissa	248.7	231.4	240.8
Rajasthan	214.6	215.8	221.7
West Bengal (Raniganj)	196.0	200.6	202.9
<u>Mica -</u>			
Andhra Pradesh	109.8	129.7	144.1
Bihar	104.3	110.9	134.2
Rajasthan	119.0	125.2	129.0
<u>Manganese -</u>			
Madhya Pradesh	127.2	137.1	156.9
Orissa	142.0	136.2	149.6
<u>Iron-Ore -</u>			
Bihar	132.5	141.5	202.2
Orissa	126.9	139.8	182.0
<u>Copper -</u>			
Bihar	132.1	163.6	165.5
<u>Gold -</u>			
Mysore (K.G.F.)	129.0	135.4	183.3
<u>Limestone -</u>			
Bihar	123.4	151.7	204.2
Madhya Pradesh	150.9	169.9	206.0
<u>China Clay -</u>			
Bihar	146.9	146.1	148.6
<u>Stone -</u>			
Bihar	122.5	156.6	120.3
TOTAL COAL	210.3	214.9	214.7
TOTAL NON-COAL	124.1	134.5	161.7
ALL MINERALS	183.1	189.6	198.0

Output.— The aggregate pit-head value of coal raised in the country amounted to 1140.63 million rupees as against 1082.75 million rupees last year. According to the estimates of the Indian Bureau of Mines, the aggregate pit-head value of non-coal minerals stood at 475.41 million rupees as against 435.03 million rupees in 1960 showing a considerable increase. The value of a few other non-coal minerals, not covered by the Indian Bureau of Mines was about 11.87 million rupees as against 9.02 million rupees last year.

The output of coal continued its rising tempo and recorded a new peak during the current year. The increase over the preceding year was of the order of 3.55 million tonnes, which is less than the 4.49 million tonnes increase in 1960. ~~Statewise figures are given~~

Field-wise, the output of coal in Jharia was 16.72 million tonnes as against 16.05 million tonnes in 1960 and accounted for about 30 per cent. of the total production in the country. Comparatively, the Raniganj field showed a slightly higher increase, the production in 1961 being about 18.77 million tonnes as against 17.82 million tonnes in 1960 and accounting for nearly 34 per cent. of the country's output.

Among the smaller fields, Bokaro raised 3.70 million tonnes, Karanpura 3.52 million tonnes, Pench Valley 2.57 million tonnes, Singareni 2.80 million tonnes and Korea 1.75 million tonnes.

Raisings were fairly high in the early months of the year. The seasonal effects of monsoon resulted in a fall in output, and the maximum was reached in March. Comparatively, there was a lesser accumulation of stocks at pit-head at the end of the year under review than in the preceding year. At the end of the year stocks were 3.37 million tonnes as against 3.51 million tonnes (the opening stocks this year differ slightly from closing stocks of last year due to the difference in the coverage) at the beginning of the year.

Despatches of coal, excluding coke, amounted to 50,237,141 tonnes as against 46,062,225 tonnes in the preceding year.

The amount of coal utilized for coke making at the collieries was 2,995,085 tonnes i.e., about 5.4 per cent. of the total output, the corresponding figures for 1960 being 2,888,007 tonnes and 5.6 per cent. respectively. In addition, about 2,373,381 tonnes of coal i.e., about 4.5 per cent. of the total production, was consumed within the collieries for boilers attached power houses, etc.

Collieries produced 260,845 tonnes of Hard Coke and 1,791,050 tonnes of Soft Coke during the year under review as compared to 227,725 tonnes of Hard Coke and 1,778,575 tonnes of Soft Coke in 1960. There was thus a slight increase in coke production in collieries. Despatches of coke from the collieries consisted of 268,234 tonnes of Hard Coke and 1,754,187 tonnes of Soft Coke. Of the rest, 991 tonnes of Hard Coke and 4,340 tonnes of Soft Coke were reported to have been consumed within the collieries. The stocks at the end of the year consisted of 18,075 tonnes of Hard Coke and 106,876 tonnes of Soft Coke.

The aggregate pit-head value of coal produced during the year amounted to 1,140,634,672 rupees and that of Hard Coke and Soft Coke produced at the collieries was 9,929,855 rupees and 44,755,055 rupees respectively.

Output of coal per worker per year employed has increased further to 155 tonnes in 1961, from 151 tonnes in 1960, 124 tonnes in 1959 and 100 tonnes in 1951.

The output figures in respect of some of the major minerals during the year under report were as follows:

Coal 55,709,145 tonnes; Mica (crude) 28,547 tonnes; Manganese 1,250,024 tonnes; Iron-ore 12,269,560 tonnes; Copper-ore 425,270 tonnes; Gold 4,068 kgms.

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Mining conditions. Of the total of 3,171 mines submitting returns for the year 1961, 1,524 (about 48 per cent.) were using mechanical or electrical power as against 1,161 (35 per cent. of the total) mines in 1960. These include 727 (nearly 86 per cent. of the total) coal mines, 381 (47 per cent. of the total) Mica mines, 75 (45 per cent. of the total) Lims-stone mines, 127 (31 per cent. of the total) Manganese mines and 50 (22 per cent. of the total) Iron-ore mines. All the gold and copper mines (4 and 3 in number respectively) reported to have been worked during the year (excluding the Copper mine in Rajasthan which has not yet started working) were using mechanical power.

The number of coal mines using electrical energy during the year under report was 617 as compared to 545 in 1960 and 517 in 1959. The aggregate horse-power of electrical plant used in the above mines increased from 372,848 in 1960 to 438,031 in 1961. The increase was due to the introduction of additional electrical plants in mines which had already been utilizing electrical power and to the introduction of electrical power in some other mines during the year under review. During the year, electrical plants were installed and brought into use in 72 additional Coal Mines.

The amount of Coal raised from all collieries during 1961 in the Indian Union was 55,709,143 tonnes. Out of this amount, coal mines numbering 617 using electrical power accounted for the production of 52,444,131 tonnes which is about 94 per cent. of the total raisings.

The remaining coal mines numbering 231 which did not use electric power accounted for the production of 3,265,012 tonnes which is about 6 per cent. of the total raisings.

According to the annual returns the total amount of coal consumed in all the collieries during the year under review was 2,373,381 tonnes or about 4.3 per cent. of the total raisings as compared to 2,290,304 tonnes or about 4.4 per cent. of the total raisings in 1960. Of this figure, the total amount of coal consumed by the collieries not using electricity was 403,212 tonnes which is about 17 per cent. of the total coal consumed in all the collieries whereas the coal consumed by the collieries using electricity including the coal consumed at the power stations supplying electrical energy to these collieries was 1,970,169 tonnes of which, consumption for generation of electricity

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was about 310,449 tonnes.

It will thus be observed that in the mines using electrical power the total consumption of coal including the colliery consumption at colliery power houses was about 3.76 per cent. of raisings, whereas in the remaining mines the colliery consumption was 12.35 per cent. of raisings.

Besides the above coal mines, electrical energy was used in 181 metalliferous mines, with an aggregate horse-power of 158,680 as compared to 159 mines with an aggregate horse-power of 121,500 in 1960. These figures do not include mica mines using electricity. The number of mica mines using electricity during the year under review was 224 with aggregate horse-power of 20,280 as compared to 261 mines in 1960.

The total number of coal cutting machines worked by electricity was 669 as compared to 696 in 1960, and 620 in 1959. Out of these, 319 were worked in Raniganj, 99 in Jharla, 96 in Madhya Pradesh and 97 in Karanpura. The total quantity of coal cut by these machines was of the order of 14.98 million metric tonnes as against 14.1 million metric tonnes in 1960 and 12.0 million metric tonnes in 1959.

The number of mechanical loaders in use in the Singareni and Karanpura Coalfields were 4 and 25 respectively in the year 1961. The total quantity of coal loaded by these loaders was about 913 thousand metric tonnes which was considerably higher than the last year's figures of 612 thousand metric tonnes.

The number of mechanical conveyors used during the year under review was 129 as compared to 103 in 1960 and 86 in 1959. The highest aggregate length reported for any month during the year was 35,056 metres in December which was considerably more than the preceding year's figure of 25,415 metres. The total quantity of coal conveyed was also much higher than that in the last year, the corresponding figures being 4.23 million metric tonnes in 1961, 2.73 million metric tonnes in 1960 and 1.51 million metric tonnes in 1959.

The number of coal mines using mechanical ventilators were 253 in 1961 as against 226 in 1960 and 221 in 1959. The number of mechanical ventilators in use was 416 during the year under report as compared to 361 during the preceding year. As usual the majority of the mechanical ventilators were to be found in the States of Bihar and West Bengal where the number was 190 and 140 respectively.

Twenty-six Non-coal mines used 76 mechanical ventilators comprising of 4 Gold mines using 41 mechanical ventilators, 20 mica mines using 21 mechanical ventilators and one limestone and manganese mine each, utilizing 13 and 1 mechanical ventilators respectively.

The number of Safety Lamps in use in the Coal Mines was 114,454 of which 91,155 were of the electrical type and the rest of flame type. The number of lamps locked by magnetic means was 19,393 and by lead rivets 12,104 while the rest had other arrangements for locking.

The number of safety lamps in use in Non-coal mines was 4,550 of which 4,484 were electric types. The number of lamps locked by magnetic means was 545 and by lead rivets 555, while the rest had other arrangements for locking.

There were 533 non-coal mines using rock-drills, the total number of rock-drills used being 2,322. These comprised of 321 Mica Mines using 648 rock-drills, 47 Limestone mines using 486 rock-drills, 4 Gold mines using 377 rock-drills, 65 Manganese Mines using 321 rock-drills and 34 Iron-ore mines using 212 rock-drills.

Explosives. The figures of consumption of explosives and detonators in coal and non-coal mines for the year 1961 which with comparative figures for the preceding years are given in the following table:-

(All Figures in Thousands)

Year	COAL			NON-COAL			
	High Explosives.	Permitted Explosives.	Gun-powder.	High Explosives.	Gun-powder.	Detonators.	
1959	2,803	1,000	2,146	16,717	2,632	772	11,616
1960	2,779	1,468	1,980	18,941	2,693	736	13,114*
1961	2,973	1,543	2,106	17,472	2,770	1,070	12,263**

\* Includes 152(thousand) cartridges soaked in liquid oxygen.

\*\*Includes 181(thousand) cartridges soaked in liquid oxygen.

Accidents.— The number of accidents (both fatal and serious) and resultant casualties as reported in the year 1961 were more than those in the year 1960. The actual figures, with comparative figures for the preceding years can be seen from the table below:—

Number of accidents, resultant casualties and rates

Year	FATAL ACCIDENTS.		SERIOUS ACCIDENTS.		RATES PER 1000 PERSONS EMPLOYED.		
	No. of accidents.	No. of persons killed.	No. of seriously injured.	No. of accidents.	No. of persons seriously injured.	Death rate.	Serious injury rate.
1958	277	504	54	3,805	2,871	0.78	6.05
1959	249	288	53	3,978	4,051	0.47	6.61
1960	274	317	57	4,534	4,604	0.49	7.15
1961	289	344	61	5,038	5,112	0.51	7.71

The relatively higher increase in the number of persons killed as compared to the increase in the number of fatal accidents is due to the increase in the occurrence of more major accidents, i.e., accidents involving more than 3 deaths. This is partly due to the intensive activity in the first three months of the year (constituting the last phase of the second plan period) and the increase in employment in mines, leading to a larger number of unskilled workers with little or no experience in mining and mine safety being exposed to the hazards of working in mines.

The following table shows the incidence of accidents in the various major mining industries during the year under report:—

Minerals.	Number of Accidents.		Number of Persons.	
	Fatal.	Serious.	Killed.	Seriously injured.
Coal	222	3,515	268	3,605
Gold	5	730	5	739
Limestone	12	287	15	290
Copper	-	158	-	159
Manganese	8	71	9	75
Iron-Ore	14	121	17	131
Mica	12	30	14	40
Stone	7	16	8	19
Others	9	110	10	117
<b>Total All Minerals.</b>	<b>289</b>	<b>5,038</b>	<b>344</b>	<b>5,173</b>

Coal mining, which accounts for about 60 per cent. of the total labour force in all mining, gave rise to about 77 per cent. of the fatal accidents and fatalities and about 70 per cent. of the serious accidents and serious injuries. Among the rest Ironore, Limestone and Mica in respect of fatal accidents and Gold, Limestone and Copper in respect of serious accidents gave rise to considerable number of accidents.

In coal mines, both the number of accidents and resultant casualties in the year under review were slightly more than in the preceding years. The trend of accidents over the years can be seen from the table below:-

	1957	1958	1959	1960	1961
Number of Accidents. (Fatal -	165	208	191	198	222
Serious-	2,673	2,797	3,052	3,258	3,515
Number of Accidents. (Killed.	182	420	212	253	268
Seriously injured.	2,762	2,801	3,125	3,343	3,605

The increase in the fatalities was mainly in those occurring underground followed by surface casualties. The six major accidents that occurred in coal mines resulted in all in 28 deaths underground and this to some extent has contributed to the increase in underground accidents.

Excepting in copper and Manganese mines, significant increases were recorded in serious accidents in the major mineral group of mines, the increase in Gold mines being the maximum. Limestone mining industry, which recorded a considerable increase in employment in the year under review, followed suit.

The increase in the overall death rate in the All-India figure is reflected in all the principal fields. The Non-coal death rate however came down, mainly because of a similar decrease in Gold and Mica mines. It may be mentioned in this connection that this feature is also observed in the absolute figures both for the aggregate of non-coal mines as also for the individual mineral groups.

Comparative death rates in respect of some major minerals can be seen from the following table:-

	1957	1958	1959	1960	1961
Andhra Pradesh —	6.15	4.18	8.39	5.98	4.65
Jharia —	4.82	6.83	3.88	3.80	4.54
Madhya Pradesh —	3.73	4.03	3.91	6.17	7.13
Raniganj —	3.69	17.37	4.81	3.76	4.69
All-India —	4.14	9.14	4.45	4.47	4.81

Accident by causes.— The following table gives the classification of fatal and serious accidents and resulting casualties by cause and place of working:-

Cause	Fatal Accidents		Serious Accident		
	No. of acci- dents.	Numbers killed.	No. of persons Seri- ously injured.	No. of Acci- dents.	No. of persons Seriously injured.
Explosives and ignition of inflammable gas.	-	-	-	1	3
Falls of Roof-					
Underground.	86	122	23	541	360
Open-cast.	2	2	-	-	-
Falls of sides Wall-					
Underground.	20	20	1	198	201
Open-cast.	21	24	5	14	15
Falls of Face-					
Underground.	5	5	2	58	39
Open-cast.	9	9	6	1	1
Rock-Burst.	1	1	-	61	63
Haulage -					
Underground.	20	20	-	620	622
Open-cast.	4	4	-	40	40
Surface.	13	15	-	150	150
In Shafts.	15	22	1	53	63
Explosives -					
Underground.	16	23	9	52	67
Open-cast.	4	4	2	6	8
Surface.	1	1	-	6	9
Machinery -					
Underground.	5	5	-	67	67
Open-cast.	3	3	-	5	5
Surface.	9	9	-	68	68
Suffocation by gas.	4	4	-	-	-
Irruption of water.	1	1	-	-	-
At Railway Sidings belonging to the mine.	4	4	-	27	27
Electricity -					
Underground.	4	4	2	10	10
Open-cast.	3	3	-	1	1
Surface.	3	3	-	5	6
Miscellaneous -					
Underground.	7	7	-	2,225	2,233
Open-cast.	17	17	1	363	366
Surface.	12	12	9	686	688
<b>TOTAL.</b>	<b>289</b>	<b>344</b>	<b>61</b>	<b>5,038</b>	<b>5,112</b>

Comparative figures of the number of persons killed in coal and non-coal mines due to various causes for the preceding years are given in the table below:-

Causes		1959	1960	1961
Fall of Roof .....	{ Coal. ---	73	101	122
	{ Non-coal. ---	8	8	2
Fall of Sides (Face) ..	{ Coal. ---	6	2	8
	{ Non-coal. ---	1	5	6
Fall of Sides (Walls) ..	{ Coal. ---	28	20	23
	{ Non-coal. ---	19	19	21
Rock Burst, .....	{ Coal. ---	-	-	-
	{ Non-coal. ---	7	5	1
Irruption of water, ..	{ Coal. ---	-	16	1
	{ Non-coal. ---	-	-	-
Explosions, ignitions, etc.	{ Coal. ---	5	3	-
	{ Non-coal. ---	-	-	-
Explosives, .....	{ Coal. ---	7	5	14
	{ Non-coal. ---	9	12	14
Electricity, .....	{ Coal. ---	2	3	7
	{ Non-coal. ---	2	2	3
Suffocation by gasses, ..	{ Coal. ---	2	1	4
	{ Non-coal. ---	1	-	-
In Shafts, .....	{ Coal. ---	11	7	17
	{ Non-coal. ---	5	6	5
Haulage Above ground, ..	{ Coal. ---	4	4	14
	{ Non-coal. ---	6	5	5
Haulage below-ground, ..	{ Coal. ---	50	27	20
	{ Non-coal. ---	1	1	1
Outbreak of Fire, .....	{ Coal. ---	4	-	-
	{ Non-coal. ---	-	-	-
Underground Machinery, ..	{ Coal. ---	7	3	5
	{ Non-coal. ---	-	-	-
Surface Machinery, .....	{ Coal. ---	3	5	10
	{ Non-coal. ---	2	3	2
At Railway Siding	{ Coal. ---	3	1	4
belonging to the mine, ..	{ Non-coal. ---	1	1	-
Miscellaneous underground, ..	{ Coal. ---	14	12	6
	{ Non-coal. ---	3	3	1
Miscellaneous in surface, ..	{ Coal. ---	13	23	13
	{ Non-coal. ---	11	14	16
TOTAL, ..	{ Coal. ---	212	233	268
	{ Non-coal. ---	76	84	76

Inspections.— The total number of inspections made by the various inspecting officers in the year 1961 was about 10,500 as against 8,000 in the preceding year. These include the inspections in respect of mining matters by Inspector of Mines etc., inspections by Electrical Inspectorate, inspection by the Inspector of Mines (Mechanical) and by the Medical and Labour Inspectors. Details of the inspections of working mines (excluding those of atomic minerals) coming under the per-view of the Mines Act in respect of mining matters are as follows:—

		No. of Mines Inspected.	No. of Inspections made.
Coal.	--	837	4,655
Non-Coal.	--	2,171	3,121
All Minerals.	--	3,008*	7,776

\* The rest of the mines (mostly small sized) could not be inspected during the year on account of shortage of inspecting staff.

In addition, 150 inspections of 116 closed mines were also made. Three hundred seventy-seven coal and 66 non-coal mines were inspected by the Electrical Inspectorate, the number of inspections made being 903 and 70 respectively. Two hundred twenty-seven coal and 8 Non-coal mines were inspected by the Inspectors of Mines (Mechanical), the corresponding number of inspections being 293 and 29 respectively. The total number of mines inspected and the number of inspections made by the Inspector of Mines (Medical) and the 4 Junior Labour Inspectors of Mines were 1,119 (409 coal mines and 710 non-coal mines) and 1,240 (480 in respect of coal mines and 760 in respect of non-coal mines) respectively.

During this year 448 prosecutions were instituted as compared to 360 prosecutions 1960.

Welfare amenities.— The report gives an account of welfare facilities connected with health, sanitation and medical relief, primarily in coal mines and mica mines. These activities have already been reviewed in monthly reports of this Office, reference to which are given below:—

- Welfare activities in Coal Mines during 1960-61. pp. 37-48 of the report of this Office for Nov.-Dec. 1961.
- Welfare activities in Coal Mines during 1961-62. pp. 65-76 of the report of this office for December 1962.
- Welfare activities in Mica Mines during 1960-61. pp. 82-84 of the report of this Office for Sep.-Oct. 1961.
- Welfare activities in Mica Mines during 1961-62. pp. 75-77 of the report of this office for August 1962.

Coal Mines Provident Fund.— During the year 83,459 employees had been enrolled as new members of the Fund raising the total membership to 1,371,116 at the end of the year.

During the year Rs. 1,670.62 nP. was realised on account of lumpsum contribution. Till the end of November 1961 Rs. 3,638,386.51nP. was realised on this account.

A sum of Rs. 42,496,438.94nP. had been received as provident fund contribution, thus bringing the total to Rs. 258,850,057.99nP. at the end of the year.

The receipts continued to be invested in Government securities and National Plan Savings Certificates. Securities worth Rs. 4.6 million was purchased during the year, thus bringing the total nominal value of the securities purchased to Rs. 290,294,400/-.

During the year 32,933 claims involving a payment of Rs. 9,584,318.27nP. for refund were settled. Thus by the end of the year a total sum of Rs. 29,246,994.08nP. was refunded in 146,319 cases.

Regular inspections of collieries were carried out to ensure payment of correct contributions for members and compliance with the various provisions of the Coal Mines Provident Fund Scheme. Seven hundred and four show cause notices were issued to defaulting employers, 267 complaints filed and 237 Certificate cases instituted.

Working of the Mines Maternity Benefit Act in Non-Coal Mines.— During the year 1961 four Junior Labour Inspectors of Mines looked after the enforcement of the Mines Maternity Benefit Act, 1941.

Information in respect of 912 non-coal mines which submitted returns under the Act is furnished herewith. These mines cover nearly 60 per cent. of the total female workers employed in non-coal mines in India.

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The average daily number of female workers employed during the year 1961 in these 912 non-coal mines was about 40,233, and the number of female workers who claimed Maternity Benefit during the same period was 4,485 out of which 4,427 claims were accepted. Of these, 3,292 females received the benefit in full the payments amounting to about Rs. 144,360/-, 547 received the first instalment payment totalling about Rs. 12,240/- (their second instalments being due next year); and 588 females, who were not entitled to the first instalment (as they continued to work upto the date of delivery) received second instalment payments totalling about Rs. 15,747/-. Thirty women absconded after receiving the first instalment of payment, and there were 54 cases of abortions or premature births. In addition, about 452 female workers were paid bonus under Section 6(1) of the Act, the amount totalling upto about Rs. 1,308/- and 90 female workers who received the first instalment of benefit last year, received the second instalment payments amounting to about Rs. 2,368/- during the current year.

Silicosis in gold mines.— Different categories of silicosis reported from gold mines situated in the district of Kolar, Mysore, are as follows:

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Antiprimary	—	110
Primary	—	63
Secondary	—	5

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Mysore Silicosis Rules classifies silicosis in three different stages — anti-primary, primary and secondary. Antiprimary silicosis is based on radiological evidence only. During this stage there is absolutely no disability and the rate of compensation offered is 20 per cent. Partial disability accompanied by radiological evidence is taken as the basis for primary silicosis. The rate of compensation payable at this stage is 50 per cent. Clinical and radiological findings of active tuberculosis and or complete disability along with radiological findings evidence of silicosis is taken as diagnostic point for secondary silicosis. Compensation payable at this stage is 100 per cent, and persons classified in this stage are no longer allowed to work in the mine.

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Precautionary measures regarding dust suppression etc., were taken in all the mines.

Silicosis in Mica Mines.— Twenty-nine cases of silicosis were reported from different mica mines in the State of Andhra Pradesh.

Hyderabad Silicosis Rules classifies silicosis under two stages—primary and secondary. Primary stage has been defined as a condition evidenced by silicosis found in medical and radiological examinations with definite and specific physical signs and with not too serious or permanent impairment of work capacity. Secondary stage has been defined as a condition found on medical and radiological examination with definite and specific physical signs of silicosis are/or have been present and in which the capacity for work is/or has been seriously and permanently impaired by the disease. Silicosis with active tuberculosis has been defined as the Secondary stage.

Silicosis in Lead and Zinc Mines.— A survey survey was conducted in lead and zinc mines by officers of the organisation in collaboration with officers of the Chief Adviser of Factories. This investigation together with the number of cases reported separately by the mine managements totalled a number of 74 cases of silicosis in the year.

Pneumoconiosis in Coal Mines.— A survey was conducted by this organisation in collaboration with the officers of the Chief Adviser of Factories in Jharia and Raniganj Coalfields. Out of a total number of 950 cases examined by the team, 178 cases were found suffering from Pneumoconiosis of different categories. The report has since been published by the Government of India, Ministry of Labour and Employment, Office of the Chief Adviser, Factories.

New Rescue Stations.— Under the new code of Coal Mines Rescue Rules 1959, the field of Rescue organisation was extended to coal mines all over India. A new Mine Rescue Station to serve the Pench and Kenhan Valley Coalfield, Surguja Coalfield and the Coal Mines in the district of Sahadol, Bilaspur and Raigarh of Madhya Pradesh was opened in Parasia, District Chhindwara in a rented building.

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Another station to serve the Singherani coalfield in Andhra Pradesh and Chanda coalfield in Maharashtra was opened at Ranavaram, District Khammamath. The Rescue stations maintained by the National Coal Development Corporation at their Giridih collieries was also taken over by the committee.

The number of underground mine workers required to be trained in rescue work was increased from 1 in 500 to 1 in 150. The number of refresher practices required to be undergone by the rescue trained worker was increased from 6 to 8 per year.

Three hundred forty-one persons were given initial training in Rescue and Recovery work. Six thousand two hundred and eighty-eight refresher practices were also given.

(The report of the Chief Inspector of Mines for 1960 was reviewed at pp.30-45 of the Report of this Office for May 1961).

67. Conciliation and Arbitration.

India - April 1963.

Conference of Personnel and Welfare Officers,  
Bombay, March 1963: Voluntary Arbitration  
recommended by Union Labour Minister.

The three day conference of personnel and welfare officers was held at Bombay in the last week of March 1963. The conference was organised by the National Institute of Labour Management. The conference was inaugurated by Shri G.L. Nanda, Union Minister for Labour and presided over by Shri Naval Tata, president of the Employers' Federation.

Shri G.L. Nanda's address. - In his inaugural address, Shri G.L. Nanda, Union Minister for Labour and Employment, advocated voluntary arbitration in the place of adjudication as a method of fostering cordial industrial relations and stepping up production. Voluntary arbitration, according to him, offered a simple, informal and prompt method of settling industrial disputes, whereas adjudication involved time-consuming litigation and delay. This delay bred among workers resentment and a feeling of being harassed. Consequently, it undermined the faith in each other on the part of both workers and employers. Moreover, the large number of adjudication cases also whittled down the quality of adjustment necessary for the settlement of industrial disputes.

Shri Nanda dwelt at length on the role of personnel officers in ensuring harmonious industrial relations. Their role in the prevention of industrial disputes was more important, according to him, than their other duties. What was required for resolving labour disputes was sympathy and understanding. If a common ground between employers and workers was found out and co-ordinated, it would go a long way in achieving greater results in the sphere of industrial output. The Union Labour Minister also referred to certain "signs of tension", which had become visible during the last one month or so, ~~vailing in industry immediately after~~ as compared with the smooth relationship prevailing in industry immediately after the declaration of the national emergency and the adoption of the industrial truce resolution in November last. He said that in the context of the present emergency, even minor and unreasonable complaints of workers were serious matters which required to be examined in order to remove seeds of discord. Personnel officers could very well

investigate such complaints so that all genuine grievances might be redressed more expeditiously than in normal times.

President's speech.- Shri Naval Tata, President of the Employers' Federation, in his address, joined issue with Shri Nanda on the question of voluntary arbitration. Shri Tata conceded that voluntary arbitration was good in principle. But it called for will and strength on the part of workers' and employers' organisations to practise it. Shri Tata, however, disagreed with Shri Nanda on the suitability of voluntary arbitration in the present context in India. He said that it would be a serious mistake to think that the adoption of voluntary arbitration was a simple and automatic process. Adjudication could be dispensed with, according to him, only if the idea of voluntary arbitration was properly nursed in the minds of workers and employers.

The Study Group of the conference constituted to examine the role of voluntary arbitration came to the following conclusions.

(1) The group was of the opinion that, in the context of the present national emergency, voluntary arbitration had an important role to play and it endorsed the recommendations contained in paragraph 5 of the industrial truce resolution dated 3 November 1962, regarding settlement through voluntary arbitration of disputes pertaining to dismissal, discharge, victimisation and retrenchment of individual workmen. It was also of the opinion that all collective agreements should contain a clause providing for reference to arbitration of all points of disputes arising out of the interpretation of the terms of such agreements.

(2) The organisations of employers and workmen in each industry should draw a panel of independent persons to work as arbitrators.

(3) If both the parties to the dispute and the arbitrator or arbitrators agree, assistance of assessors may be requisitioned.

(4) Reference to arbitration should be at the joint instance of the employer concerned and the recognised union.

(5) Proceedings before an arbitrator should be informal and legal practitioners may be allowed to appear for any party only with the written consent of the other party.

(6) The decision of the arbitrators shall be binding on both the parties.

(7) A dispute, once decided in arbitration and implemented by the parties concerned, should not be referred by Government to adjudication under the Industrial Disputes Act, 1947.

(The Commerce, 30 March 1963, page 564 ).

Important Awards and Agreement Relating to Basic Wages, Dearness Allowance and Bonus during 1962.

Introduction.— The Labour Bureau has been making periodical studies of the awards of Adjudicators, Industrial Tribunals, Industrial Courts, etc., published in the Official Gazettes of the Central and State Governments and important agreements arrived at by the parties concerned before the Adjudicators, Tribunals and Courts or between the employers and employees themselves, with a view to collecting up-to-date information on principal changes in basic wages, dearness allowance and profit bonus paid to workers in the country. A study was undertaken by the Labour Bureau for the year 1962 and the following is its brief review.

Number of awards/agreements classified industry-wise.— During the year 1962, there were 410 awards (including 261 agreements) on the question of basic wage, dearness allowance and bonus. Of these 410 cases, 91 (47 agreements) related to basic wages only, 24 (19 agreements) to dearness allowance only, 81 (44 agreements) to basic wages and dearness allowance and the remaining 214 cases (161 agreements) pertaining to bonus only. It would thus be seen that while 22.2 per cent. of awards, (including agreements) were on the issue of basic wages, 5.8 per cent. related to dearness allowance and the remaining 52.2 per cent. only and 19.8 per cent. to basic wages and dearness allowance and the remaining 52.2 per cent. related to bonus only. As many as 261 cases (64 per cent.) of the total number of 410 awards/agreements were settled mutually between the parties concerned.

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An analysis of the awards/agreements according to industrial groups showed that 106 cases (25.9 per cent.) were in the Textile Industry, 62 (15.1 per cent.) were in the Engineering industry (including basic metal industries, metal products, machinery, etc.) and 52 cases (12.7 per cent.) were in the Food (including Beverages) industry. Out of 410 awards/agreements received in the Bureau, a majority were made in the States of Maharashtra (115), Uttar Pradesh (77) and Gujarat (58) forming 28 per cent., 18.8 per cent., and 14.1 per cent., respectively of the total number of awards/agreements in the country during the year under review.

Dearness allowance paid to Cotton Textile Workers.— In the case of several industries in the country, dearness allowance forms a major component of the total emoluments of the industrial workers. The Bureau collects regularly data on dearness allowance paid to the Cotton Textile Workers at certain selected centres. The average monthly dearness allowance paid in the industry during 1960 and 1961 and 1962 is shown in the following table:—

Dearness Allowance paid to Cotton Textile Workers during 1960-1962

Centre	Average Monthly Dearness Allowance* for the years		
	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.
Ahmedabad ..	87.81	86.95	88.52
Baroda ..	79.00	78.26	78.99
Bombay ..	89.25	91.79	95.76
Delhi ..	66.82	70.95	74.76
Indore ..	63.70	63.66	65.67
Kanpur ..	59.69	61.57	65.43
Madras ..	68.33	75.85	79.09
Nagpur ..	66.86	64.77	64.69
Sholapur ..	60.28	66.17	73.02
West Bengal..	32.50	37.35	44.01

\* This includes 3/4th of the average Dearness Allowance paid to the workers in the first half of 1959 which was to be merged with Basic Wage as per recommendations of the Central Wage Board for Cotton Textile Industry.

It would be noticed that there is a rising trend during 1960-62 in the dearness allowance paid to the Cotton Textile workers at Ahmedabad, Bombay, Delhi, Indore, Kanpur, Madras and Sholapur as also in West Bengal while a slight decline is seen for Baroda and Nagpur.

(The Indian Labour Journal,  
Vol. IV, No. 4, April 1965,  
pp. 375-390 ).

Seminar on Workers' Participation in Management, New Delhi, 14 April 1963.

An eight-day seminar on Workers' Participation in Management, organised by the Confederation of Free Trade Unions, was held in Delhi on 14 April 1963. Shri Gulzarilal Nanda, Union Minister for Labour and Employment, inaugurated the seminar. The seminar, was attended, among others, by 53 delegates from Asian countries.

Shri G.L. Nanda's speech.— Inaugurating the seminar, Shri Nanda said that he wanted the movement to grow and take deeper roots, but it must be voluntary and should not be enforced through legislation. He said that the innate conservatism of employers and the lack of good industrial relations hindered the progress of the movement in India. He asked the private sector to change its out-moded ideas and conform to the new idea of democratic socialism. He said that the public sector had been contaminated to some extent, by the evils of the private sector. He advised the delegates not to take extreme positions on the issue of workers' participation in management. Shri Nanda said that he expected much from this movement, because it had great potentialities. The movement, he was sure, would gather momentum, if pursued voluntarily. He strongly felt that rigidity was inimical to the growth of the concept of workers' participation in management. He was of the view that the movement in India had grown through the consent of all the parties — the workers, employers and the Government. The scheme was in operation in over 50 industrial undertakings, both in the public and private sectors. He expressed satisfaction at the progress of the movement in the country. He appealed to trade unions to take sustained interest in the movement.

Shri H.K. Choudhury, ICFTU representative, said that in developing countries where trade union structure was yet to develop on strong industrial lines, there might be a feeling of suspicion lurking in the minds of many that the machinery of workers' participation in management might be utilized to bypass or usurp the essential functions of trade unions.

(The Statesman, 15 April 1963).

Madhya Pradesh Industrial Relations  
(Amendment) Act, 1963 (Madhya Pradesh  
Act No. 4 of 1963).

The Madhya Pradesh Industrial Relations (Amendment) Bill (vide page 54 of the Report of this Office for July 1962) as passed by the Legislature received the assent of the Governor on 27 March 1963 and has been gazetted as Act No. 4 of 1963.

The Act amends sub-section (3) of section 8 of the principal Act to provide that a person shall not be qualified for appointment as a presiding officer of a Labour Court unless - (a) he has held any judicial office in India for not less than three years; or (b) he has held any office in the Labour Department not below the rank of a Labour Officer for a period of not less than five years and is a law graduate; or (c) he has practised as an Advocate or a pleader in Madhya Pradesh for a period of not less than five years; or (d) he is or has been a presiding officer of a Labour Court constituted under any law.

Another amendment to section 9 of the Act prescribes the qualifications of presiding officers of industrial courts.

Another amendment to Schedule III of the Act provides for the transfer of the cases pending before the Labour Commissioners under section 16 of the Central Provinces and Berar Industrial Disputes (Settlement) Act, 1947, to the file of the Labour Courts constituted under section 8 of the Madhya Pradesh Industrial Relations Act, 1960.

(Madhya Pradesh Gazette, Extraordinary,  
30 March 1963, pp. 289-292).

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CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN  
CATEGORIES OF WORKERS.

INDIA - APRIL 1963.

71. Employees and Salaried Intellectual  
Workers.

Punjab: Retirement Age Raised to 58.

The Punjab Government's decision raising the age of compulsory retirement of its employees from 55 to 58 years has been made effective from 1 December 1962. In the case of patwaris, ministerial staff and class IV employees, including new entrants, the age of retirement will remain 60 years subject to the rules governing their service conditions.

(The Tribune, 12 April 1963).

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## Chapter 9. Social Security

### 92. Legislation.

India - April 1963.

#### Working of the Coal Mines Provident Fund Scheme during 1961.

The following is a brief review of the Report of the Coal Mines Provident Fund Scheme during the year 1960-61 which has been published in the Indian Labour Journal, April, 1963.

Scope.— The Coal Mines Provident Fund Scheme is applicable to all the coal mines situated in the States of Bihar, West Bengal, Madhya Pradesh, Andhra Pradesh, Assam, Orissa, the erstwhile State of Bombay now Maharashtra and Rajasthan.

Administration and Finances.— The Fund is administered by a Board of Trustees constituted by the Central Government which consists of representatives of the Central Government, the employers and the workers. The rate of recovery of Provident Fund continued to be at a uniform rate  $6\frac{1}{2}$  per cent. of the total emoluments earned by the members. Up to 31 March 1961, a sum of 5,672,070 rupees was realised on account of initial contribution, whereas a sum of Rs. 1,604.58 nP. was still outstanding for the recovery of which legal action had been initiated. A total sum of Rs. 41,327,880.24 nP. was deposited on account of provident fund contribution as against Rs. 40,365,962.74 nP. during the previous year. During the year under review, a total sum of Rs. 3,806.36 nP. was realised on account of lump sum contribution (Reserve Account) and thus the total amount realised came to Rs. 3,638,386.30 nP. on the 31 March 1961. Forfeiture of bonus due to participation in an illegal strike amounted to Rs. 80,935.47 nP. which was credited to the Reserve Account of the Fund. During the year 1960-61, Rs. 1,280,930.21 nP. ~~during the year~~ were deposited on account of administrative charges as against Rs. 1,184,199.51 nP. during the year 1959-60.

The revised budget estimates for the year 1960-61 were approved by the Board of Trustees and sanctioned by the Government. The account for the year closed with a revenue surplus of Rs. 3,238,702.12 nP. as against the budgetary balance of Rs. 3,057,708. The investment of the Fund as at the end of this year came to Rs. 248,705,647.35 nP. in various securities of the face value of Rs. 255,771,400. The investment of the balances of the Fund was made with full regard to the need for maximum yield with absolute security.

During the year 1960-61, 32,744 claims were received as against 27,950 claims during 1959-60. The total number of claims settled during the year came to 27,972 involving payment of Rs. 7,167,672.06 nP. as against 23,205 claims involving payment of Rs. 5,204,001.02 nP. during the previous year. Every possible effort was made to settle the claims expeditiously. The claims of foreign nationals, retrenchees and other employees working for fixed term contract were accorded top priority. At times inspectors or other members of staff were deputed to obtain the necessary particular documents from the collieries so that the outstanding claims could be settled as early as possible. The rate of interest payable to members on their accumulation was fixed at 4 per cent. per annum for the year 1960-61 and the same rate of interest was approved by the Government for the year 1961-62 as well.

Enforcement.— ~~Haspe~~ The inspectors paid visits to the collieries for checking their accounts and to explain the benefits of Coal Mines Provident Fund Scheme to workers and to remove their misapprehensions, if any. During the year under report, the total number of inspections carried out by the officers and inspectors was 2,944. Inspection reports were submitted regularly and were followed up by appropriate action. During the year under review, 859 show-cause notices were issued to the defaulting coal mines and 262 complaints were filed as against 741 show-cause notices and 284 complaints during the previous year. A total sum of Rs. 23,312.50 nP. was awarded as compensation by various Courts and a further sum of Rs. 6,711.53 nP. was realised as incidental charges in respect of cases of withdrawals during the year.

(The Indian Labour Journal, Vol. IV, No. 4, April 1963, pp. 390-391).

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Employees' Provident Funds Act, 1952.  
extended to Certain Industries.

In exercise of powers conferred under the Employees' Provident Funds Act, 1952, the Central Government has, with effect from 30 April 1963, added the following industries to Schedule I to the said Act.

- (1) Buttons
- (2) Brushes
- (3) Plastic and Plastic Products
- (4) Stationery Products.

(Notification No. GSR 591 dated  
27 March 1963; the Gazette of India,  
Part II, Sec. 3, sub-sec. (1), 6 April 1963,  
page 629 )

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CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - APRIL 1963.

111. General.

Conference of State Health Ministers,  
New Delhi, 9-10 April 1963.

A Conference of State Health Ministers was held at New Delhi on 9 April 1963. Dr. Sushila Nayar, Union Health Minister presided. The Conference, among others, was addressed by Dr. A. Lakshmanaswamy Mudaliar who has submitted for review and decisions the report of the Health Survey and Planning Committee (published towards the end of 1961) which was headed by him.

Dr. Sushila Nayar's address.— Addressing the Conference, Dr. Sushila Nayar said that the Central and State Governments must plan to ensure the "minimum adequate medical care" to all by the end of the fifth Plan, at the latest. She said that to implement some of the recommendations of the Mudaliar Committee, it may be necessary to "revise or recast" some of the third Plan schemes. This should be done within the framework of the Plan, she added. Another group of recommendations would require preparatory work so that the proposals are "vetted and routinized" for inclusion in the fourth Plan, she said.

The recommendations she pointed out were now more than two years old and the targets set by the Committee were lower than those set by the Hoare Committee in 1946. These must be achieved and lack of adequate resources should not be cited as an excuse for not implementing them. She urged that priority should be given to the four main health problems: control and eradication of communicable diseases, supply of safe drinking water and modernisation of sanitary facilities, population control and training of health personnel. Malaria and small-pox must be eradicated by the end of the third Plan, she added.

Dr. A. Lakshmanaswamy Mudaliar, stressed the importance of population control. He suggested large-scale utilisation of water channels which were being wasted to ensure the supply of clean drinking water to the rural areas. Sinking a large number of wells for drinking water was not enough, he thought.

(The Statesman, 16 April 1963).

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

India - April 1963.

Draft Oil Mines Regulations, 1963.

The Central Government published on 13 April 1963 the text of the Oil Mines Regulations, 1963, proposed to be made in exercise of the powers conferred under the Mines Act, 1952, and in supersession of the Oil Mines Regulations, 1933. The regulations deal inter alia, with references, notices and records, qualifications of inspectors and mine officials, duties and responsibilities of workmen, competent persons and officials, general requirements of plans and sections, provisions relating to masts and devices derricks, drilling and production, guarding of drilling, well-servicing and oil pumping machinery, general requirements for rig building, installation and maintenance of prime movers and compressors, precautions to be observed in pipe lines and tanks, shafts and mine workings, explosives and shotfiring, standards of ventilation and lighting, precautions against fires and explosions, provisions relating to maintenance of wharves and piers, fences, etc. The Regulations will be taken into consideration by the Government after 1 August 1963.

(The Gazette of India, Part II, Sec. 3,  
sub-sec. (i); 13 April 1963, pp. 687-760).

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

INDIA - APRIL 1963.

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

Madhya Pradesh Industrial Relations  
(Amendment) Act, 1963 (Madhya Pradesh  
Act, No. 4 of 1963) (Madhya Pradesh  
Gazette, Extraordinary, 30 March 1963,  
pp. 289-292 ).

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- \*(b) "Progress Report 1956-61 - Second Five Year Plan of Madhya Pradesh": Directorate of Economics and Statistics, Madhya Pradesh, Indore, Government Regional Press, 1963: pp. 252.

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