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INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in October-
November, 1963.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - OCTOBER-NOVEMBER 1963.

11. Political Situation and Administrative Action.

Congress Leaders Quit Office for Party Work:
New Cabinets formed in most States.

Reference was made at pages 2 of the report of this office for July-August 1963, ~~repe~~ to the adoption by the All-India Congress Committee of a resolution proposing that leading congressmen should voluntarily leave ministerial posts and take up party organisational work. Following the resolution there has been a reshuffle of the cabinet in most States. The following are the names of the ministers dealing with labour in the Centre and States.

Centre: Shri Gulzarilal Nanda, Cabinet Minister.
Shri Jai Sukh Lal Hathi, Minister of
State.
Shri C.R. Pattabhi Raman, Deputy Minister.
Shri R.K. Malviya, Deputy Minister.

States:-

Assam: Shri K.P. Tripathi.
Andhra Pradesh: Shri B.V. Gurumurthy.
Bihar: Shri Krishna Ballab Sahay.
Gujarat: Shri Mohanlal Vyas.
Jammu & Kashmir: Shri Chuni Lal Kotwal.
Kerala: Shri K.T. Achutan.
Madhya Pradesh: Shri V.V. Dravid.
Madras: Shri M. Bhaktavatsalam.
Mysore: Shri D. Devaraj Urs.
Maharashtra: Shri M.G. Mane.
Orissa: Shri Nilamoni Routray.
Punjab: Shri Mohan Lal.
Rajasthan: Shri Bheeka Bhai.
Uttar Pradesh: Shri Banarsi Das.
West Bengal: Shri Bijoy Singh Nahar.

Nagaland 16th State of Union: Caretaker Cabinet
takes Office.

On 1 December 1963, Nagaland, covering an area of 6,300 square miles of hilly terrain bordering Burma, became the 16th State of the Indian Union. A five man caretaker cabinet headed by Shilu Ao has assumed office replacing the interim Executive Council. The interim legislative body has been dissolved and elections to the State Legislative Assembly are to be held next month.

In a House of sixty members, fifty-four will be elected. Nagaland will also elect two members to Parliament.

(The Hindustan Times, 2 December,
1963).

Shri Asoka Mehta appointed Deputy Chairman of
Planning Commission.

Shri Asoka Mehta of the Praja Socialist Party, has accepted an invitation to join the Planning Commission.

He will assume charge as Deputy Chairman on 3 December 1963.

(The Hindustan Times, 2 December,
1963).

All-India Congress Committee Meeting, Jaipur,
3-4 November 1963: Ideology for Congress
Outlined: Socialism based on Individual's
dignity.

A meeting of the All-India Congress Committee was held at Jaipur on 3 and 4 November 1963.

The policy-making member-body approved by unanimous vote the Working Committee's draft statement on 'Democracy and Socialism', indicating the party's line since the 1955 Avadi Congress in fresh accents.

The 2,000-word statement on democratic socialism gives a new orientation and urgency to the Congress programme, giving an outline of action at administrative and organisational levels that the ruling party may take to achieve its declared objective.

The policy statement gives high priority to the task of ensuring the basic needs of every individual and providing him with "a national minimum comprising the essential requirements in respect of food, clothing, housing, education and health" within the shortest possible time.

It holds out the hope to the people that this objective will be realised in about 12 years by the end of the fifth Plan.

The statement lays great stress on the need to reduce disparities in income "in a striking manner within a reasonable period of time". It points out that steps would have to be taken in the "sphere of both policy and organisation" towards this end.

Peaceful methods.- It says: "Privilege, disparities and exploitation should be eliminated. This change has to be achieved by peaceful means and with the consent of the people, while preserving and fostering the democratic methods and values as enshrined in the Constitution of India."

While underlining the urgency of advancing the material wellbeing of all citizens, the Congress makes it clear that its ideology is based on "democracy, dignity of the human individual and social justice". It also says that "material prosperity alone will not make human life rich and meaningful. Therefore along with economic development, ethical and spiritual values will have to be fostered. This alone will lead to the full development of human resources and character."

The Congress describes its statement on democratic socialism as "the vision of a society in which poverty, disease and ignorance are eliminated, and property and privilege in any form occupy a strictly limited place".

Winding up the debate, Prime Minister Nehru said that time was of the essence and there were inherent dangers in slowing the pace of progress towards the socialist goal.

Adult suffrage under the democratic system had released vast forces and the demands of the people were rising and becoming more pressing. "It was imperative to accelerate progress towards the national objective lest these forces overwhelm us and make it impossible to achieve the end through peaceful methods."

Besides, Shri Nehru said, the pressure of various factors and events, such as the big rise in population, was mounting. "If we do not act with a sense of urgency these forces might overwhelm us and imperil democracy. We cannot afford delay", he said.

Shri Nehru explained that though the AICC was endorsing the statement on democratic socialism today, there was no finality about it yet. The statement would be circulated to various PCCS for fuller discussion by Congressmen and various suggestions by them would be considered during the two-month interval until the annual session of the Congress ^{gave} would ~~give~~ final shape to it.

Home and Labour Minister, Shri Gulzarilal Nanda, who commanded the statement for the AICC's acceptance, said he could not think of any economic system for an underdeveloped country in the present age which was not based on socialism. And socialism was not incompatible with democracy.

He

He said the big changeover to a socialist society could not brook indefinite delay for this might lead to the emergence of forces which destroy democracy itself and make it impossible to bring about the transformation through peaceful means in accordance with Gandhian ~~traditions~~ traditions.

Shri Nanda laid stress on the need to make radical changes in the administrative machinery and eliminate corruption in order to realise the great objective.

(The Hindustan Times, 15 November, 1963).

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Preventive Detention (Continuance) Bill, 1963.

Shri Gulzarilal Nanda, Union Minister for Home Affairs introduced in the Lok Sabha on 21 November 1963 a Bill to continue the Preventive Detention Act, 1950, for a further period of three years. According to the Statement of Objects and Reasons of the Bill, the Preventive Detention Act, 1950, is due to expire on the 31st December 1963. The primary reason for the enactment of this legislation was to protect the country against activities intended to subvert the Constitution and the maintenance of law and order or to interfere with the maintenance of supplies and services essential to the community. Experience in the working of the Act has shown that this legislation has proved an effective instrument specially in the maintenance of law and order. In these circumstances, it is considered essential that the powers conferred by the Preventive Detention Act should be continued. It is accordingly proposed to extend the Act for a further period of three years.

The Bill seeks to substitute the figures and words "31st day of December 1966" for the figures and words "31st day of December 1963" occurring in sub-section (3) of section 1 of the Preventive Detention Act, 1950.

(The Gazette of India, Extraordinary,
Part II, Sec. II, 21 November 1963,
pp. 751-753).

12. Activities of External Services.

India - October-November 1963.

Meetings:

(a) The Director attended the Sixth Session of the ECAFE Highways Highway Transport Sub-Committee, held at Delhi from 8.16 November 1963.

(b) The Director attended a Seminar on Voluntary Arbitration held at Delhi on 28 November 1963, under the joint auspices of the All-India Organisation of Industrial Employers and the Employers' Federation of India.

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13. Press and Opinion.

India - October-November 1963.

Seventeen clippings are attached. Clipping 13.1 is an editorial from 'The Hindustan Times' relating to ILO and South Africa.

In addition to the attached clippings the following reference to the work of the ILO appeared in Indian journals received in the Office during the period under review:

1. The January 1963 issue of the 'Labour Bulletin', published by the Department of Labour of the Government of Uttar Pradesh, contains an a resume of the ILO's Fifth Asian Regional Conference.
2. The February 1963 issue of the 'Labour Bulletin', contains an article on unemployment and underemployment in India based on the article 'Unemployment and underemployment in India, Indonesia, Pakistan and Philippines', published in the October 1962 issue of the 'International Labour Review'.
3. The June and July issues of 'Indian Shipping' (Journal of the National Steamship Owners' Association) publishes an article dealing with 'ILO Maritime Conventions'.
4. The July issue of 'Indian Shipping' under its 'News in Brief' column refers to a meeting of the International Transport Workers' Federation where the employment Asian seamen was reviewed and the I.T.F. called on the ILO to amend "outdated recommendations regarding the employment of Asian seamen".
5. The September 1963 issue of 'Indian Shipping' contains an obituary of the late Mr. M.E. Serang founder president of the National Union of Seamen. Mention is made of his attendance at various ILO meetings.
6. The October-December 1963 issue of 'News Letter' published by the Training-Within Industry Centre of the Central Labour Institute, Bombay, contains an article on 'Policy Problems of Management Development Planning,' by Prof. K.J. Shone, Principal ILO Expert.

7. The October 1963 issue of 'Indian Labour Journal', under its column 'News in Brief' refers to the Seventh Session of the ILO's Iron and Steel Committee.

8. The 12th October 1963, ^{issue of Commerce} in an editorial entitled 'communists stir up petticoats' refers to an agitation of some working women of Bombay for "equal rights, equal pay and equal job opportunities". The article points out the agitation is misconceived and that there are no point in fighting for these 'rights' which are included in an article in the Indian Constitution and embodied in an I.L. Convention ratified by India.

9. 'Trade Union Record' dated 20 October 1963, publishes extracts from the opening speech of the General Secretary of the W.F.T.U. at the 2nd meeting of the International Trade Union and Legal Committee on Trade Union Rights. Referring to workers' representation to the ILO Governing Body the General Secretary points out "..... This year there was the renewal of the Governing Body of the ILO and therefore of the workers' representation on the Governing Body. The number of workers' representatives was raised to 12. One might have supposed that this increase in the number of workers' representatives would make it possible for representatives of the National Centres affiliated to the WFTU to be brought into the Governing Body. The antidemocratic vote was carried out in such a way, under the dominance of one international trade union centre, the ICFTU, that the 12 posts are occupied by 12 members of the ICFTU. The result is that of the 200 million or more trade unionists in the world the ICFTU, which represents barely 50 million of them, about a quarter, has 100 per cent of the representation on the Governing Body of the ILO. It was in the face of this fact that I took the liberty of saying in my speech that this is not democracy, it is farce, it is pantomime."

10. The October 13 issue of 'The Indian Worker', refers to a meeting of the Central Co-ordination Committee for Vocational Guidance and Employment Counselling. Reference is made to the attendance of some ILO Experts at the meeting.

11. The same issue of the journal publishes a news-item regarding non-ratification of I.L. Convention on freedom of association by Japan. This was brought to the notice of the Deputy Secretary General of the Organisation for Economic Co-operation and Development by the General Secretary of the European Regional Organisation of the ICFTU in connection with Japan's membership of the OECD.

12. The October 1961 issue of the 'Indian Worker' refers to the statement submitted to the ILO Preparatory ~~Prelema~~ Technical Conference on Employment Policy by the General Secretary of the ICFTU.

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - OCTOBER-NOVEMBER 1963.

21. United Nations and Specialised Agencies.

Sixth Session of ECAFE Highways and Highway
Transport Sub-Committee, New Delhi, 8-16
November 1963.

The sixth session of the United Nations Economic Commission for Asia and the Far East Highways and Highway Transport sub-committee was held at New Delhi from 8 to 16 November 1963. The session, was attended by delegates from 16 countries including India, besides observers from International Agencies. Shri V.K.R. Menon, Director of this Office represented the ILO. Shri H.P. Sinha of India was unanimously elected chairman of the sub-committee.

The sub-committee expressed satisfaction with the progress achieved in the field of highways and highway transport in the countries of the ECAFE region. It said it was "gratified to note that in spite of the limited financial resources available to the countries of the region, considerable enthusiasm and interest was being shown for the development of their highway network". It noted with "great satisfaction" that in India the targets laid down in the Nagpur Plan had already been achieved and that the country had embarked upon a fresh 20-year plan for the development of roads in the country.

The working groups of the sub-committee made recommendations on the problems of transport and highways in the ECAFE region. The working groups had also made recommendations on training facilities, transport research and development of international traffic on the Asian highways.

(The Hindu, 17 November 1963).

25. Wage-Earners' Organisations.

India - October-November 1963.

All-India Postal Employees Union (Class III)
Meeting, Ludhiana, 3-9 November 1963: Consultative
Machinery Scheme Welcomed.

A meeting, attended by about 400 delegates from all over the country, of the All-India Postal Employees' Union (Class III), was held at Ludhiana from 3-9 November 1963.

The conference in a resolution while welcoming the Government's scheme of joint consultative machinery and compulsory arbitration, felt that with a view to fully realising the objectives, certain changes and improvements to the scheme were called for.

The resolution said the Government's announcement that the scope of the scheme would be restricted only to such organisations as agreed to forego the right to strike had created an apprehension in the minds of the employees. It added that while it was understandable that during the pendency of joint consultation or arbitration, strikes might be ruled out, the conference felt that the right to strike which was the last weapon in the armoury of the worker, could not be surrendered in exchange for any machinery of settlement.

The resolution demanded that that for expeditious functioning of the scheme the Government should convene a meeting of the representatives of the representative Central Government employees' organisations.

By another resolution the Conference urged the Government to check the rise in prices or increase the dearness allowance of postal employees.

It also urged the Government to immediately implement its decision to grant overtime allowance to postal employees.

Office-bearers.- Shri K.G. Bose was elected President and Messrs Y.Yum Bhave and Zackisimon, General Secretaries.

(The Tribune, 12 November 1963).

28. Employers' Organisations.

India - October-November 1963.

69th Annual Meeting of the Indian Planters' Association held at Chikmagalur, 13 October 1963: Help to Coffee Industry urged.

The 69th annual meeting of the Indian Planters' Association was held at Chikmagalur on 13 October 1963. Shri T.C. Manjappa Setty, President of the Association presided. In his address Shri Setty said that the assurance of Shri Manubhai Shah, Minister for International Trade, that the Government would help the coffee industry both financially and technically was welcome. There were several methods in which the State and Central Governments could help the planters who faced difficulties, he said. Shri Setty called for the reduction of excise duty on coffee, slashing of cesses, agricultural income-tax and sales tax and abolition of octroi duty by municipalities to ease the difficulties of the coffee industry. He said the Government could supply fertilisers and pesticides at reduced rates, improve the roads in the plantation areas so as to reduce transport charges, arrange for loans at lower rates of interest and help the planters in marketing both at home and abroad. It was very disappointing to note that Arabica coffee prices in the export markets were very low and required prompt attention by the Coffee Board, Shri Setty said. The Research Department of the Board could assist the growers in fighting the diseases affecting coffee plants and also improving the quality of coffee.

Regarding coffee prices, the Association felt that there was need for upward revision but decided to wait until the cost of production now being complete compiled by the United Planters' Association of Southern India was known. There was also need for fixing the basic minimum release price of coffee supplied to the trade by the Coffee Board.

The Association opined that it was no more necessary to supply coffee at subsidised rates and also offer a commission to coffee houses in South India as coffee was quite popular in South India but this facility might be continued in areas where there was need for propaganda and where such facilities would promote coffee consumption.

Shri T.C. Manjappa Setty was re-elected President, Shri A.M. Basave Gowda, Vice-President, and Messrs. C.R. Shivananda, and K.R. Bharath Honorary Secretaries.

(The Hindu, 19 October 1963).

29. International Co-operation.

India - October-November 1963.

Heavy Engineering Corporation Ltd. inaugurated by Prime Minister: Production of Heavy Machinery with Indo-Soviet and Indo-Czech collaboration.

On 15 November 1963, the Prime Minister, Shri Jawaharlal Nehru, formally inaugurated the Heavy Engineering Corporation Ltd. One of the largest engineering enterprises of its kind in the East, the Heavy Engineering Corporation is currently engaged in setting up the Heavy Machine Building Plant, the Foundry Forge Project and Heavy Machine Tools Plant at Ranchi and Coal Mining Machinery Project at Durgapur to manufacture capital equipment in India. Considerable foreign exchange is currently being spent on the import of such capital equipment and the need of these equipment has been on the increase. The value of the entire output of the Plants may be considered as savings on foreign exchange, because in the absence of these productions the country's needs of these items would have to be met through imports.

The Prime Minister also inaugurated the Coal Mining Machinery Project at Durgapur on 16 November 1963.

One of the largest and most modern of its kind in the world the Heavy Machine Building Plant is being set up in collaboration with the U.S.S.R. to produce 80,000 tons of diverse types of heavy machinery items per year at full production. Covering an area of 570,000 sq. metres, its shops will be equipped with 780 items of machine tools, 97 electric overhead travelling cranes with capacities ranging from 3 tons to 150 tons, and 116 items of jib cranes and other handling equipment. The bed of the largest lathe in this Plant will measure 20 metres, i.e. 66 ft. and the table dimensions of the largest planing machine will be 12 x 4 metres i.e. approximately 40 x 13 ft.

Although the plant is primarily intended to produce machinery and equipment for the iron and steel industry, it will have adequate facilities and capacity to meet the requirements of machinery and equipment for other industries like mineral oil (Oil Drilling Rigs), Coal mining (heavy mining equipment), chemical fertiliser, cement etc. The Plant will also be in a position to manufacture heavy cranes, excavators, crushing and grinding equipment and diverse types of other general engineering items. The Heavy Machine Building Plant will go into pilot production by the end of 1963 and begin to supply items like cranes and structurals almost immediately thereafter.

Most Modern.- Most modern latest technical ~~knowledge~~ know-how and design facilities will be employed for production in this Plant. There will be wide flexibility for the manufacture of diverse types of machinery for any heavy industry, based ~~ate~~ not only on standard designs and specifications of proved performance elsewhere but also to customers' own designs. To enable the customers have the benefit of the latest design facilities, a fully equipped Design Bureau with more than 600 Design Engineers trained in most advanced plants and industries is being established. This Bureau will be capable of undertaking various designs for any heavy industry.

Equipped with the latest casting and forging techniques, the Foundry Forge Plant set up in collaboration with Czechoslovakia, will be the largest of ~~the~~ its kind in the East. Spreading over an area of over 1.3 millions sq.meters this Plant will produce casting and forging of practically ~~any~~ type and composition from few kilos, to as much as 100 ton piece weight. The individual production unit will be almost as big as the large factories in the country. Some of the buildings will be about 130 ft. high with chimneys going upto 240 ft. with adequate inside clearance to accommodate 10 storeyed buildings without touching any of the structures.

Special Feature.- These buildings will have capacity of carrying huge cranes of 200 tons. In all about 40,000 tons of machinery will be installed in this Plant. A special feature of this Plant is the underground soaking furnaces - big ones measuring about 67 ft. long x 47 ft. wide x 84 ft. deep. Another very significant feature of the project is that for the first time in India ~~will~~ all detailed designs and drawings required ~~designs and drawings required~~ for a project of this complexity and size are being developed in India by Indian Engineers under the technical guidance of Czech Experts.

In terms of size, specification and quantum some of the castings and forgings in this plant will be produced for the first time in India - the maximum piece weight being 100 tons for iron castings, 90 tons for steel castings and 50 tons for forgings. The plant will be equipped with a modern Roll Shops for the manufacture of 13,000 tons of grey iron, steel and forged roll per year for meeting the requirements of Iron and Steel Industry. The manufacturing programme includes iron rolls of both alloyed and unalloyed variety in semi-chilled, chilled and SG. glass besides steel forged rolls. Heat treatment facilities will consist of annealing, normalizing, quenching, tempering and also induction hardening wherever required.

Shafts upto 18 metres in length can be suitably heat treated in special furnace provided for this purpose. The Plant will also be equipped with a 6000 ton press - the biggest so far in India. In addition to this, the Plant will have its well equipped pattern shop-fettling shop, battery of gas producers besides the power and steam services. The production of this plant will be used primarily to meet the requirements of Heavy Machine Building Plant and Heavy Machine Tools Plant for grey iron; steel, non-ferrous casting and forgings. Provision has also been made to establish surplus capacity to meet the requirements of heavy castings and forgings of various other industries both in private and public sectors.

Coal Mining Machinery Plant being set up at Durgapur by Heavy Engineering Corporation will be the first integrated plant of its kind in India to manufacture a comprehensive range of machinery required for underground coal mining. Spreading over an area of 80 acres the Plant will have 15 main production and auxiliary shops, which will be equipped with 882 machines tools and accessories of the most modern type. The factory has been designed to be almost fully mechanised and will be using about 84 overhead travelling cranes, 260 conveyors and elevators and 80 jib cranes. With a Grey Iron Foundry, a Steel Foundry and a Forge Shop of adequate capacities, the plant will be self-sufficient in respect of castings and forgings.

Main Items.- When in full production, the plant will manufacture 45,000 tons of diverse types of coal mining equipment every year. In addition, it will be able to supply approximately 2,800 tons of rough casting and forgings to other industries. The main items of production will be Coal Cutters, Coal Loaders, Belt and Chain Conveyors, Exhaust and Booster Fans, Winders and Haulages, Electric Locomotives, Pumps, etc. The Plant will go into pilot production by the end of 1963 and take up manufacture of pumps and booster fans, to be followed by conveyors, axial fans, te-be haulages in the following year. Additional

facilities for manufacture of coal mining equipment, coal washery and ore beneficiation plant are also to be set up in collaboration with Poland. The manufacture of some specific items of coal mining equipment are also being established in collaboration with a firm in U.K.

The most modern design and technology will be adopted for production in this plant. The technical know-how for the initial planning and production of the plant is being provided by the Government of U.S.S.R. The design and technological documentation for the manufacture of some items of machinery are also being obtained from the USSR. The Plant will, however, have wide flexibility and capacity to manufacture any item of coal mining machinery of proved performance elsewhere to meet the requirements of Indian collieries, both in the private and public sectors.

To enable the Coal Mining Industry to have the benefit of the latest design facilities, a fully equipped Design and Technical Bureau, with more than 200 design engineers and technologists trained in most advanced institutes and industries, is being established as a part of this project. This bureau will be able not only to adopt the design documentations already obtained from various sources, to cater to the specific needs of the Indian collieries as required, but also to evolve new designs and technology for various other items of coal mining machinery to be produced in the plant.

In November 1960, the Government of India entrusted the Corporation with the responsibility of setting up a Heavy Machine Tools Plant at Ranchi in collaboration with Czechoslovakia. Situated in the vicinity of Heavy Machine Building and the Foundry Forge Plants this plant as it is to be implemented now will have an annual production capacity of 10,000 tons of certain diverse items of heavy machine tools. Machine tools of these larger sizes and capacities will be produced for the first time in India. Adequate provision has been made for increasing the capacity of the plant to 20,000 tons per year or to any other intermediary stage, if considered necessary.

When in full production, the Plant is expected to manufacture approximately 278 complete machine tools like Central Lathes, Radial Drilling Machines, Horizontal Barers, Plano-Milling Machines, Precision Cylindrical and Roll Grinding Machines, etc. The average weight of each machine being 25 to 30 tons, the maximum weight of an individual machine is expected to be approximately 180 tons with the maximum weight of a single component being 50 tons. The production range includes seven different groups of machine tools with 22 different capacity models. The Plant is expected to go into trial production by 1966. At full production, it will provide employment to more than 2000 staff and workers.

Training Programme.- To ensure a regular flow of technical personnel skilled and semi-skilled workers, so essential to run such large and complex plants, a comprehensive programme of training has been worked out. As a part of this programme, arrangements have been made for advanced and specialised training both in production technique as well as in design documentation of over 650 Indian Engineers and Technicians in Russia and Czechoslovakia for periods varying from six to eighteen months. A large number of Indian engineers is already undergoing training in the factories and institutions of these two countries.

The Corporation is also setting up at Ranchi a modern training institution complete with workshop facilities to provide specialised training to diverse categories of skilled workers and graduate engineers to meet the needs of its projects both at Ranchi and Durgapur. Approximately 1000 trade apprentices and 300 graduate and technical apprentices will be trained at a time in this Institute.

To meet the initial requirements of skilled and semi-skilled workers, training facilities have been arranged in various technological institutes and industrial undertakings in India. With the progressive operation of plant units, adequate facilities will also be established for in-plant training for the engineers and workers.

To provide residential accommodation to its employees, the Heavy Engineering Corporation are building modern townships with all civic amenities near the plant areas at Ranchi and Durgapur.

(Amrita Bazar Patrika, 16 November ,1963).

Chapter 3 Economic Questions.

32. Public Finance and Fiscal Policy.

India - October-November 1963.

Banking Laws (Miscellaneous Provisions) Bill
introduced in Parliament: Tighter Control
over Banks.

On 26 November 1963, Shri T.T. Krishnamachari, Finance Minister, introduced in Lok Sabha the Banking Laws (Miscellaneous) Provisions Bill empowering the Reserve Bank to remove any person associated with a banking company if it is considered necessary or desirable to do so whether or not that person has been found to have contravened the provisions of any law.

The Bill seeks to further amend the Reserve Bank of India Act, the Banking Companies Act and the State Bank of India (Subsidiary Banks) Act, for this purpose. Under the Bill, the Reserve Bank can appoint any other person in place of the person removed. It can also appoint not more than five additional directors in the case of any banking company.

Loans:- To ensure a more effective supervision and management of the monetary and credit system, the Reserve Bank is enabled to obtain returns and information from certain firms financial institutions, namely firms, companies or other bodies corporate, which are financing trade, industry, commerce or agriculture, or are carrying on as a part of their business the acquisition of shares, stocks, bonds, debentures or other securities or are engaged mainly in the financing of hire-purchase transactions and non-banking institutions accepting deposits from members of the general public. The Reserve Bank can also carry out inspections of such institutions.

Under the Bill, a banking company cannot write off any loan due from a director, or a company, firm or individual in which or in firm whom a director may be interested without the approval of the Reserve Bank.

Maximum Advances:- The Reserve Bank can give directions to any bank in case it is considered necessary, regarding the maximum amount of the advances that may be granted to, or guarantees given on behalf of, any one company, firm or individual.

At present, the grant of unsecured loans to directors and to private companies in which they are interested is prohibited. Under the Bill, it is proposed to make it clear that the question of a banking company being a partner or managing agent of any other concern does not arise. The Bill also extends the prohibition (grant of unsecured loans) to public companies also in certain cases.

Other Provisions:- Other important provisions of the Bill are: In the existing conditions, it is not considered necessary to prescribe any statutory minimum for assets laid in the form of rupee coins including rupee notes by the Reserve Bank. Certain officers of the State Governments who take charge of properties and assets of banking companies in liquidation on behalf of liquidators will be empowered to sell the properties locally on behalf of the liquidators.

(The Hindustan Times, 27 November 1963).

Curbs on Credit relaxed by Reserve Bank of India.

The Reserve Bank of India announced on 30 October 1963, liberalisation of its credit policy "with a view to assist banks to satisfy all demands for productive credit and eliminating any inhibition of productive investment, in the context of the larger demand for bank credit for seasonal agricultural marketing and industrial expansion in the months ahead". Under the new policy, banks will be able to borrow from the Reserve Bank an amount equal to 75 per cent. of ~~base~~ their statutory reserve at the bank rate (4½ per cent.) and another 75 per cent at 6 per cent.

(The Statesman, 31 October 1963).

34. Economic Planning, Control and Development.

India - October-November 1963.

Companies (Amendment) Bill introduced in Parliament: Better and Effective Administration of Companies.

On 28 November 1963, moving consideration of the Companies (Amendment) Bill, Shri T.T. Krishnamachari told the Lok Sabha that the main object of the Bill was not to obstruct the growth of the private sector but to assist its growth on proper lines. He said, the Government did not subscribe to the theory that the private sector should not be helped. Government wanted to help the private sector. At the same time, it wanted to ensure that the interests of the shareholders were safeguarded and that the money lent to the private sector were properly used.

The Bill, among other things, provides for the setting up of a tribunal, which would go into the ^{case} cases of persons found to have committed frauds and dishonest practices in the management of a company. It also provides for the setting up of a board to secure better and more effective administration of Company Law.

Tribunal's Powers.- Explaining the salient features of the Bill, the Finance Minister said that the need for setting up of a tribunal envisaged in the Bill was felt when the inadequacies of the existing provisions of law made it difficult for the Government to proceed against persons who were found to have committed frauds and dishonest practices by a commission of inquiry and to remove them from positions of authority in companies under their management.

The new provision would enable the Government to refer cases of fraudulent and dishonest conduct in respect of corporate management to this tribunal which would be requested, after hearing the parties concerned in these cases, to record its finding as to whether the persons involved were fit and proper to hold position of managerial authority in a company.

The tribunal would have the power to direct that such persons should not discharge their duties in any company in which a case was pending against them. If the tribunal came to a finding that they were not fit and proper, the Central Government would be empowered to remove such persons from positions of managerial authority in any company even before the expiry of their terms of office in that company after giving them an opportunity to make representation against such removal. Thus, a swift and effective method to deal with undesirable persons who were in charge of corporate management was being introduced in the amending Bill, he said.

Right to Appeal.- The Finance Minister said that the tribunal would have, as its members, persons well-versed in the field of law, accountancy or corporate management or administration. Ordinarily, a person qualified to be a judge of a high court would be the chairman. Provision was being made in the Bill for a right to appeal against the findings of the tribunal to a division bench of high courts on any points of law arising out of such findings. The tribunal was being vested with sufficient powers and would be deemed to be a court under the Criminal Procedure Code to enable it to exercise its functions freely and effectively.

Dealing with the provision in the Bill seeking to confer on the tribunal powers of the court under Sections 397 and 398 of the Companies Act, which would enable it to hear complaints of oppression and mismanagement of companies, the Finance Minister said that this would ensure quick, less cumbersome and less expensive remedies than those existing at present.

A provision was also being included in the Bill to extend the powers and functions of the tribunal by a notification in the light of experience gained.

Dealing with the provision for constituting a board consisting of not more than five persons to secure better and more effective administration of Company Law, Shri Krishnamachari said the board would be entrusted with such powers and functions as delegated by the Central Government under the Companies Act as well as any other law. He indicated that the board might also deal with the control of stock exchanges. Thus, he said an integrated administration of some of the economic laws which dealt with the implementation of policies laid down by the Government was sought to be secured.

As regards the provision for converting loans given by the Central Government to joint stock companies into shares of those companies, the Finance Minister said that had been done in order to keep pace with progressive thinking which was inclined to favour financial assistance by the Government not through loans but through equity participation. For this purpose, public interest would be the deciding criteria. Even the International Finance Corporation, an affiliate of the World Bank, put a condition so that part of the loans given by it could be converted into shares.

The Finance Minister said that once it was decided on grounds of public interest to convert loans given by the Government into shares in a company, the terms of conversion would be determined on consideration of the financial position of the company which would be judged by various factors such as its subscribed capital, its loan liabilities, its profitability etc.

Along with this provision, he said, another provision was being introduced to dispense with the need for a special resolution being passed where convertible debentures or loans were to be issued by a company in favour of Government or Government-sponsored institutions to be notified. In such cases, it would be enough if the terms of issue of these convertible debentures were approved by the Government and not by the general body of share holders by a special resolution as was required in the case of convertible debentures issued to other parties.

Dealing with the regulation of voting rights of trusts in respect of shares held by them in joint stock companies, the Finance Minister said the question of abuse of voting rights attached to shares held by trusts created by big business groups had been engaging the attention of Government for some time. To prevent any abuse of these rights by donors in their own interests a provision had been included in the Bill to regulate such voting rights.

This provision would not, however, apply to cases of trusts unless the trusts had been created in writing and even then only where the trust money invested in the shares of a single company exceeded 500,000 rupees or 25 per cent. whichever was less.

But it would not apply to any case where the trust money invested in the shares of a single company was below 100,000 rupees. For this purpose all trustees of trusts which would be affected would have to send a declaration containing details of the trust-holding in shares of joint stock companies to the Registrar of Companies as well as to the companies themselves.

On receipt of such information, Shri Krishnamachari said, the Central Government would decide whether in any particular case this provision should be made applicable. In such cases the Central Government would appoint a person to exercise the voting rights attached to these shares and thereafter the trustees would be debarred from exercising them in any general meeting of the company.

Comprehensive Amendment.- Shri Krishnamachari indicated that the Government might bring forward a comprehensive amendment to the Companies Act in the next session to give effect to the recommendations of the Vivian Bose Commission and the Daphtary-Sastri Committee. In framing that Bill, every effort would be made to simplify the Companies Act.

Discussions.- Shri ~~Krish~~ R.R. Morarka (Cong.) moving for reference of the Bill to a select committee - a motion which the Finance Minister accepted - said the provision relating to constitution of tribunals required careful scrutiny. He said that under the Bill the tribunal was being given powers which were till now conferred on the high courts and district courts. There was no appeal from the findings of the tribunal, except on questions of law.

Shri Morarka said that under the provisions of the Bill cases could be referred to the tribunal for "negligence and default". A distinction should be made between serious offences and minor or technical offences.

The ~~constitut~~ constitution of a tribunal, he added, "leaves much to be desired". It should consist of not less than three persons, one of whom should be a person of the status of a high court judge. The decision of the tribunal should be appealable not only on questions of law, but also on questions of fact.

Shri Morarka suggested that owners of newspapers should not be allowed to own other industries in the country. They exercised influence on the Government and the ministers and the authorities ~~did~~ not take action against companies whose owners were also newspaper proprietors, he said. Just as there was a restriction on bank directors from holding directorships in other banks there should be restrictions on newspaper owners also.

Shri R. Umanath (Comm.) supported the Bill but said it went only to a "very limited extent" in ensuring proper functioning of companies. If the Finance Minister was going to submit to demands for "watering it down" still further, he had better withdraw it.

The Government, Shri Umanath said, should have come forward with policies which would "strike at the sources of fraud and corruption", weaken concentration and monopoly and promote small and middle industries. The Bill merely tinkers with the problem and does nothing more.

Shri Mahavir Tyagi (Congress) hailed the Bill as a "practical step towards socialism", and said it was a particularly "clever" act on the part of the Minister to have made provisions in the Bill for the conversion of loans, given to private companies, into equity capital owned by the Government. This provision would enable the Government to put its own representatives into the board of management of private companies.

Shri P.R. Ramakrishnan (Cong.) welcomed the provision for setting up a tribunal to look into complaints of malpractices in company management. He felt, however, that a one-man tribunal would not suffice to cope with the amount of work it would be called upon to do. It would be better to have a bigger body headed by a high court judge for this work.

Shri Lahiri Singh (J.S.) also welcomed the Bill and said the appointment of the tribunal would ensure quick disposal of complaints regarding company management.

He suggested that appeals to high courts against decisions of the tribunal should be allowed on grounds of facts also, and not only on grounds of law as the Bill provided.

Shri N.G. Ranga, leader of the Swatantra group, described the Bill as "Draconian", and said he was "hesitant" to agree to the giving of vast powers to the Government vis-a-vis the joint stock enterprises particularly when it had proved that it was not competent to wield them.

The Government, he said, had already come in for a lot of "justifiable criticism" although the powers sought were for very good public purpose. In the States he had seen how Governments were exercising certain powers in relation to co-operatives and panchayats for political purposes.

Shri Ranga said the provision whereby the Government could convert the loans into shares without even consulting the concern would minimise the scope of initiative and freedom of action of the private enterprises. If you take away the initiative most of its "efficiency will be lost", he added.

Shri Ranga said that the chairman of the proposed tribunal should be chosen from among the sitting judges of the Supreme Court.

Dr. Ram Manohar Lohia (Soc.) said ever since Shri T.T. Krishnamachari had taken over as Finance Minister the prices of shares had gone up.

He criticised the practice of the ruling party taking huge amounts from companies as donations and alleged that businessmen received favours in return for it.

Dr. Lohia said that close relations of Ministers should be debarred from joining the big firms.

He also demanded that a ceiling be placed on the incomes and standards of living in the country.

After Shri Krishnamachari had replied to the debate the House referred the Bill to a select committee.

(The Hindustan Times, 29 November 1963).

Protection to Bicycle Units and Transformers
to go: Government accepts Tariff's Commission's
Recommendations.

The Government has accepted the recommendations of the Tariff Commission to discontinue protection to the bicycle industry after the end of this year.

It has also accepted the Commission's suggestions that bicycle manufacturers should freeze the prices of bicycles (without saddles and accessories) at the level of f.o.r. prices prevailing on 18 July 1963, and should not subsequently raise the prices for an interim period without the prior approval of the Government. Separate instructions are being issued to the industry.

It has taken note of certain other ancillary recommendations of the Commission for assistance to the industry and will take suitable steps to implement them as far as possible.

The Government has also accepted the recommendations of the Commission for continuance of protection to the transformers for a further period of two years.

The protective duty of 10 per cent. ad valorem will now be continued till the end of 1965, and the scheme of protection will be extended to cover power and distribution transformers up to 50,000 KVA and 220 KV on the HT side and parts of such transformers.

(The Hindustan Times, 24 November, 1963).

6460 Million Rupees Plan for development of
Dandakaranya proposed by National Council
of Applied Economic Research.

The National Council of Applied Economic Research has suggested a two-phased programme of industrial development for the Dandakaranya region involving an investment of over 6,460 million rupees spread over the three plan periods.

The Council which undertook a survey of the region at the request of the Dandakaranya Development Authority has mapped out the development possibilities in mineral and mineral-based industries and small-scale and cottage industries.

Dandakaranya, which comprises the Bastar District of Madhya Pradesh and the Koraput and Kalahandi Districts of Orissa was chosen by the Union Government for the speedy resettlement of displaced persons from East Pakistan.

The two-phased programme consists of those projects that can be taken up during the Third Plan period and those that may be contemplated during the Fourth and Fifth Plan periods.

The Council is of the opinion that the "creation of an iron and steel plant in the region is perfectly feasible."

Single Agency.- The survey said that "greater attention should be paid to the organisational aspects of DDA" and suggests a single agency in place of the three that function now - the Madhya Pradesh Government, the Orissa Government and the DDA - "As a useful step in the implementation of the development programme."

The bulk of expenditure in ^{the} region has been on reclamation and the expenditure on industries has not been significant. The report says that the "vast mineral and forest resources have been hardly tapped for benefitting the economy of the region and the people settled there."

The survey says that there is much scope for the development of small-scale industries - both resource-based and non-resource-based - in the region. Since the region exports unprocessed paddy the report suggests setting up of about 200 rice mills of average capacity to step up the quantum of exports.

Besides iron and steel and cement plants proposals have also been made to set up a clay washing plant and plants for the manufacture of calcium carbide, silicon carbide and aluminium.

The proposals envisages an outlay which comes to about 90 per cent. of the total investment in the public sector.

The report shows that investment of this order will lead to a total output of 1,718 million rupees a year by 1975-76. The employment potential will be about 150,000 by the same period. The report estimates the total power requirement of the order of 405 MW.

It says that the region has of necessity to be agro-industrial with a few resource-based industries oriented to export trade. To bring about the vast changes in the region, the initiative has to come from Government, the report says and suggests tax relief, subsidies and quotas of scarce materials to help attract private capital.

(Amrita Bazar Patrika, 18 November, 1963).

Two Percent. National Income during 1962-63
Recorded by 'Quick' Estimates of Central
Statistical Organisation.

According to the 'quick' estimates prepared by the Central Statistical Organisation on the basis of the trends disclosed by the current available data, the national income of India in real terms is estimated to ~~leave~~ have recorded a rise of 2 per cent. in 1962-63 over 1961-62.

For the year 1962-63, the 'quick' estimate of 133,500 million rupees indicates a rise of 2.5 per cent. over the preliminary estimate of 130,200 million rupees and of 2.0 per cent. over the partially revised estimate of ₹30,900 million rupees in 1961-62. The difference between the preliminary and partially revised estimates is mainly due to revision in the estimates of agricultural production.

The relatively new increase in the overall estimate of national income in 1962-63 is mainly due to a fall of 2.1 per cent. in the net contribution from "agriculture" during the year 1962-63 over the previous year. This fall in the "agriculture" was, however, more than offset by an increase in other sectors, which taken together registered a rise of 4.5 per cent. in 1962-63 over 1961-62.

The following are the estimates of national income and the per capita income at 1948-49 prices for the 1950-51 and 1955-56 to 1962-63:-

Please see table on the next page

Year	National income at 1948-49 prices (in Million Rupees)	Per capita Income (in Rs.) at 1948-49 prices (based on 1941, 1951 and 1961 population Census figures)
1950-51	885	247.5
1955-56	1048	267.8
1956-57	1100	275.6
1957-58	1089	267.3
1958-59	1165	280.1
1959-60	1186	279.2
1960-61	1275	293.7
1961-62 (preliminary estimate)	1302	293.4
1961-62 (Partially regi ³ sed)	1309	295.0
1962-63 (Provisional)	1335	294.2

From these figures, it will be seen that the rise in national income in real terms during the first two years of the Third Plan was 4.7 per cent., giving an annual increase of about 2.4 per cent. This comparatively small increase is mainly attributable to the shortfalls in the output of foodgrains and other agricultural products during 1962-63.

(The Deccan Herald, 3 November 1963).

Slow Pace for Economic Growth in Third Plan:
Appraisal by Planning Commission.

The Planning Commission in its mid-term appraisal of the progress of the Third Plan points out that for over a year the Plan has been implemented against the background of a serious threat to national security and a continuing Emergency which has brought new burdens and responsibilities.

The mid-term appraisal was presented to Parliament by Shri B.R. Bhagat, Minister of Planning on 26 November 1963.

The main lesson of the Emergency, says the Commission, is that defence production and civil production have to be viewed together at each step in terms of a common and continuing economic plan which comprehends production, transport, power, research, training and use of technical and scientific manpower as well as wider social goals. The Third Plan has vast administrative implications and calls for high standards of efficiency, co-ordination and concentration of resources at vital points and the participation of millions of people in the national endeavour. The Emergency has further enhanced the significance of these conditions.

The following is a summary of the Planning Commission's report:

~~The~~ During the past two years, India has made substantial progress in sectors like transport, power, coal, machine building and basic industries.

Foreign exchange position continued to be difficult. Although commitments to the extent of 21,000 million rupees are now in sight, additional non-project assistance needed over the next two years amounts to 4,500 million rupees.

During the first year of the Plan, the general price index declined by 3.6 per cent. and in the second year it rose by three per cent. But since March last it has risen by over eight per cent. The bulk of the increase has been in food articles, especially rice, sugar and gur.

Continuity in Planning.- The Planning Commission's mid-term appraisal of the Third Plan has been considered by the Central Government which has generally approved of the suggestions contained in it. Among the suggestions approved are the following:

Firstly, in all important fields project studies should be undertaken as part of continuing programmes of work. Early ~~strengthening~~ strengthening of technical organisations for project studies and designs is essential for ensuring that changes in cost estimates are kept to the minimum and construction schedules are maintained. This will also facilitate advance action in relation to future projects and make for greater continuity in planning. Secondly, the question of reducing costs has to be pursued systematically. For this purpose, besides high level technical committees for reduction in construction costs at the national and State levels, heads of major projects should be given the assistance of well-equipped cost reduction units. Thirdly, specific programmes for import substitution should be worked out in respect of components, raw materials and equipment in different industries. These have to be based on forward planning for the co-ordinated use of the available indigenous capacities and utilisation of the results of scientific and technological research.

To secure complete co-ordination between different agencies at the national level in matters relating to agricultural development, the Central Government have also decided to constitute an Agricultural Production Board under the chairmanship of the Minister of Food and Agriculture.

Stress on Social Objectives.- The appraisal report emphasises that in the implementation of plans and policies there is need for greater emphasis on the social objectives of planned development, in particular, on bringing about reduction in disparities in income and wealth and ensuring the basic necessities to the weaker sections of the population. On these aspects of development, a number of proposals were set out in the Third Plan, including those relating to expansion of opportunities for employment, development of education and social services, grants of scholarships and other forms of aid, provision of minimum amenities in rural areas, extension of social security and adoption of appropriate fiscal and other policies.

The report draws attention to the fact that for over a year the Third Five Year Plan has been implemented against the background of a serious threat to national security and a continuing emergency which has brought new burdens and responsibilities. The National Development Council viewed the Plan as an integral part of national defence and, in November 1962, called for its successful and speedy implementation with necessary re-orientation to meet the Emergency. Accordingly, the immediate priorities of the Plan were re-examined with a view to adapting it to the urgent requirements of defence. In particular, plans for industry, transport, power and scientific and technical manpower were stepped up and a larger agricultural effort was proposed. Economies in construction and in the use of scarce materials were also stressed.

Increase in Taxes.- Efforts to mobilise resources for development, which were already under way, were considerably enlarged under the stress of the Emergency against a target of additional taxation of 17,500 million rupees indicated in the Third Plan, during the first three years of the Plan, the Central and State Governments have undertaken taxation yielding about 24,000 million rupees over the plan period. Investment in many strategic areas has been at a high level and has also increased steadily from year to year. With assistance from friendly countries and from international agencies, foreign exchange requirements have been substantially covered in some sectors, notably in power expansion of steel plants, railways, ports and oil. However, in a number of important fields there are still significant gaps and import requirements for components and raw materials are not being adequately met.

Power Shortage.- The first year of the Third Plan was marked by power shortage and transport difficulties, specially in respect of coal. A series of short-term measures were taken to deal with these problems. At the same time, to avoid imbalance in the future, plans for the development of power and transport were augmented appreciably. From the beginning efforts have also been made to intensify the programme for agricultural development and to improve its implementation. More recently, high level study teams were sent out to confer with the States and devise further measures for accelerating agricultural production. The progress of industrial programmes has also been closely followed and steps to improve the pace of utilisation of external assistance allocated to projects have received special attention.

Emphasis on Farm Output.- In the Third Plan the greatest emphasis was placed on agriculture, which obviously holds the key to rapid economic growth. During the first two years of the Plan, seasonal conditions were unfavourable, and the actual levels of production of the foodgrains and other crops did not correspond with the efforts made to increase agricultural production. In the nature of things, in a country like India in which, over large areas, the volume and distribution of rainfall are a decisive factor in agriculture, it is difficult to achieve a steady rate of growth in agricultural production from year to year. This makes it all the more essential to secure high yields per acre in areas with irrigation and assured rainfall. In the scheme of development, greater emphasis has to be given to the development of scientific and progressive agriculture in an intensive manner in areas with relatively favourable agricultural conditions. This approach is being followed in a number of areas which have been marked out for intensive development. Efforts are also being made to make available for agricultural development increasing resources in finance, supplies and personnel.

The index number of agricultural production which increased from 116.8 in 1955-6 to 139.6 in 1960-61 rose to 141.4 in 1961-62 and fell to 136.8 (provisional) in 1962-63. Foodgrains production which had gone up to 79.7 million tons in 1961-62 declined to 77.5 million tons in 1962-63. On present indications, in comparison with estimates in the Third Plan, there may be a shortfall of the order of ~~₹~~ 3 to 5 million tons in the output of foodgrains. There may also be some shortfall in cotton and oil seeds. In respect of jute and sugar cane; however, the estimates of production are expected to be achieved. The estimates for rubber, coffee, tea and tobacco are also likely to be realised.

The report notes that until recently organisational and administrative efforts and resources devoted to the implementation of agricultural production programmes have not been commensurate with the requirements of the Plan and makes a number of suggestions for strengthening the implementation of agricultural development programmes and intensifying production efforts, especially in areas with irrigation and assured rainfall and in those selected for the intensive development of different crops.

Achievements during the first three years of the Plan include increases in the area benefiting from minor irrigation programmes by 7 million acres, soil conservation programmes 4.4 million acres,

improved ~~ent~~ seeds 46 million acres, green manuring 12.3 million acres, plant protection measures 6 million acres and increase in the supply of nitrogenous fertilisers from 200,000 tons to 450,000 tons (in terms of N.). Intensive ~~level~~ Agricultural District Programme now extends to 17 districts. Intensive development of rice and millets has been taken up in 40 and 76 districts respectively, and of cotton, jute and sugarcane in a number of selected areas. The number of community development blocks have increased from 3,100 to 5,183 thus covering almost the entire rural areas. A number of steps have been taken to re-orient the community development programmes so as to secure greater concentration on agricultural production. The ~~Rural ag-~~ Works Programme now covers more than 800 community development blocks and is proposed to be extended during the next two years to another 1,000 to 1,200 blocks.

Use of Irrigation Potential.- Although the rate of utilisation of irrigation potential has steadily increased in recent years, there is still an un-utilised potential estimated at 3 million acres. It is imperative to improve the utilisation of irrigation potential further by intensifying programmes of field channel construction and related measures of development.

The prospects for the current year's crop seem to be good and it is hoped that in the remaining years of the Plan the lag in agricultural production observed in the past will be overcome.

Since the beginning of the 2nd Plan, valuable experience has been gained in planning for industrial development and executing industrial projects. The importance of co-ordination and inter-related planning for industry, power and transport is fully appreciated and the Ministries concerned and the Planning Commission endeavour to maintain a close watch on common problems in these sectors. It is also recognised that the provision of facilities for power and transport should be undertaken, to the extent possible, well in advance of actual requirements. These considerations have been borne in mind in implementing the Third Plan and also in planning for the future.

Complementary Role of the Two Sectors.- In the plans of industrial development, public and private sectors have important complementary roles. In the Third Plan a wide range of important tasks were assigned ~~of imper-~~ to the private sector. However, progress on the part of private sector has lagged behind in a number of key industries. Short-falls in these fields will have repercussions on future development and it is necessary to devise ~~approach~~ appropriate means for ensuring that major targets

assigned to the private sector are in fact realised in keeping with the requirements of the economy and the scheme of the Plan.

General index of industrial production increased by 6.5 per cent. in 1961-62 and 8 per cent. in 1962-63 as against the average increase of about 11 per cent. visualised in the Third Plan. There was no significantly larger growth of producer goods and basic industries (e.g. steel, aluminium, machine tools, fertilizers, caustic soda, etc.) compared to the general index. Compared to the level of production in 1960, the output in basic metal industry increased by 26 per cent., metal products by 69 per cent. and machinery by 22 per cent. and chemical products by 23 per cent.

Steel Targets.- Investment during the Plan period on public sector programmes is likely to be higher than originally visualised. Projects under Heavy Engineering Corporation, Hindustan Machine Tools, and Heavy Electricals, and the fertiliser plants at Rourkela, Alwaye and Trombay progressed satisfactorily. The three public sector steel plants have attained their targets of one million tons of ingot steel each. Work on their expansion programme and on the Bokaro Steel Project has, however, been considerably delayed. Fertiliser units at Naharkatiya and Gorakhpur are behind schedule. Projects for manufacture of ball and roller bearing and compressors are in initial stages. The Phyto-chemical project (Kerala), Organic Intermediates Project (Maharashtra) and Heavy Plate and Vessel Plant (Wardha) have been considerably delayed.

In the private sector, during the first two years of the Plan, conditions were generally favourable for investment and licences to cover the Third Plan targets were issued for a large number of industries. Progress in the private sector in several important industries like alloy tool and steel, aluminium, ~~china tools,~~ ~~certain~~ steel castings and forgings, machine tools, certain types of machinery, cement, fertilisers, paper and newsprint, etc., has been unsatisfactory.

Finished steel output by 1965-66 is likely to be one million tons less than the Plan target of 6.8 million tons. The production target of 800,000 tons of nitrogenous fertilisers is not likely to be achieved mainly on account of the slow progress in the implementation of the private sectors' schemes. Production in 1965-66 is likely to amount to 500,000 tons.

The report points out that there will be shortfalls in certain crucial sectors of industry and as a result full benefits envisaged in the Third Plan will be available only after a year or two and the Fourth Plan will start at a comparatively lower base than originally contemplated.

Coal production in the last year of the Plan is expected to reach 90 million tonnes as compared to the Plan target of 98.6 million tonnes. This may be sufficient because the total demand is likely to be lower. The output of washed coal in the last year of the Plan is, however, likely to be somewhat less than the requirements.

Advance Action on Power Schemes.— The installed capacity of power at the end of the Third Plan is expected to be 12.5 million kW. against the target of 12.7 million kW. The Plan target of 45 million kW. hours generated is, however, expected to be achieved and possibly exceeded as a result of likely improvements in the utilisation of planned capacity. In order to mitigate power shortages in certain areas, some additional power schemes have been accepted in the Plan. Also a few schemes for the Fourth Plan have been accepted for advance action. Special cells have been set up in the Ministry of Irrigation and Power and the Central Water and Power Commission to assist in implementation of these projects. Power development is now being considered on a regional basis and the recent inter-connection of Rihand Power System with the Bihar-D.V.C. System is a significant development. Steps are being taken to ~~expedite~~ expedite the construction of inter-State transmission lines. Out of 20,000 additional villages expected to be electrified during the Third Plan, 7,770 villages have been covered in the first two years of the Plan. The target for rural electrification set for the Third Plan is likely to be achieved and perhaps exceeded.

Improved Transport Facilities.— The transport situation which was difficult when the Plan was formulated improved considerably in 1962 and the improvement has since been maintained. There has been, in particular, improvement in the coal transport position. Substantial additions have been made in the programmes for railways and roads and the estimated expenditure under these heads will now be about 4,500 million rupees higher than the Plan provision. In view of the emergency, road programmes have been considerably expanded. Production of wagons has been stepped up from 11,800 in 1960-61 to 32,000 in 1963-74 (in terms of four-wheelers).

During 1964-65 and 1965-66 about 80,000 wagons are expected to be produced. The total road kilometrage was expected to ~~increase~~ increase from about 230,400 in 1960-61 to 270,400 in 1965-66. During the first two years of the Plan, the total kilometrage is expected to have reached 248,000. As regards shipping, the total tonnage has increased from 0.86 million GRT in 1960-61 to 1.06 million GRT in 1962-63 and is expected to reach the figure of 1.5 million GRT in 1965-66 as against the Plan target of 1.09 million GRT. Programmes relating to communication service have been augmented substantially in view of the Emergency.

Exports.- The Third Plan had visualised a substantial effort for increase in exports. The programme for exports is now being implemented as an integral part of the country's development plans. There has been already a measure of response, but to raise the annual level of exports by about a third over the five-year period and to double exports by the end of the Fourth Plan, are uphill tasks. In this connection, reference may be made to a problem, which affects production both in the private and the public sectors. There is at present an appreciable gap between the available capacities in a number of industries and the extent to which these are being utilised. In part this is a question of allocating foreign exchange to meet critical shortage of components and raw materials. This difficulty becomes easier to resolve to the extent to which exports expand and external assistance is available for non-project imports. At the same time, it is important, that requirements of imported components and raw materials in the future should be kept to the minimum. This calls for systematic import substitution in each industry and forward planning for the effective and co-ordinated use of all available indigenous capacities.

Shortage of Science Teachers.- A steady expansion has been maintained in both general and technical education at all levels, and Plan targets are likely to be exceeded. At the same time, deterioration in standards is reflected by over-crowding of classes and unfavourable teacher-pupil ratio. Shortage of teachers for technical education and teaching of science is particularly acute. States have been urged to give more attention to measures for maintenance and improvement of standards of education. In view of the Emergency, additional facilities have been created for technical education and it is expected that the Plan target of annual admission to technical degree courses will be exceeded by 4,000 and to technical diploma courses by about 10,000. The target of students in schools is likely to be exceeded by four million. The number of scholarships and fellowships under various programmes have been substantially increased.

Institutional facilities for medical care have substantially increased during the first two years of the Plan and some of the targets may be exceeded. Primary health units are, however, progressing slowly because of the shortage of doctors.

Impact of Family Planning Program.- The number of family planning clinics at the end of the Second Plan was 2,136 (1,379 rural and 757 urban). During the first two years of the Third Plan, 209 urban and 660 rural clinics have been added, bringing the total number of clinics to 3,005. Facilities for free sterilisation operations have been made available on a fairly wide scale. It is reported that by February 1963, 335,000 persons were sterilised. On the whole, however, total impact of the programme, specially in rural areas, has not been appreciable so far. A Committee has been set up to review and suggest ways and means for improving this.

Administrative Problems.- In recent years a wide range of measures to strengthen administration have been taken or initiated, both at the Centre and in the States. Yet in their practical aspects, problems of implementations are still of formidable dimensions ~~of the Third~~ and events since the beginning of the Third Plan have further emphasised the need for concentrated and sustained action towards the attainment of high levels of performance, better training of personnel, systematic reporting and evaluation and a greater responsibility and initiative on the part of different agencies within the administrative structure.

A high level Committee on Administration has been constituted within the Central Government. Several States, e.g., Andhra Pradesh, Assam, Gujarat, Madras, Madhya Pradesh, Maharashtra, Mysore, and Uttar Pradesh have taken concerted measures to increase administrative efficiency and to bring close study to bear on their administrative problems. In the immediate post-war period extremely rapid expansion in the business of Government had led to a degree of dilution in personnel and lowering of standards in the disposal of work. For several years, therefore, the major concern of organisation and methods units was to improve the general procedures followed in Secretariat Departments and executive agencies.

Two significant developments at the Centre have been the decentralisation of Central Secretariat Service and the introduction of a new scheme for financial and budgetary control which provides for enhanced delegation of powers to the Ministries. Work studies have been undertaken for simplifying and rationalising methods and procedures. All India Services for Engineering, Forests and Medical and Public Health are being constituted. A proposal for constituting an all-India Agricultural Service is under consideration. A recent study of State Administrative Services shows that in some States administrative cadres are inadequate and personnel requirements are frequently underestimated. It has been recommended that a minimum of 50 per cent. of posts in the State Administrative Services should be filled through competitive examinations and special training institutes should be set up for State Services. During the past two or three years, in a number of States steps have been taken to improve the system of reporting on Plan projects and schemes and of evaluation.

Efforts have been made to give effect to some of the recommendations made in the Third Plan about management of public enterprises. Though considerable advance has been made in terms of skill, experience and organisation, it cannot be claimed that time schedules, cost estimates, flow of benefits and returns on investment generally conform to the basic assumptions made when individual projects were mad approved. With the object of evolving suitable systems of programming and reporting on performances in projects of different kinds undertaken in the public sector, the Planning Commission is at present engaged in a study of 15 selected projects under industry, minerals, power and transport.

Planning Machinery in States.- Existing Planning machinery in the States need early strengthening in view of the wide range of responsibilities being cast upon State Governments. The aspects to be specially emphasised are evaluation, manpower planning, mobilisation of resources, technical project studies, arrangements for obtaining statistical information and systematic reporting and review of progress.

In some States there has been recently a degree of pressure to shift funds as between different heads of development, thus departing from the scheme of allocations agreed under the Five-Year and the Annual Plans. Such diversions are likely to cause set-backs in development in fields like agriculture and co-operation and may affect social programmes to which higher priority has been given. It is important that planning procedures in the States should be designed to avoid diversions of funds which may upset national and State priorities.

(The Hindu, 28 November 1963).

Meeting of National Development Council,
New Delhi, 8-9 November 1963: High-Power
Committee set up to Speed up Land Reforms.

A meeting of the National Development Council was held at New Delhi on 8 and 9 November 1963. The meeting which was attended by most of the Chief Ministers from the States was presided over by the Prime Minister.

The Prime Minister in his address warned against any slackening of the efforts to raise farm output. He was critical of the slow pace of land reforms and non-implementation of various schemes. The present picture, especially in the field of agriculture, was not one of fast progress. It was rather distressing. "We dare not be slack about it as we have been in many places", he said.

Shri Nehru was critical of the slow pace of land reforms and non-implementation of various schemes. He was satisfied with the way things were planned, but conceded that "on the whole, we do not implement well".

Most of the Chief Ministers said enough had been done in their States towards the introduction of land reforms. They did not seem to share Shri Nehru's view that this programme had not been fully completed or implemented for various reasons and pressures.

In spite of Shri Nehru's strong plea that the conference should take a broader picture of problems facing the country, the Chief Ministers asked for more funds for developing agriculture, industry and power.

A number of them suggested that the Centre should finance the construction of big projects which were beyond the resources of the States.

The National Development Council considered the Planning Commission's report on the mid-term appraisal to the Third Plan. Although in a number of directions, significant progress had been made since the beginning of the Third Plan, the period was one of slow economic growth. In particular, partly on account of unfavourable weather conditions, there had been a setback in agriculture and, on present indication, the output of foodgrains, cotton and oilseeds was likely to fall short of estimates in the Third Plan.

The Council broadly agreed with the findings and recommendations of the Planning Commission and decided that the Central and State Governments should proceed, as a matter of urgency, to take all necessary steps to correct the existing deficiencies and ensure the realisation of the objectives and targets of the Third Plan.

Farm Output.- The Council reviewed the progress of agricultural production in different States during the past two years and the broad lines along which efforts should be intensified. The highest priority should be given to agriculture, for a stable and progressive agricultural economy constitutes an essential foundation even for the growth of industry.

Proposals for securing the fullest co-ordination in agricultural production programmes between different agencies at the State, district and block level, which was recently made by the working group set up by the joint conference of State Ministers of Agriculture and Community Development, had been already commended to State Governments for the necessary action. With a view to ensuring an integrated approach in matters of agricultural policy. The Council accepted the proposal to constitute a central agricultural production board and a high-powered committee on land reforms.

The committee would have the Union Home Minister as its Chairman, and the Union Food and Agriculture Minister, the Member for Agriculture of the Planning Commission and the Vice-Chairmen of the Five Zonal Councils as its members. Its task would be to ensure implementation of land reforms in the States by advising them appropriately on the steps they should take to this end.

Extension Work.- The Council stressed the need for special measures to increase the production of foodgrains, cotton, oilseeds and other commercial crops. It was recommended that in areas with irrigation and assured rainfall, and specially in areas selected for intensive development, concentrated efforts should be made to secure a rapid increase in production. Special attention should be given to extension work at the level of the village, efficient arrangements for supplies and technical advice, provision of credit, introduction of improved implements and machinery and strengthening of the co-operative movement.

Increasing use should be made of institutions engaged in agricultural research, education and training and of progressive farmers in developing extension activities. The farmer should be assured an adequate return for his labour and investment. This would give to him the necessary incentive for increased production and higher yields.

During the next two years minor irrigation programmes should be expanded to the extent possible, and from this aspect, facilities for the extension of rural electrification should also be developed. Fertilisers were being made available on a steadily increasing scale and efforts should continue to obtain such further supplies as could be utilised. There should be efficient arrangements for the distribution of fertilisers, as far as possible through co-operatives, and the necessary credit should be assured.

Soil Conservation.- At the same time, effective action should be taken to implement the programmes for composting and green manuring. Soil conservation programmes have not made adequate progress in a number of States and steps should be taken to strengthen the State organisations and expanding training facilities.

It was also essential to make available larger amounts of medium and long-term credit. In addition to agricultural production programmes, there should now be greater emphasis on animal husbandry, dairying and fisheries. It was specially important that over the rest of the Plan period such additional resources as might be required should be made available for programmes for the development of agriculture and co-operation.

Care should be taken to see that the resources provided for agricultural development were put to the most efficient use. The manpower resources of the village, including those offered by the village volunteer force should be utilised to the fullest extent.

~~The National~~

The National Development Council felt confident that if these and other steps outlined by the Planning Commission were implemented at all levels with a sense of urgency, it should be possible in a large measure to fulfil the development programmes of the Third Plan and to reach the levels of production envisaged in it.

The Council also reviewed the progress in the implementation of land reform in the different States. On account of legal, administrative and other factors, in some States the legislation had not been fully enforced. The Council considered that the speedy execution of the programme of land reform was vital for increasing agricultural production and strengthening the rural economy, and called upon all State Governments to complete the implementation of the land reform programmes before the end of the Third Plan.

The Council observed that the execution of a number of large projects, specially in irrigation and power, was being spread over longer period than had been postulated in the Third Plan. Every effort should, therefore, be made to speed up the completion of projects likely to yield early benefits.

The Council noted that small industries and industrial estates generally had suffered for want of scarce raw materials, specially since the onset of the Emergency, and agreed that special steps should now be taken to increase the supply of raw materials. The Council also observed that while expansion in the field of education and health had taken place generally on the lines indicated in the Plan, qualitative aspects needed much greater attention.

Family Planning.- The key importance of stabilising the growth of population and the need for considerably enlarged programme of family planning were stressed. The Malaria Eradication Programme has made satisfactory progress and it is now essential to ensure adequate provisions for its continuance in the annual plans of States.

It was further recommended that the elementary needs of the people such as supply of drinking water in rural areas and urgent social problems like slums and unsatisfactory living conditions should receive special consideration in carrying out development plans. Moreover, the relatively less developed regions in different States present special problems and call for sustained and integrated development.

Finally, the National Development Council decided that, in the light of the Planning Commission's appraisal report, State Governments and Central Ministries should take specific measures to improve their machinery for planning, raise the levels of administrative efficiency and strengthen the implementation of development programmes in different sectors.

Fourth Plan Aims.- After hearing a number of suggestions as to how the Third Plan should be made more effective in the light of the Planning Commission's appraisal report, the National Development Council decided that State Governments and Central Ministries should take specific measures to improve their planning machinery and to raise administrative efficiency.

The Commission also approved the objectives of the Fourth Plan which are more or less the same as those of the Third Plan. The Fourth Plan would aim at a socialistic pattern of society which would be efficient and progressive in its approach to science and technology. It would ensure a minimum level of income for all, employment opportunities, balanced regional development and a level of production to support the self-sustained growth of the economy at an early stage. Industrial development would be so designed as to free the country progressively from balance of payment difficulties.

(The Hindustan Times, 9 and 11 November 1963).

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

INDIA - OCTOBER-NOVEMBER 1963.

41. Agriculture.

Progress of the Intensive Agricultural District
Programme (Package Programme) Reviewed: Good
Progress reported by Expert Committee.

According to the first progress report on the Intensive Agricultural District Programme, popularly known as the Package Programme, brought out by the Expert Committee on Assessment and Evaluation, the Programme has made considerable headway in the seven selected districts during the first two years of its operation. Though still in the process of overcoming its teething troubles, it has already resulted in progress in the training of the requisite staff, co-ordination of all the agencies concerned and preparation of plans for individual farmers. Larger quantities of fertilisers are being used. More quality seeds are being produced and distributed. Plant protection measures are being employed by more farmers and over wider areas.

Advances have also been made in the development of improved agricultural implements suited to each area, holding demonstrations of improved agricultural practices on the cultivators' fields and the development of co-operative agencies for provision of credit and co-operative marketing institutions.

The Programme was initially introduced on a pilot basis in three of the seven selected districts, namely Thanjavur (Madras), West Godavari (Andhra Pradesh) and Shahabad (Bihar) in 1960-61; it was extended to the remaining four districts, Aligarh (Uttar Pradesh), Ludhiana (Punjab), Pali (Rajasthan) and Raipur (Madhya Pradesh) in 1961-62. Despite the initial handicaps resulting from the administrative delays in the appointment of staff, weaknesses of the village institutions, particularly, co-operatives, lag in the creation of basic facilities such as the establishment of an implements workshop, soil-testing laboratory, information unit, etc., the programme has made considerable headway in these seven districts.

The tempo of progress in all the districts has obviously not been uniform. The reason is that at the time they were selected the districts were at varying levels of development in agriculture and co-operative institutions.

Farm planning for each individual farmer under the programme has been useful, on the whole, in making a substantial number of cultivators aware of the potentialities of improved practices, such as, use of better seeds and fertilisers, plant protecting measures, etc. It has made fairly good progress during the short period the programme has been in operation. The number of farm plans prepared increased from 55,000 in 1960-61 to 380,000 in 1962-63.

The reasons why the programme has been able to secure only a limited coverage in these districts during the first two years, are many. The main reason, however, is to be sought in the weakness of institutions, particularly the co-operatives, to handle a programme of this order involving the outlay of large resources and their efficient use in production. Lack of co-ordination between those who help to plan and those who finance has also reduced the effectiveness of the operations.

Delays in the creation of basic facilities, such as implements workshops, soil-testing laboratory, an organisation for production and distribution of quality seeds, information units for dissemination of useful information to the farmers, which are intended to strengthen and improve the "package of practices" recommended in the farm plans, have been another limiting factor.

The existing tenurial situation in most of the districts is also acting as a serious constraint on the participation of cultivators in the programme. So long as the tenurial status is uncertain and there are a large number of cultivators holding land on oral and insecure leases, the programme is likely to suffer.

(The Hindu, 18 November 1963).

Centre to speed Land Reforms: Seven-man
Committee to be appointed.

The National Development Council at a meeting held at Delhi on 8 and 9 November 1963, under the chairmanship of the Prime Minister decided that the highest priority should be given to agriculture and stressing the need for special measures to increase the production of grain and cotton, oilseeds and other commercial crops.

The Council accepted a proposal to constitute a central agricultural board and a high-powered committee on land reforms with the Union Home Minister as Chairman and the Food and Agriculture Minister, the agriculture member of the Planning Commission, and the Vice-Chairman of the five Zonal Councils as members.

For details please see pages 46-50 of paragraph 34 of this Report.

(The Statesman, 10 November, 1963).

Relief for Small Tenants: West Bengal to
embark on New Scheme.

West Bengal is embarking on a piece of legislation which, when passed, will ensure a new security to the landless people by making their homesteads ~~gesture~~ ^{secure}.

Small tenants, including several millions of landless agricultural labourers in the countryside, may now feel confident that they do not have to pay rent any more for their homestead land and the grim possibility of losing their shelters is also ending once for all.

This land reform measure, in which West Bengal has taken the lead over the other States of India, lays down that beginning from next year no rent will have to be paid for homestead land measuring upto one-third of an acre outside municipal areas or in areas under notified authority. Owners of land upto three acres including homestead land in the areas irrigated by Government canals, will be entitled to this exemption and owners of land upto five acres, including homestead land in non-irrigated areas, will get the benefit of this measure.

The extent of relief which these people enjoy will become evident when it is considered that in the past, thousands of small tenants, who had nothing to call their own gave the little homestead plot they were residing on, used every year to be thrown out of their homes by landlords for arrears of rent. The tenants, who usually lived a marginal existence could not, at times, collect even as much as the small amount to pay off their rent who usually lived a marginal existence could not, at times, collect even as much as the small amount to pay off their rent.

This generally happened in years of distress when they had to face adverse weather. The landlords in most cases sue the defaulting tenants and when the verdict of the court was in favour of the former, it meant the latter's only property - the homestead land - would be attached.

With the new measure in force, the poor man who has no land except the small homestead plot will at least feel secure as he does not have to fear dispossession any more. The number of families who may benefit out of this measure will run into millions.

(The Hindu, 11 November 1963).

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - OCTOBER-NOVEMBER 1963.

50. General.

Uniformity in Welfare Schemes: State Boards' Approval.

The ninth annual conference of the chairmen of State Social Welfare Advisory Boards at its meeting at New Delhi on 7 November 1963, endorsed a proposal to appoint a committee to recommend a uniform pattern of integration of services undertaken by the Boards and Welfare Departments in States.

The conference felt that co-ordination of work by these agencies was essential for effective implementation of welfare schemes, avoiding duplication of effort and confusion in the minds of voluntary workers.

The conference decided that 15 to 20 "Balwadis" should be set up by the end of this year in each of the demonstration projects so as to provide health, nutrition, education and recreational services to children.

Additional Project for Nagaland.- One more co-ordinated project would be started in Nagaland to provide welfare services to women and children besides the existing three projects there. The Central Social Welfare Board has already started similar projects in NEFA, Ladakh, Lahaul and in the Kutch and Banaskantha areas of Gujarat.

The conference reviewed the progress of various welfare schemes and decided to strengthening those services which had proved successful or popular, such as the condensed course of education for adult women. It also considered schemes that might be taken up during the Fourth Plan.

West Bengal Factories(Exemption) Rules, 1963.

The Government of West Bengal gazetted on 26 September 1963, the text of the West Bengal Factories (Exemption) Rules, 1963, made in exercise of the powers conferred under the Factories Act, 1948. The Rules specify the conditions under which certain sections of the Factories Act, 1948, will not apply to workers employed on urgent repairs, the boiler house and engine room, maintenance workers, continuous processes, workers engaged in loading or unloading of railway wagons, workers engaged in printing of newspapers, workers employed in rice mills, tea factories, rubber factories, and milk pasturising factories.

(Notification No.1838 No.1838 LW/LW/1R-2/62,
dated 3 September 1963, the ~~Gazà~~ Calcutta
Gazette, Part I, 26 September 1963,
pp. 1973-1978).

56. Labour Administration.

India - October-November 1963.

Mysore: Annual Administration Report of the Working of the Factories Act, 1948, for the Year ending 31 December 1960.

According to the annual administration report of the working of the Factories Act, 1948, in the State of Mysore for the year ending 31 December 1960, at the commencement of the year there were 2,229 factories on the register, 122 new factories were registered and 115 factories were struck off the register, during the year under report. At the close of the year there were 2,236 factories on the register.

Licence Fee.- During the year under report a sum of 265,000 rupees was realised by way of registration renewal, amendments, transfer, of licence and late payment of licence fees, as against 222,723 rupees realised during the previous year.

Employment.- The average daily number of workers employed in the factories during the year under report was 128,261.

Inspections.- The total number of inspections carried out by the Inspectors was 1,048. The irregularities noticed during the course of the inspections were intimated to the concerned managements of the factories, for compliance.

Hours of Work.- Enforcement of provisions of the Factories Act, 1948 relating to the hours of work, by the inspectorate was satisfactory. Eleven convictions were secured for contravention of provisions relating to hours of work.

Health, Sanitation and Welfare.- The enforcement of the provisions of the Factories Act, 1948 relating to health and sanitation and welfare measures, continued to receive special attention of the Inspectorate during the year under report.

Canteens and Creches.- Fortysix Factories were being served with regular canteen and 36 factories employing more than 50 female workers maintained creches, during the year under report.

Safety precautions.- The enforcement of the provisions of Factories Act, 1948, relating to safety measures, was satisfactory.

Accidents.- The total number of accidents during the year under report was 2,212 out of which 12 were fatal and the rest resulted in injuries of minor character.

Exemptions.- During the year under report 36 factories were granted exemption from the various provisions of the Factories Act.

Prosecutions.- During the year under report occupiers and managers of 29 factories were prosecuted, for contravention of provisions of the Factories Act, 1948. Out of the above 29 prosecutions, 1 was withdrawn, 1 was acquitted, 25 ended in convictions, and 2 were pending in the courts at the close of the year.

Reports and Returns.- Distinct improvement was noticed in the submission of yearly, and half-yearly returns, by the occupiers and managers of the factories, during the year under report.

Maternity Benefit.- A total of 1,359 claims were made, out of which, 1,285 were accepted. A sum of Rs. 43,720.04nP. was paid as maternity benefit during the year under report.

Cotton, Ginning and Pressing Factories Act.- There were 270 Ginning and Pressing Factories. Out of which, 83 were pressing factories.

(The Mysore Gazette, Part I, 10 October, 1963,
pp. 647-648).

Chapter 6. General Rights of Workers.

64. Wage Protection and Labour Clauses in
Employment Contracts with the Public
Authorities.

India - October-November 1963.

Working of the Payment of Wages Act, 1936 on
Railways during 1961-62.

The benefits of the Payment of Wages Act are available to all persons employed on Railways, either directly or through contractors and drawing wages less than Rs.400/- per month. The Act seeks to ensure regular and prompt payment of wages to the workers and to protect them against unauthorised deductions and fines. The following is a brief review of the Report dealing with the working of the Act on Railways and Railway Contractors' establishments during 1961-62.

Inspections and Irregularities.- During the year 1961-62, in all 8,319 establishments (7,991 relating to Railways and 328 relating to Railway Contractors' Establishments) were inspected and ~~328~~ 17,896 irregularities (16,786 in Railway Establishments and 1,110 in Railway Contractors' Establishments) were detected. The corresponding figures for the previous year were 6,538 (6,218 relating to Railways and 320 relating to Contractors' Establishments) and 11,769 (10,452 in Railways and 1,317 in Railway Contractors' Establishments) respectively.

Out of 16,786 irregularities detected in Railways, as many as 4,078 irregularities, i.e. 24.3 per cent. related to Northern Railway, 3,203 irregularities, i.e. 19.1 per cent. related to Southern Railway, 3,105 irregularities, i.e. 18.5 per cent. related to Western Railway, 2,647 irregularities, i.e. 15.8 per cent. related to Central Railway, 1,252 irregularities, i.e. 7.5 per cent. related to Eastern Railway, 953 irregularities, i.e. 5.7 per cent. related to North Eastern Railway, 904 irregularities, i.e. 5.4 per cent. related to South Eastern Railway, 374 irregularities, i.e. 2.2 per cent. related to N.F. Railway, 108 irregularities, i.e. 0.6 per cent. related to D.B.K. Railway Project and in each of the remaining Railways the irregularities detected were less than 50 and the total number of irregularities in these Railways comes to 162, i.e. 0.9 per cent.

Nature of Irregularities.- Out of 16,786 irregularities detected in respect of Railway Establishments during the year, 7,440 (44.3 per cent.) related to non-payment of wages, 3,357 (20.1 per cent.) related to delayed payment of wages, 2,563 (15.3 per cent) related to non-display of notices, 1,617 (9.6 per cent.) related to non-maintenance of registers, 332 (2.0 per cent.) related to unauthorised deductions, 183 (1.1 per cent.) related to improper maintenance of registers, 133 (0.8 per cent.) related to irregular imposition of fines, 73 (0.4 per cent.) related to irregular deductions for damage or loss, 7 (0.04 per cent.) related to irregular recovery of advances and the remaining 1,081 (6.4 per cent.) related to other miscellaneous irregularities.

As regards Railway Contractors' Establishments, out of 1,110 irregularities detected during the year under report, 496 (44.6 per cent.) related to non-maintenance of registers, 371 (33.4 per cent.) related to non-display of notices, etc., 83 (7.5 per cent.) related to non-payment of wages, 56 (5.0 per cent.) related to improper maintenance of registers, 25 (2.3 per cent.) related to irregular recovery of advances, 22 (2.0 per cent.) related to delayed payment of wages, one case (0.1 per cent.) related to irregular deductions for damage or loss and the remaining 55 (5.0 per cent.) related to other miscellaneous irregularities.

Rectification of Irregularities.- As many as 4,172 irregularities were pending rectification in Railway Administrations at the end of previous year and 16,786 irregularities were detected during the year, thus making a total of 20,958 irregularities for rectification. Of these 20,958 irregularities, 15,542 (74.2 per cent.) irregularities were rectified, during the year under report. Out of 15,542 irregularities rectified, 10,244 (65.9 per cent.) were rectified within three months, 3,208 (20.6 per cent) within three to six months, 1,982 (12.8 per cent.) within six to nine months and the remaining 108 (0.7 per cent.) were rectified within a period of nine to twelve months.

As regards rectification of irregularities in respect of Railway Contractors' Establishments, 230 irregularities were pending rectification at the end of the previous year and 1,110 irregularities were detected during the year, thus making a total of 1,340 irregularities for rectification. Of these 1,340 irregularities (86.4 per cent.) irregularities were rectified during the year under report. Out of 1,158 irregularities rectified, 1,003 (86.6 per cent.) were rectified within three months, 109 (9.4 per cent.) within three to six months and the remaining 46 (4.0 per cent.) were rectified within a period of six to nine months.

Total Wages Paid and Deductions Made.- The total number of persons employed in all the Railways excluding Railway Factories in India covered by the provisions of the Act was about 1.210 millions. The total amount of wages paid during the year was about 1,485.6 million rupees. The amount realised as deductions in Railways was Rs.38,390.60nP. in case of fines, Rs.139,541.22nP. in case of damage or loss and Rs.9,053.67nP. in case of breach of contract. Total disbursement from the funds in all the Railways amounted to Rs. 1,628,638.06nP.

Out of 1,092 Contractors' Establishments covered by the Payment of Wages (Railways) Rules, 1938, annual returns were received from 211 Contractors' Establishments employing 0.620 million persons. The total wages paid to them was about 6.262 million rupees. The amount realised on account of fines was Rs.50.00nP.

Claims.- At the end of 1960-61, 2,408 applications were pending before the authorities and 1,395 applications (1,355 in respect of Railway employees and 40 in respect of Railway Contractors' employees) were filed in 1961-62, making a total of 3,803 applications for disposal before the authorities. Of these, 3,803 applications, 1,117 applications were decided during the year under report. Out of the total amount of Rs.486,511.07nP. claimed as wages and Rs.757,876.19nP. as compensation in the 1,117 applications, a sum of Rs. 81,072.23nP. and Rs. 21,074.20nP. was awarded in respect of wages and compensation respectively during the year 1961-62. As many as 2,686 applications remained pending before the authorities at the close of the year.

Prosecutions.- During the year under report, 83 cases were filed against Railway Contractors and 11 cases were pending at the end of the previous year, thus making a total of 94 cases of prosecutions. Of these 94 cases, 64 were decided during the year (52 resulting in conviction and 12 resulting in acquittal of the accused) and the total amount of fines imposed by the courts in these 52 cases was Rs.1,616.00nP. Thirty prosecution cases were pending with the courts at the end of the year under report.

(A review for the year 1960-61 was reported in Chapter 6, paragraph 64, pp. 68-70 of the Report of this Office for the month of November 1962).

(Indian Labour Journal, Vol. IV, No. 10, October 1963, pp. 1080-1083).

Working of the Payment of Wages Act, 1936 in
Mines during 1961.

Introduction.- The two main objects of the Payment of Wages Act are (i) to ensure payment of wages within the prescribed time limit and (ii) to prohibit unauthorised deductions from wages. The Act applies to all persons employed in the mines drawing wages below Rs.400 per month. The Payment of Wages (Mines) Rules, 1956, framed by the Central Government also apply to all persons employed in mines either by the owner or by the contractor. The following is a brief review of the Act in mines during 1961.

Inspections and Irregularities.- During the year under report, 3,477 inspections were made as compared to 2,631 inspections made in the previous year which shows an increase in the number of inspections made during the year by 846. Out of 14,590 irregularities detected during the year, 12,387 (84.9 per cent.) irregularities were rectified as against 9,346 (60.4 per cent.) irregularities out of 15,461 detected in the previous year.

Out of the 14,590 irregularities detected during the year, 4,648 (31.9 per cent.) irregularities related to non-display of notices regarding wage rates, dates of payment and list of acts and omissions for imposition of fines as against 7,588 (49.1 per cent.) out of 15,461 irregularities during the previous year. Irregularities relating to non-payment of wages were 2,377 (16.3 per cent.) as against 526 (3.4 per cent.) noticed during the previous year, 1,795 (12.3 per cent.) related to delay in payment of wages as against 2,783 (18.0 per cent.) during the previous year, 1,740 (11.9 per cent.) related to improper maintenance of registers as against 862 (5.6 per cent.) during the previous year, 1,355 (9.3 per cent.) related to non-maintenance of registers as against 1,843 (11.9 per cent.) during the previous year and 2,236 (15.3 per cent.) related to other irregularities (other than related to unauthorised deductions 179 - imposition of fines - 167, deduction for loss or damage - 25 and recoveries of advances - 68) as against 1,582 (10.2 per cent.) during the previous year.

Rectification of Irregularities.- Out of 12,387 irregularities rectified during the year, 9,376 (75.6 per cent.) as against 7,592 (81.2 per cent.) during the previous year were rectified within three months, 2,673 (21.7 per cent) as against 1,205 (12.9 per cent) during the previous year were rectified within a period of three to six months and the remaining 338 (2.7 per cent.) as against 372 (4.0 per cent.) during the previous year were rectified within a period of six to

nine months.

Claims.- In all 150 claims cases were disposed of during the year, of which 41 cases were withdrawal by the applicants from the authorities appointed under Section 15 of the Act. Of the 109 cases decided by the authorities, 96 cases were decided in favour of the employees and 13 cases against the employees. The total amount awarded in respect of those cases which were decided in favour of employees was Rs. 72,052.15nP.

Prosecutions.- During the year under report, 555 cases as against 49 prosecution cases during the ~~year~~ previous year were filed. Out of 555 cases, 316 were disposed of by the courts. Of these 316 cases, 288 were resulted in conviction of the ~~employers~~ employers. The total amount of fines imposed in these 288 cases was Rs. 15,938.00nP.

Annual Returns.- As required under Rule 18 of the Payment of Wages (Mines) Rules 1956, during the year only 1,868 (53 per cent.) mines employing 404,911 workers (out of 3,533 working mines) submitted such returns as against 1,572 (47.6 per cent.) mines employing 528,659 workers during the previous year. This shows a slight improvement in this respect. The total wages paid to these workers amounted to about 312 million rupees as against about 265 million rupees paid during the previous year. Deductions of Rs. 1,097.74nP. and Rs. 3,407.95nP. were made from the wages of the workers due to fines imposed and damage or loss of respectively. Disbursement of Rs. 284.21nP. from the fines fund was made.

Conclusions.- It will be seen that during the year as compared to the previous year, the number of inspections made has increased by 846 and the number of irregularities detected has decreased by 871. The number of mines which have submitted the returns has also increased as compared to the previous year. Thus on the whole the working of the Act during the year was fairly satisfactory.

(Indian Labour Journal, Vol. IV, No. 19,
October 1963, pp. 1083-1086).

67. Conciliation and Arbitration.

India - October-November 1963.

Symposium on Industrial Truce Resolution,
held at Bombay, 26 October 1963.

A symposium on Industrial Truce Resolution was held at Bombay on 26 October 1963. The symposium was inaugurated by Shri Naval H. Tata, President of the National Institute of Labour Management and presided over by Shri P.K. Sawant, Home Minister of Maharashtra.

Inaugurating the symposium, Shri Naval H. Tata pleaded for a review of the system of compulsory adjudication to settle industrial disputes. He said that it was time that the system was reviewed taking into consideration the delay involved in the process and also the distorted awards that were given at times, he said adding that doing justice to the parties should be aimed at. He urged that the "industrial truce resolution", should be implemented in the spirit in which it was formulated and efforts should be made to build and foster happy employer-employee relationship.

In his presidential address, Shri P.K. Sawant, Home Minister of Maharashtra stressed the need for maintaining peace in the industry in order to accomplish the goal of economic development. He said that there must be a strong and powerful trade union in each industry, and the workers should be conscious of both their rights and obligations to the industry as well as to the society. He advised the trade unions to assess the capacity of an industry to pay before placing their demands. That way they could promote peace and harmony between the employers and employees.

Both employers' and workers' delegates agreed that the industrial truce resolution should be continued, and that the Government had failed to implement one of the provisions of the resolution, namely, holding the price line.

(The Times of India, 27 October, 1963).

Joint Consultation and Compulsory Arbitration
Machinery set up for Central Government Employees.

The Government of India announced its decision on 7 October 1963 to establish a machinery for joint consultation and compulsory arbitration for Central Government employees. The Whitley-type Councils proposed to be set up will function at national, departmental and regional or office levels to promote harmonious relations between the Government and its employees.

For detail, please see Chapter 7, paragraph 71, pp. 71-73 of this report.

Punjab: Annual Report on the Working of the Industrial Disputes Act, 1947, in the State during the Year 1962.

According to the annual report on the working of the Industrial Disputes Act, 1947, in the State of Punjab during the year 1962, the number of industrial disputes during the year decreased as compared to the preceding year. Only 1,223 disputes were taken on the file by the Conciliation Officers as compared to 1,452 disputes during the year 1961. Sixty-nine disputes were pending with the Conciliation Officers in the beginning of the year thus raising the total to 1,292. The decrease in the number of disputes during the year may be attributed to the separation of the conciliation machinery from executive during the last quarter of 1961. In all 503 cases were successfully settled by Conciliation Officers and 259 cases were withdrawn by the various unions/workmen, some of them on their own initiative and others with the efforts of the Conciliation Officers. One hundred sixty-five disputes were not considered fit for references and as such were rejected. Arbitration by the parties was accepted in 7 cases only. The number of cases referred for adjudication during the year under report reduced to 227 as compared to 286 during the preceding year. The number of disputes pending at the close of the year was 131.

The number of disputes that culminated into work stoppages recorded slight increase during the year under report as it was 17 as compared to 10 during the preceding year. This was mainly due to the fact that certain sections of the workmen did not show full co-operation. Incidentally more man-days were lost. For comparative study a table indicating the number of disputes, strikes and man-days lost during the year last eight years is given below:-

Year	No. of disputes.	No. of strikes.	No. of Man-days lost.
1955 ..	152	151	224,050
1956 ..	423	36	34,756
1957 ..	898	32	6,069
1958 ..	1,011	13	9,647
1959 ..	1,436	24	6,285
1960 ..	2,036	20	56,564
1961 ..	1,452	10	10,176
1962 ..	1,223	17	28,124

As per details furnished, ~~in-annexure~~ 3 strikes each took place in Transport and Transport Industries and Rubber and Rubber Products, two each in Electric Engineering and Machinery, and one each in Flour Mills, Basic Metal, Rubber Footwear Manufactures, Glass and Glass Products, Hosiery Textiles, Government Services and Miscellaneous Industries. Of the 17 strikes in all 3 were successful, 4 partially successful, 9 non-successful and one was referred for arbitration. Cause-wise classification of these strikes is as under:-

(1) Wages.	..	2
(2) Bonus.	..	2
(3) Personnel.	..	1
(4) Retrenchment.	..	2
(5) Leave and Hours of Work..	..	1
(6) Others.	..	9

The six whole-time Conciliation Officers in the State made their all-out endeavours to settle the disputes promptly and quickly and to effect settlements between the contending parties. Out of the total number of disputes handled during the year 77 per cent. were settled in less than one month's time.

Works Committees.- A total of 159 Works Committees were functioning during the year under review. These Committees proved useful in maintaining industrial peace in the industrial establishments.

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Adjudication Machinery.- The Labour Courts at Jullunder and Rohtak, and Industrial Tribunal, Punjab, Patiala, received 227, cases under Section 10 of the Industrial Disputes Act, 1947, during the year under review. Including the balance from the last year, i.e., 143 cases, they had to deal with 370 cases. Of these, they disposed of 266 cases and had 104 cases as pending with them at the close of the year.

Similarly they received 98 applications under Sections 33 and 33-A of the Industrial Disputes Act, 1947. Adding the balance of the last year which was 71 cases, the total works out to 169. Out of these, they disposed of 121 cases and had a balance of 48 applications at the end of the year.

Implementation of Awards/Settlements.- The following table will show the position with regard to the implementation of awards during the year under review:-

(i) Number of awards given by the Industrial Tribunals/Labour Courts.	..	266
(ii) Number of awards requiring implementation at the end of the year.	..	29

The amount of money recovered as arrears of land revenue for non-implementation of awards and settlements was to the tune of Rs. 74,747.14nP.

Implementation and Evaluation Committee.- The State Evaluation and Implementation Committee was reconstituted for one year in May 1962. It held two meetings during this year. The working of the Code of Discipline was also reviewed in these meetings. Efforts were made to stress upon the necessity to ratify the Code both by the Employers' and Employees' Orgs. Associations/Unions.

Emergency Production Committees were also set up in the factories borne on the Master List supplied by Government of India, stated to be engaged in the production of material for the defence of the country.

The screening machinery constituted by the employers and employees of All-India Organisations for the purpose of screening cases of disputes before filing appeals in higher courts, functioned quite satisfactorily. Grievance Procedure was adopted in 11 establishments.

Recognition of Unions.- During the year under review, three unions were recognised by the employers under the Code through persuasive efforts of the Implementation Machinery.

(Supplement II to the Punjab Government Gazette, 27 September 1963, pp.201-214).

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN
CATEGORIES OF WORKERS.

INDIA - OCTOBER-NOVEMBER 1963.

71. Employees and Salaried Intellectual Workers.

Joint Consultation and Compulsory Arbitration
Machinery set up for Central Government Employees.

The Government of India announced its decision on 7 October 1963 to establish a machinery for joint consultation and compulsory arbitration for Central Government employees. The Whitley-type Councils proposed to be set up, will function at national, departmental and regional or office levels to promote harmonious relations between the Government and its employees. The machinery, which will be established on a non-statutory basis, will cover regular civil employees, industrial and non-industrial, except those in the senior services and the police and the railway protection force.

Nearly three million Central Government employees, including railwaymen, posts and telegraph workers and secretarial staff, will for the first time in future reap the benefit of a machinery for joint consultation and compulsory arbitration of disputes.

In preparing the scheme the Government has noted the "special nature" of staff problems on the railways and has laid down that, subject to the observance of the provisions of the scheme, regional or office-level councils will be established after taking into account the existing arrangements.

It has been made clear that no employees' organisation, which does not agree to abjure strikes, will have the benefit of the scheme. No one other than an employee or an honourably retired employee of the Central Government can be a member of a joint council. Compulsory arbitration has been limited to pay and allowances, weekly hours of work and leave of a class or grade of employees. Individual cases will not be subject to arbitration.

A dispute can only be referred to arbitration after it has been considered by the national council or by the appropriate departmental council. At the lower levels matters of disagreements will have to be referred to the departmental council concerned before arbitration becomes admissible. While the Government has reserved the right to refuse to refer a dispute to arbitration if it is of opinion that it would be against the public interest to do so, it has been provided that Government would record the reasons for its refusal in writing and lay them before each House of Parliament.

In determining a dispute, the board of arbitration will generally be guided by such general principles contained in any report of a commission appointed by the Government as are relevant to the dispute and have been accepted by the Government. Matters determined by the Government in accordance with the recommendations of a commission will not be subject to arbitration for a period of five years. The recommendations of the board of arbitration will be binding on both sides subject to the over-riding authority of Parliament. Orders made by the Government on the recommendations of a board of arbitration will, unless otherwise specified in those recommendations or modified by mutual agreement, remain in operation for a period of five years.

The national council will consist of an official side, appointed by the Government, of up to 25 members and a staff side of up to 60, members nominated by recognised associations according to rules to be framed for the purpose. The Cabinet Secretary will be the chairman of the council and the staff side will elect its own leader. The official and the staff sides will have their own secretaries.

The departmental and regional councils will also be constituted in the similar manner.

No person, who is not an employee or an honourably retired employee of the Central Government, can be a member of a joint council. Any organisation which is not willing to abjure strikes will not have the benefit of the scheme.

The national council will deal with matters of general application, such as minimum remuneration, dearness allowance and pay of certain common categories.

A departmental council will deal with matters concerning the staff employed in the department or departments concerned, unless they are matters which being of common concern to staff of other departments are fit to be considered only by the national council.

Agreements reached between the official side and the staff side of a council will become operative subject to the final authority of the Cabinet. However, it is not intended that such agreements would require the approval of the Cabinet as a normal practice.

(The Statesman, 8 October 1963;
The Hindustan Times, 8 October, 1963).

Wage Board for Journalists: Appointment announced.

The Government of India announced on 13 November 1963, the appointment of a Wage Board for Working Journalists.

Shri G.K. Shinde, former-Chief Justice of a former Madhya Bharat High Court, will be the Chairman of the Board, which includes two representatives each of employers and working journalists and two independent persons.

The announcement said that it was proposed to set up a wage board for the non-journalist employees of the newspaper industry also under the same Chairmen. The composition of the wage board for non-journalists was being finalised and would be notified soon.

Composition of Board.- In addition to the Chairman, the wage board for working journalists consists of: Representatives of employers: Shri P.K. Roy, General Manager of the Times of India, who has been nominated by the Indian and Eastern Newspaper Society and Shri K.A. Nettakalappa of the Prajavani, Bangalore, Vice-President of the Indian Languages Newspapers Association. Representatives of working journalists: Shri L. Meenakshisundaram of The Mail, Madras, Secretary-General of the Indian Federation of Working Journalists, and Shri Kedar Ghosh of The Statesman, Calcutta, Treasurer of the Indian Federation of Working Journalists. Independent persons: ~~Shri~~ Shri Bhaki Darshan, M.P., and Shri P. Brahmayya, former President of the Indian Institute of Chartered Accountants.

The headquarters of the board will be at Indore.

The board which has been constituted under the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act of 1955 will fix or revise rates of wages in respect of working journalists in accordance with the provisions of the Act.

This is the second wage board to be set up under the Act. The recommendations of the first wage board were quashed by the Supreme Court on appeal from newspaper employers and later the Government of India set up an official wage committee which fixed rates of wages for working journalists.

(The Hindu, 14 November 1963, Page N.A.K. Chari

S.O. 3202 dated 12 Nov 1963, the Gazette of India, Extraordinary, Part II, Sec 3, sub-section (ii), 12 Nov 1963, p. 699.)

Pensions of Retired Central Government Employees
Increased: Improvement of Family Pension Scheme
being considered.

According to an announcement made at New Delhi on 9 October 1963, the Union Government has decided to grant a further ad hoc increase of 5 rupees to those who draw pension of 30 rupees or less, Rs.7.50nP. to those who draw 75 rupees or less but more than 30 rupees, and 10 rupees to those who draw 200 rupees or less but more than 75 rupees. The Government is also considering an improvement of the family pension scheme. At present, the scheme applies only to the widows and dependents of Government servants who die after 20 years of service and these pensions are paid only for a maximum period of ten years. Government hope to evolve a scheme shortly which would result in benefits on a wider scale.

(The Hindu, 10 October, 1963).

74. Indigenous Labour.

India - October-November 1963.

All-India Seminar on Tribal Welfare, Yelwal
(Mysore), 27 October 1963.

An All-India Seminar on Tribal Welfare was held at Yelwal (Mysore), 9 miles from Mysore, on 27 October 1963. The seminar, among other things, recommended, that the outlay in the Fourth Plan for tribal welfare should be doubled that of the Third Plan. The seminar was of the opinion that the tribals should receive high priority in the allotment of Government lands. The standards of publicity in tribal areas also needed improvement. It expressed the view that after a review of existing percentages of reservation in the Services for the Scheduled Tribes, in the light of performance during the last 10 years, they should consider increasing the quantum of reservation wherever justified.

Forest Departments should liberalise their attitude in the matter of making available forest lands, said the Seminar, which recommended the constitution of a State level committee to go into this question. It also recommended that regulated markets, conducted on co-operative principles should undertake the marketing of the agricultural and other forest products brought for sale by the tribals.

The Seminar felt that it would be conducive to better implementation of tribal and other backward people's welfare if a separate department was created. Opening of more Maternity Homes in tribal areas and a revision of the existing rates of post-matric scholarships were also urged.

In regard to housing, the Seminar recommended the allotment of at least two guntas of site. It suggested the constitution of Housing Societies as in Maharashtra and Gujarat, where 50 per cent. of the cost of the house is treated as subsidy, 37½ per cent as interest-free loan and 12½ per cent. as beneficiary contribution.

CHAPTER 8. MANPOWER PROBLEMS.INDIA - OCTOBER-NOVEMBER 1963.81. Employment Situation.Employment Exchanges: Working during September 1963.

According to the Review on the principal activities of the Directorate-General of Employment and Training during the month of September 1963, the position of registrations, placements, live registers, vacancies notified, and employers using employment exchanges during the month was as follows:-

Item	August 1963	September 1963	Increase or decrease (+) or (-)
Registrations.	371,371	356,168	- 15,203
Placements.	47,202	46,513	- 689
Live Register.	2,737,629	2716,831	- 20,798
Vacancies notified.	81,285	76,084	- 5,201
Employers using Exchanges.	13,721	12,896	- 825

Shortages and Surpluses.- Shortages were reported in respect of engineers, doctors, overseers, compounders, draughtsmen, nurses, midwives, stenographers, typists, electricians, skilled turners, fitters, accountants and trained teachers, while surpluses were reported in respect of clerks, untrained teachers, unskilled office workers and unskilled labourers.

Collection of Employment Market Information.- At the end of September 1963, employment market area studies were in progress in 227 areas in different States.

Vocational Guidance and Employment Counselling.-
One more Vocational Guidance Section in the Employment Exchange at Agartala has started functioning thus raising the total number of vocational guidance sections in the employment exchanges to 116.

Shri G.E.T. Whiting the I.L.O. Expert on Vocational Guidance has joined the D.G.E. & T. during the month under review.

Occupational Information & Research.- An industrywise monograph on the glass industry was published in the series of the reports on the assessment of educational and technical training requirements of production process workers. Further, a combined report on other 32 industries was also brought out during the month.

Gorakhpur Labour Organisation.- During the month of September 1963, the Labour Department, Gorakhpur despatched 1,097 workers to various worksites.

Deployment of Surplus/Retrenched Personnel.-
During the month September 1963, 16 persons retrenched from the various river valley projects, steel projects and government establishments were registered and 721 persons were found employment. A detailed statement showing the number of retrenched persons registered and placed and the number of persons awaiting assistance is given below:-

Please see table on the next page

Name of Project	No. awaiting assistance at end of August 1963.	No. retrenched during the month.	No. of retrenched personnel (including those voluntarily) during the month for employment assistance.	No. placed during the month.	No. left indicating desire for assistance.	No. awaiting assistance at the end of the month.
1	2	3	4	5	6	7
1. Damodar Valley Corporation.	237	3	3	8	-	232
2. Bhakra Nangal Project.	12	2	2	-	2	12
3. Bhilai Steel Project.	2,671	-	573	691	-	2,553
4. Durgapur Steel Project.	498	-	-	5	5	488
5. Special Cell of Ministry of Home Affairs.	1,212	11	11	17	-	(Class II. 63) (Class III. 20) (Class IV. 1143)
Total.	4,630	16	589	721	7	4,491

Note: Total of Cols. 2 and 4 is equal to the total of Cols. 5, 6 and 7.

(Review on the principal activities of the Directorate-General of Employment and Training for the Month of September 1963; Issued by the Ministry of Labour and Employment (D.G.E. & T); Government of India, New Delhi).

Rise in unemployment and slow progress of rural programmes reported: Planning Commission's mid-term appraisal of Third Plan.

According to a mid-term appraisal of Third Five Year Plan by the Planning Commission, the unemployment problem, officially described as "one of India's major social and economic problems", has steadily worsened during the first half of the third Plan. The Plan began with a backlog of nine million unemployed. It was estimated that during the Plan period another 17 million would join the vast army of jobseekers. This is apart from the partially unemployed numbering between 15 and 18 million.

The employment programme for the third Plan did not take into account the second Plan's legacy of nine million unemployed. The current Plan visualizes the creation of jobs for 14 million - three million short of the estimated new entrants into the labour field - and of additional employment for about 100 days a year for 2½ million under the rural worksprogramme. In the first year of the current Plan the number of jobs officially claimed to have been created was no more than two million, a shortfall of one million. During the second year of the Plan (1962-63) the position, it is feared, worsened. This was so because of the pronounced slackness in the industrial and other economic fields that began during the year and largely continues to be so with half of the third year of the current Plan already over.

The situation would perhaps have further worsened had not the heavily increased needs of defence created unforeseen employment opportunities.

So far as the rural works programme is concerned, the mid-term appraisal seems to have convinced the planners that even in the best of circumstances, it will not be possible for the country to utilise by the end of the Plan period more than half the provision of 1,500 million rupees and to find additional employment for more than 1.2 million partially employed.

The rural works and industries programmes have been described as "a landmark" in the employment policy under the third Plan. The planning authorities frankly admit that the progress of neither of these schemes has been satisfactory. "Rather slow" is the term they use for the implementation of these schemes. One reason officially given for the slow progress of the rural works programme is non-availability of an adequate labour force even during the slack season at "slack season rates of payment". The shortage of technical men, which was manifest at the beginning of planning, continues to be so, if indeed, it has not become more acute. The most pitiable position continues to be that of the "educated unemployed", who have only a general education, many up to the university stage, but no specialised training in any field. If at the beginning of the third Plan there were an estimated one million of these people, today their number is not less but more.

To sum up, the authorities seem to have given up hope of fulfilling the employment target - modest compared with the requirements - set for the third Plan and at the end of it there is likely to be several million more unemployed than at the start.

(The Statesman, 15 October, 1963).

Unemployed Scientists and Technicians:
Number on Increase.

The number of unemployed scientists and technicians technical personnel was on the high side in September 1963 in the national register maintained by the Council of Scientific and Industrial Research, it is learnt.

One of the reasons for this is said to be the large number of freshers from universities having enrolled themselves in response to the advertisement issued by the authorities in June.

Of the 4,831 candidates who had declared themselves unemployed 3,217 were freshers and the rest non-freshers. The national register authorities expect the freshers to be absorbed soon through various channels of recruitment.

As regards non-freshers, the figures show that 40 per cent of the 399 unemployed post-graduate scientists never had any job while the rest held jobs for sometime. Among 264 graduate-engineers, 30 per cent. were never employed while the others were employed for sometime and subsequently became unemployed. Of the 367 diploma level engineers, 60 per cent. were never employed and the balance were employed for sometime. Among the science graduates nearly 50 per cent. were never employed.

Jobless Among Non-Freshers.- The study made by the national register authorities is also reported to have shown that the first and second class degree holders constituted approximately 20 per cent. and 60 per cent. respectively of the total unemployed in the non-fresher group, except in the case of science graduates. About 60 per cent. of the unemployed non-freshers were out of job for more than six months, and 28 per cent. for more than a year.

Almost all the unemployed in the non-fresher group were young and half of them had qualified in the academic year 1962. The national register authorities feel that one-third of them never got employment apparently due to the employers' usual preference for experienced personnel. There was also some indication that employment of many persons was terminated at the close of the financial or academic year around the month of March.

The authorities admit that the incidence of unemployment among scientific and technical personnel may not be of any serious proportions compared to the total number of people unemployed in the country, but still they feel it will be unfortunate if a few thousand scientists and engineers cannot be readily utilised.

(The Hindu, 22 November 1963).

83. Vocational Training.

India - October-November 1963.

Labour Ministry's Training Scheme: Working during September 1963.

According to a Review of the principal activities of the Directorate-General of Employment and Training for the month of September 1963, there were 282 institutes for training of craftsmen, 70 undertakings imparting apprenticeship training and 21 centres holding part-time classes for industrial workers. The total number of seats stood at 80020 and the total number of persons undergoing training was 74614.

Craftsmen Training Scheme.- During the month of September 1963, only 344 seats under the Craftsmen Training Scheme were sanctioned for introduction during the Third Five Year Plan. The progressive total number of seats sanctioned so far is given as under:-

1. Craftsmen Training Scheme.	59,078 seats.
2. National Apprenticeship Scheme.	2,787 seats.
3. Part-time courses for Industrial Workers.	3,445 seats.
4. Number of new Industrial Training Institutes sanctioned.	145 Nos.

Equipment.- Central Training Institutes for Instructors at Calcutta, Kanpur, Madras, Hyderabad, Ludhiana and Bombay are being assisted by foreign aid programmes. These projects functioning under Craftsmen Instructors Training Schemes are being aided by Special Fund Programme of the UNO except the one at Bombay which is being helped by the AID agency of the United States. The progress receipt position of equipment upto September 1963 is tabulated below:-

Name of Centre	Value of Equipment stipulated in the Aid (in Million)	Value of Equipment received upto 9/63 (in Million)
	<u>Rs.</u>	<u>Rs.</u>
C.T.I., Kanpur.	1.390	1.209
C.T.I., Madras.	1.390	0.800
C.T.I., Hyderabad.	1.390	0.285
C.T.I., Ludhiana.	1.390	0.195
C.T.I., Bombay.	1.704	1.426

It may be mentioned that Central Training Institute, Calcutta have received all the items of equipment indented for, out of the savings of the previous Project Implementation Orders for Central Training Institute, Bombay, two fresh Projects Implementation Orders amounting to \$ 28,000 have been issued for which tenders have been invited by India Supply Mission, Washington.

(Review of the principal activities of the Directorate⁷ General of Employment and Training for the Month of September 1963: Issued by the Ministry of Labour and Employment (D.G.E. & T.), Government of India, New Delhi).

Chapter 9 Social Security

92. Legislation.

India - October-November 1963.

Withdrawal from Provident Fund allowed for
Illness Expenses.

A meeting of Central Board of Trustees, Employees' Provident Fund, held at Madras on 7 October 1963, decided, among other things, that the members of the Employees' Provident Fund will be eligible to withdraw money from their Provident Fund Account for meeting expenses on illness in certain cases. The Board also decided to recommend to Government the setting up of a Death Relief Fund by utilising some amount from the Forfeiture Account of the Fund so as to ensure a minimum of 500 rupees to the nominees/heirs of the deceased members of the Fund.

The question of introducing a provident fund-cum-group insurance scheme or compulsory insurance scheme for the members of the Fund was discussed by the Board and it was decided that this question should be further studied in detail by a sub-committee of the Board.

The question of mechanisation of accounts was also discussed and it was decided that a sub-committee appointed for the purpose would decide the matter.

(The Hindu, 9 October 1963).

Madras: Employees' State Insurance Scheme
extended to certain areas in the
State.

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

I. The area within the limits of the revenue village of Shencottah in Shencottah Taluk, in Tirunelveli District.

II. The areas within the limits of the revenue villages of:-

- (a) Vadiveeswaram;
- (b) Vadassery; and
- (c) Nagercoil

in Agastheeswaram taluk, in Kanyakumari District.

(Notification S.O. 3308 dated 26 November 1963,
the Gazette of India, Part II, Sec.3-sub-sec.(ii)
26 November 1963, page 809).

Personal Injuries (Compensation Insurance) Act,
1963 (No. 37 of 1963).

The Personal Injuries (Compensation Insurance) Bill (vide pages 87-90 of the report of this Office for July-August 1963) as passed by Parliament received the assent of the President on 8 October 1963 and has been gazetted as Central Act No.37 of 1963. The Act imposes on employers a liability to pay compensation to workmen sustaining personal injuries and provides for the insurance of employers against such liability. The workmen to whom the Act applies are -

(a) workmen employed in any employment or class of employment which is, or has been declared to be, an essential service under rule 126AA of the Defence of India Rules, 1962;

(b) the workmen employed in any factory as defined in clause (m) of section 2 of the Factories Act, 1948;

(c) Workmen employed in any mine within the meaning of the Mines Act, 1952;

(d) workmen employed in any major port;

(e) workmen employed in any plantation as defined in clause (f) of section 2 of the Plantations Labour Act, 1951;

(f) workmen employed in any employment specified in this behalf of the Central Government by notification.

There shall, subject to such conditions as may be specified in the Scheme, be payable by an employer in respect of personal injury sustained by a gainfully occupied person who is a workman to whom this Act applies, compensation, in addition to any relief provided under the Personal Injuries (Emergency Provisions) Act, 1962, of the amount and kind provided by the Act.

Whereas an employer has taken out a policy of insurance, as required by the Act, and has made all payments by way of premium thereon which are subsequently due from him in accordance with the provisions of the Scheme or where by the provisions of the Act, the employer is not required to insure, the Central Government shall assume and discharge on behalf of the employer the employer's liability to pay compensation under this sub-section.

The compensation payable under this Act shall be payable in accordance with the provisions made in this behalf in the Scheme.

The compensation payable under this Act shall be as follows:-

(a) where death results from the injury, the amount payable in a like case under the Workmen's Compensation Act, 1923, reduced by the value in lump sum of the amount payable under the Personal Injuries (Emergency Provisions) Act, 1962;

(b) where permanent total disablement results from the injury, the amount payable in a like case under the Workmen's Compensation Act, 1923, reduced by the value in lump sum of the amount payable under the Personal Injuries (Emergency Provisions) Act, 1962;

(c) where permanent partial disablement results from the injury -

(i) in the case of an injury specified in the Schedule - such percentage of the compensation would have been payable in the case of permanent total disablement as is specified therein as being the percentage of disablement;

(ii) in the case of an injury not specified in the Schedule - the percentage of such compensation specified in the Schedule for disablement held by a competent medical authority acting under the Scheme made under the Personal Injuries (Emergency Provisions) Act, 1962, to be corresponding degree;

(iii) where more injuries than one are sustained - the aggregate of the compensation payable in respect of those injuries, so however as not to exceed in any case the compensation which would have been payable if permanent total disability had resulted from the injuries;

(d) where temporary disablement, whether total or partial, results from the injury, the half-monthly payments payable in a like case under the Workmen's Compensation Act, 1923, reduced in each case, so long as he receives any payment under the Scheme made under the Personal Injuries (Emergency Provisions) Act, 1962, by the amount payable under the said Scheme.

Where the monthly wages of a workman are more than five hundred rupees, the compensation payable under this Act shall be the amount payable under the provisions of sub-section (1) in the case of a workman whose monthly wages are more than four hundred rupees.

Chapter III of the Act contains provisions dealing with Personal Injuries (Compensation Insurance) Scheme.

Other provisions of the Act deal with power of Central Government to obtain information, mode of recovery of unpaid premium, procedure for payment of compensation where employer has failed to insure, power of Central Government to make rules, etc.

(The Gazette of India, Extraordinary,
Part II, Sec.1, 9 October 1963, pp.355-371).

93. Application.

India - October-November 1963.

Review on the Working of the Workmen's Compensation Act, 1923 during the year 1961.

This review is based on the annual returns received from all States (except Jammu and Kashmir, Manipur where the Act is not applicable and Tripura) and Union Territories of Andaman and Nicobar Islands, Delhi and Himachal Pradesh. In addition, the annual returns were furnished by Railways and Posts and Telegraphs Department.

The following table shows the number of compensated accidents and the amount of compensation paid during the period 1956-1961:-

(Please see table on the next page)

Year	Average daily No. of workers employed in establishments submitting returns.	Number of compensated accidents*			
		Resulting in -			
		Death	Permanent Disablement.	Temporary Disablement.	Total
1956..	3417,529	937 (0.27)	3,406 (1.00)	57,267 (16.76)	61,610 (28.03)
1957..	4123,610	1,032 (0.25)	6,661 (1.62)	64,215 (15.57)	71,908 (17.44)
1958..	4388,343	1,903 (0.43)	4,887 (1.11)	76,548 (17.45)	83,338 (18.99)
1959..	3447,521\$	1,075 (0.28)	5,066 (1.36)	70,086 (18.33)	76,227 (19.97)
1960..	4631,338\$\$	1,425 (0.31)	4,875 (1.05)	82,655 (17.85)	88,955 (19.21)
1961..	4770,185	1,238 (0.26)	4,897 (1.03)	87,603 (18.36)	93,738 (19.65)

Year	Amount of Compensation Paid (Rs.)**			
	Death	Permanent Disablement.	Temporary Disablement.	Total
1956..	2,041,114 (2,178)	1,759,945 (517)	1,381,998 (24)	5,183,057 (84)
1957..	2,275,026 (2,204)	1,978,525 (297)	1,933,195 (30)	6,186,746 (86)
1958..	3,700,225& (2,298)	2,661,492 (545)	2,126,078 (28)	8,487,795& (102)
1959..	2,630,565 (2,447)	2,659,701 (525)	1,853,418 (26)	7,143,684 (94)
1960..	4,429,908 (3,109)	2,812,984 (577)	2,250,412 (27)	9,493,304 (107)
1961..	2,766,389 (2,235)	2,558,495 (522)	2,674,112 (31)	7,998,996 (85)

N.B.- The data given in the above table relate to the industries and occupations covered under the Act in the following States in the respective years:-

1956- The figures relate to the re-organised States of Andhra Pradesh, Assam, Bihar, Bombay, Kerala, Madras, Mysore, Punjab, U.P., West Bengal and Delhi - 1957- the coverage increased from the coverage of 1956 by inclusion of Andaman and Nicobar Islands, 1958- The data relate to all States/Territories except Jammu and Kashmir, Rajasthan and Manipur. 1959- The data relate to all States/Territories except Jammu and Kashmir, Assam, Bihar, Tripura and Manipur. 1960- The data relate to all States/Territories except Jammu and Kashmir and Manipur. 1961- The data relate to all States/Territories except J. & K., Tripura and Manipur.

*Figures in brackets show rate per 1,000 workers.
 ** Figures in brackets show average compensation paid per case.
 \$ Excluding Mysore and Delhi. \$\$ Excluding Delhi.
 & Amount of Compensation paid in respect of 293 cases of death not known.

It will be seen from the above table that during the year 1961 there were 93,738 accidents for which a sum of Rs.7,998,996 was paid as compensation. The accident rate per one thousand workers was 19.65 during 1961. During 1960 this rate was 19.21.

Analysis of the compensated accidents during 1961 shows that 93.46 per cent., resulted in temporary disablement, 5.22 per cent., in permanent disablement and only 1.32 per cent., in death. The total number of accidents covered by the available reports during 1961 (93,738) was the highest during the period 1956-1961.

The average amount of compensation paid during 1961 was Rs.2,235; Rs. 522; Rs.31 and Rs.85 in respect of death, permanent disablement, and temporary disablement and 'all cases' respectively.

The rate of compensated accidents per one thousand workers was the highest in Docks and Ports (52.53) followed by Mines (51.59) and Tramways (42.07). This rate was quite low in Posts and Telegraphs (1.30) and Municipalities (2.18). The average amount of compensation paid per case was the highest in Buildings and Construction (Rs.358) as compared to all industries average of Rs.85. The average amount of compensation paid per case of death was highest in Docks and Ports (Rs.2,769) followed by Railways (Rs.2,521). In the case of permanent disablement the highest average amount of compensation (Rs.1,740) was paid in Tramways.

~~Cases before Commissioner~~

The accident rates per one thousand workers increased among others, in Docks, and Ports, Factories and Municipalities. On the other hand, the rate declined in Miscellaneous industries, Tramways and Mines. The accident rate on the whole increased slightly from 19.21 from 1960 to 19.65 during 1961. The average amount of compensation paid per case increased among others in Posts and Telegraphs and Buildings and Construction. It declined considerably in Municipalities, Docks and Ports and Mines. On the whole, the average compensation paid per case declined to Rs.85 during 1961 from Rs.107 in 1960.

The incidence of cost of compensated accidents per worker by important industry-groups has been obtained by dividing the amount of compensation paid by the corresponding figures of average daily employment and the data are given below:-

Incidence of Compensated Accidents Per Worker
1960 and 1961

Industry Group	1960 (Rupees)	1961 (Rupees)
Factories.	1.2	1.3
Plantations.	0.3	0.2
Mines.	6.7	3.4
Railways.	2.2	1.9
Docks and Ports.	6.5	5.7
Tramways.	2.3	1.9
Posts and Telegraphs.	0.1	0.3
Buildings and Construction.	4.3	5.4
Municipalities.	0.3	0.4
Miscellaneous.	5.7	2.4
Total.	2.0	1.7

It will be seen from the above that the average cost of compensated accidents per worker decreased to Rs.1.7 during 1961 as compared to Rs.2.0 during 1960. The cost was quite high in Docks and Ports (Rs.5.7) and Buildings and Construction (Rs.5.4).

The average amount of compensation paid per case was the highest in Himachal Pradesh (Rs.1,322) followed by Delhi (Rs.1,241) as compared to the all States average of Rs.86. The average amount of compensation paid per fatal case was the highest in West Bengal (Rs.2,776) and the lowest in Assam (Rs.856). The average amount of compensation paid per case of Permanent disablement was Rs.1,265 in Delhi, Rs.1,184 in Mysore, Rs.1,028 in Punjab and Rs.1,015 in Andaman and Nicobar Islands as compared to the all-States average of Rs.507. In case of accidents involving temporary disablement, average compensation was the highest in Delhi (Rs.307) and the lowest in Himachal Pradesh (Rs.11) as compared to the all-States average of Rs.32.

The Workmen's Compensation Act also provides for the payment of compensation in case of certain occupational diseases. Information in respect of occupational diseases has been furnished by Andhra Pradesh and Mysore in their annual returns for the year 1961. In Andhra Pradesh 3 cases of death and 29 cases of permanent disablement occurred as a result of occupational diseases for which a sum of Rs.3,596 and Rs.21,549 were paid respectively as compensation. During 1961 in Mysore 2 cases of death and 151 cases of permanent disablement occurred as a result of occupational diseases such as Silicosis. A sum of Rs.7,500 and Rs.193,354 were paid respectively as compensation in these cases.

Cases before Commissioners of Workmen's Compensation.- The Commissioners for Workmen's Compensation are required to maintain particulars of the cases coming up before them. As many as 49.5 per cent., of the accidents involved workers getting less than Rs.50 per month. The percentages of accidents involving workers getting between Rs.50 to Rs.100 and Rs.100 to Rs.300 were 31.0 and 19.0 respectively. Out of 8,814 cases dealt by the Commissioners, 4,859 (55.1 per cent.) related to temporary disablement, 2,264 (25.7 percent.) related to permanent disablement and 1,791(19.2 per cent.) related fatal cases.

~~The number of cases handled by the Commissioners for the Workmen's Compensation during the year 1961.~~ Under Section 10 for award of compensation, 4,257 cases were pending disposal at the beginning of the year and 6,476 cases were received during the year under review. Out of the total of 10,733 cases, 5,651 cases were disposed of and 5,082 cases remained pending with the Commissioners at the end of the year. The Commissioners also disposed of or transferred to other Commissioners for disposal, 3,273 cases under Section 8 pertaining to deposits and 1,425 cases were reported pending at the end of the year.

At the beginning of the year under review, 91 appeals were pending in 6 States viz., Andhra Pradesh, Gujarat, Maharashtra, Madras, Uttar Pradesh and West Bengal. During the year under review, 25 fresh appeals were filed bringing the total number of appeals for disposal to 116. During the year, 34 appeals were disposed of and 82 appeals were reported pending at the end of the year. In Maharashtra 11 appeals were filed during the year and 19 appeals were brought forward from the previous year. Out of these, 16 appeals were disposed of during the year and 14 appeals were pending disposal at the end of the year. In West Bengal 31 appeals were pending at the beginning of the year and 2 appeals were filed during the year. All the 33 appeals were pending at the end of the year.

(Indian Labour Journal, Vol. IV, No. 10, October 1963, pp.1051-1063).

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING
THE PERIOD COVERED BY THE REPORT FOR
OCTOBER-NOVEMBER 1963.

INDIA - OCTOBER-NOVEMBER 1963.

CHAPTER 9. SOCIAL SECURITY.

Personal Injuries (Compensation Insurance)
Act, 1963 (No. 37 of 1963) (The Gazette of
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