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Industrial and Labour Developments in January-February 1969

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

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CHAPTER I. INTERNATIONAL LABOUR ORGANISATION

India - January-February 1969

11. Political situation and Administrative Action

Joint Session of Two Houses of Parliament Addressed by the President of India 17 February 1969

The President of India, Dr. Zakir Hussain addressed on 17 February 1969, the Joint sitting of the two Houses of Parliament marking the beginning of its budget session. Among other things the President in his address stressed the need for political stability which he said was essential for rapid and integrated development of the country.

The President's address reflected a general sense of optimism. These he identified as a decisive upward turn in agriculture, a recovery in a large segment of industry, the relative price stability and a striking improvement in the balance of payments. Among the new Bills, Government propose to introduce during the Session, the one providing for a statutory basis for the machinery of Joint Consultation and Compulsory arbitration for Central Government employees.

The HINDUSTAN TIMES 18/2/69

India - January-February 1969

11. Political Situation and Administrative Action

New Governments in States

Consequent upon the mid-term elections in February 1969, new Governments were formed in the States of Punjab, Uttar Pradesh, Bihar, West Bengal and Nagaland.

In Punjab an Akali-Jan Sangh coalition Ministry headed by Mr. Gurnam Singh was sworn in on 18 February 1969. In the five-member Cabinet Mr. Krishan Lal is in charge of the Labour Portfolio.

In Uttar Pradesh a sixteen member congress Ministry with Mr. C.B. Gupta as Chief Minister assumed office on 26 February 1969. Mr. Narain Dutt Tiwari is the new Labour Minister.

In Bihar, Mr. Harihar Prasad Singh leader of the Congress legislative Party was sworn in as Chief Minister on 26 February 1969. He will be leading a Congress led coalition Government. The other constituent parties are Janata, Soshit Dal, B.K.D., Swatantra and some independents.

In West Bengal a thirty member United Front Ministry with Mr. Ajoy Mukherjee as Chief Minister and Mr. Jyoti Basu as Deputy Chief Minister was sworn in on 25 February 1969. Mr. Krishnapada Ghosh is the new Labour Minister.

In Nagaland a sixteen member ministry headed by Mr. Hokishe Sema assumed office on 22 February 1969.

(The Hindustan Times dated) 19, 27, 26 and 23 February 1969)

India - January-February 1969

11. Political Situation and Administrative Action

New Government formed in Tamil Nadu

Consequent on the death of Mr. C.N. Annadurai, Chief Minister of Tamil Nadu, Mr. M. Karunanidhi formed a new Ministry. In the 11 member Cabinet Mr. P.U. Shanmugham is the Minister in charge of Labour.

The HINDU, 14 February 1969

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India - January-February 1969

11. Political Situation and Administrative Action

Madras State renamed Tamil Nadu

Madras State has been renamed as Tamil Nadu from 14 January 1969.

The Madras State (Alteration of Name) Act, under which this change in name came into force was passed by the two houses of Parliament recently, and received the President's assent in the first week of January.

The HINDUSTAN TIMES 15 January 1969

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India - January-February 1969

12. Activities of External Services

Meetings

The Asian Labour Ministers' Conference was held in New Delhi from 28 January 1969 to 1 February 1969. Mr. S.K. Jain, Regional Co-ordinator for Asia and Mr. R. Ramamurthi of this Office represented ILO.

The Second meeting of the Small Standing Committee to give effect to the programme approved by the National Committee for the Celebration of the 50th Anniversary of ILO was held on 26 February 1969 in New Delhi. The Director of this Office, Mr. P.M. Menon attended the meeting.

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India - January-February 1969

13. Press and Opinion

In addition to the attached clippings, the following references to the work of the ILO appeared in Indian Journals received in this Office.

- 1) The July/September 1968 issue of "OCEANITE" contains a review of the 20th session of the Joint Maritime Commission of the ILO that met in Geneva towards the end of 1967.
- 2) The summer 1968 issue of the World in the Class Room" published by the Indian National Commission for Co-operation with UNESCO contains a note on 'The ILO and Human Rights'.
- 3) The October-December 1968 issue of "Supervisory Development" publishes the full text of a talk delivered by Mr. M.I. Musgrave, ILO Expert on Personnel Management, attached to the NITIE, Bombay, on Researchers in USA and U.K.
- 4) The December issue of "Asian Trade Unionist" publishes a review of the Sixth ILO Asian Regional Conference.
- 5) The December issue of AIDIE Labour News contains a question and answer news about International Labour Standards.
- 6) The January 1969 issue of the AIDIE' Labour News publishes a note about the International Centre for Advanced Technical and Vocational Training, Turin.
- 7) The January 1969 issue of the Industrial Bulletin publishes a summary of the article "Brain Drain" and developing countries" by Prof. Subbiah Kannappan, which appeared in the International Labour Review.

8) The Republic Day issue of the Workers' Education publishes the Working paper presented by the workers Education Board to the ILO Seminar on Trade Union Participation in Developing Countries held in New Delhi.

The same issue contains a telecast panel discussion with ILO representatives on Workers and National Development.

CHAPTER III. ECONOMIC QUESTIONS

India - January-February 1969

32. Public Finance and Fiscal Policy

Commission to Review Banking System

The Union Government has set up a Commission to Review comprehensively the existing structure and organisation of the Commercial banking system in the country and their working methods and procedures. It will be headed by Mr. R.G. Saraiya, a well known Industrialist of Bombay and Mr. V.G. Pandarkar, economic adviser of the Reserve Bank of India will be its member-Secretary. The other two members are Mr. Ramanand Rao, Managing Director of the State Bank of India and Dr. Bhabotosh Dutta, a member of the previous finance Commission.

The Commission will start functioning with its headquarters at Bombay from March 1, 1969.

The AMRITABAZAR PATRIKA, 31/1/1969

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India - January-February 1969

32. Public Finance and Fiscal Policy

Budget Proposals for 1969-70 Presented to Parliament on 28 February 1969: Sugar, Kerosene and Cigarette Rates Increased: Levy on Incomes Above Rs.10,000 raised: Additional Revenue of Rs.1500 million envisaged: Overall Deficit of Rs.2,500 million

The Deputy Prime Minister and Minister of Finance, Shri Morarji Desai presented to the Lok Sabha on 28 February Budget proposals for 1969-70. Mr. Desai proposed to raise a total amount of Rs.1500 million through additional taxation which will however be reduced to Rs.1270 million because of export duty relief amounting to Rs.230 million, thus still leaving the almost Rs.50,000 million budget with a deficit of Rs.2500 million. The following tables give a summary of Estimates of the Budget:

Receipts

(In million of Rupees)

	<u>1968-69 Budget</u>	<u>1968-69 Revised</u>	<u>1969-70 Budget</u>
A. Tax Revenue			
(A) Taxes on Income and Expenditure			
(i) Corporation Tax	3203.5	3220.0	3300.0 -38.0
(ii) Taxes on Income other than Corporation tax	3196.5	3380.0	3450.0 + 173.0
(iii) Expenditure Tax	00.3	00.3	00.1
(b) Taxes on Property and Capital Transactions			
(i) Estate Duty	75.0	70.0	75.0
(ii) Taxes on Wealth	110.0	110.0	120.0
(iii) Gift Tax	17.5	17.5	15.0
(iv) Land Revenue	1.8	3.1	2.0
(v) Stamps and Registration	18.1	24.7	27.6
(c) Taxes on Commodities and Services			
(i) Customs	5392.7	4450.0	4260.0

(In millions of Rupees)

<u>Receipts</u>	<u>1968-69</u> <u>Budget</u>	<u>1968-69</u> <u>Revised</u>	<u>1969-70</u> <u>Budget</u>
(ii) Union Excise Duties	12860.8	13204.5	14216.5 + 1045.7
(iii) State Excise Duties	39.7	46.6	49.4
(iv) Taxes on Vehicles	16.1	16.7	18.1
(v) Sales Tax	210.7	232.8	259.6
(vi) Other Taxes and Duties	62.1	80.6	84.9
Total -Gross Tax Revenue	25204.8	24856.8	25878.0 +1272.7
Less Transfers to States			
(i) Income Tax	1565.0	1945.1	1820.7 +125.0
(ii) Estate Duty [@]	68.1	55.4	71.1
(iii) Union Excise Duties	2743.7	2909.3	3024.0 +246.2
Total Transfer to states:	4376.8	4909.8	4915.8 +271.2
(i)			
Net Tax Revenue	20828.0	19947.0	20962.2 +1001.5

B. Non-Tax Revenue

(i) Interest Receipts			
(a) From State and Union Territory Governments	2050.0	2270.0	2490.0
(b) From others	1130.1	1377.3	1521.6
(ii) Dividends			
(a) From Railways	1520.0	1513.4	1590.1
(b) From P & T	128.2	119.6	131.7
(c) From other Undertakings	108.3	121.0	125.4
(iii) Currency and Mint	860.5	871.9	949.3
(iv) Other Receipts	972.6	1266.6	1229.4
Total Non-Tax Revenue	6769.7	7539.8	8037.5
Total-Revenue Receipts (Net)	27597.7	27486.8	28999.7 +1001.5

Disbursements:

I. A. Developmental Expenditure

(a) Social Services:			
(i) Education, Scientific Research and Survey	1319.0	1255.7	1413.7

(In millions of Rupees)

<u>Receipts</u>	<u>1968-69 Budget</u>	<u>1968-69 Revised</u>	<u>1969-70 Budget</u>
(ii) Medical and Public Health	257.4	233.7	272.6
(iii) Labour and Employment	105.3	105.9	114.2
(iv) Broadcasting	92.1	99.9	107.3
(b) Economic Services:			
(i) Agriculture and Allied Services	302.1	266.7	327.9
(ii) Industries	302.1	309.7	309.5
(iii) Export Promotion	400.0	340.0	440.0
(iv) Irrigation and Power	35.5	29.5	43.9
(v) Public Works	157.3	160.0	170.9
(vi) Transport and Communications	291.8	348.7	381.7
(vii) Other Services	227.3	195.3	221.2
Total-Developmental Expenditure			
B. Defence Expenditure (Net)	8944.6	9436.3	9857.8
C. Other Expenditure:			
(i) Tax Collection	345.6	348.3	393.2
(ii) Administrative Services	1509.9	1629.8	1743.1
(iii) Interest Payments	5503.2	5276.9	5688.2
(iv) Currency and Mint	244.5	249.9	264.4
(v) Other Services	1468.0	1797.6	1887.9
Total - Other Expenditure			
	9701.2	9302.5	9976.8
II. Assistance to State and Union Territory Governments:			
(i) Grants under the Substantive Provision of Art.275(I)	1406.1	1406.1	1768.1
(ii) Other Grants			
Total-Assistance to State and Union Territory Governments			
	4782.8	5366.6	5961.8
Total-Revenue Disbursements			
	26288.5	27450.5	29599.3

(Items with + and - signs show the effect of Budget Proposals)

Includes Rs.0.4 million in 1968-69 B.E. and R.E. and 1969-70 B.E. for Union Territories with Legislature.

BUDGET AT A GLANCE

(In millions of Rupees)

	1968-69 (Budget)	1968-69 (Revised)	1969-70 (Budget)
Revenue Receipts	30270.00	30400.00	33020.00
Revenue Expenditure	28960.00	30360.00	32620.00
Revenue Surplus	1310.00	40.00	400.00
Capital Receipts	20970.00	22130.00	23380.00
Capital Disbursements	25170.00	24770.00	26280.00
(Less) Revenue Surplus	1310.00	40.00	400.00
Overall Deficit	2890.00	2600.00	2500.00

The following are the new tax proposals:

INDIRECT TAXES

EXCISE DUTIES

(a) Excise duties are proposed to be levied on the following new commodities:

(1) Fertilizers at the rate of 10% ad valorem (revenue: Rs.2,20 million)

(2) Power-driven pumps at the rate of 20% ad valorem (yield: Rs.20 million)

(3) Prepared or preserved foods at the rate 10% ad valorem (yield: Rs.15 million)

(4) Domestic electrical appliances at the rate of 10% ad valorem (yield: Rs.20 million)

(5) Cinematograph films unexposed (raw film) at the rate of 2P per metre (yield: Rs.1 million)

(6) Pilferproof caps for packaging at the rate of one paise each (yield: Rs.5 million)

(7) Wool tops at the rate of 10 P per kg. (yield Rs.0.6 million)

(Total yield from the above will be Rs.281.6 million)

(b) Excise duties on the following are proposed to be changed:

On vacuum pan sugar, the existing specific rate of Rs.28.65 a quintal will be converted into an ad valorem rate of 23% (yield: gain of Rs.274.5 million)

On cigarettes the increases range from 6% to 18% ad valorem (yield: Gain of Rs.158.4 million)

On motor spirit, the duty is increased from Rs.550 to Rs.620 per kilolitre (yield: gain of Rs.140 million)

On superior kerosene, the duty is increased from Rs.165.25 to Rs.205.25 per kilolitre, (yield gain of Rs.144 million)

On rayon and synthetic fibres and yarn - cellulosic staple fibre, increase from 80 P to Re.1 per kg. non-cellulosic staple (polyester) fibre increase from Rs.16 to Rs.28 per kg. (yield: gain of Rs.72 million)

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On jute hessians, the duty is increased from Rs.495 to Rs.605 a tonne on others, from Rs.275 to Rs.385 a tonne.

These increases will yield a gain of Rs.49.5 million. The changes in excise duties will yield a total gain of Rs.838.4 million)

(c) The excise duty on khandsari sugar, rubber products, vegetable products, soda ash caustic soda, sodium silicate, soap, cement, electric bulbs and fluorescent tubes and electric fans is being modified. These modifications are incidental to other proposals or are in the nature of rationalization on account of conversion of specific rates into ad valorem rates. As a result of these modifications, there will be a gain of Rs.35 million - Rs.3 million from khandsari sugar, Rs. 6 million from rubber products and Rs.26 million from others.

Following are some of the proposed reliefs in excise duties:

The duty on nylon yarn on lower deniers is being reduced by Rs. 5 to Rs.8 per kg. with suitable increases on some of the higher deniers (loss Rs.17.3 million).

Duty on rayon yarn excluding industrial denier yarn in respect of big producers is being raised by about 10% and margin for small producers is being reduced.

Substantial relief is being given in duty on "grey" and "processed" medium-A, medium-B and coarse fabrics. A surcharge is being levied on printed fabrics.

An ad valorem rate of duty is being fixed on nine selected costly varieties of fabrics

Duty on confectionery other than chocolates, is being reduced by 50 P per kg. (loss: Rs. 8 million)

On embroidery, the effective rates of duty are being reduced by about 35% (loss: Rs.6.5 million)

Duty on electric valves, tubes, transistors and semi-conductor diodes used by radio manufacturers is being reduced by one half (loss: Rs.60 lakhs).

DIRECT TAXES

(a) Personal incomes: The rates of basic income-tax on incomes over Rs.10,000 will be raised as follows: Slab: Rs.10,001-Rs.15,000-to 17%, against 15% at present. Slab; Rs.15,001 to Rs.20,000-to 23%, against 20% at present.

CUSTOM DUTIES

(a) Import duties are being raised as follows:

(i) Lubricating oil by 12½% ad valorem (gain Rs.26 million); (ii) Motor cars by 40% ad valorem (gain Rs.6 million); (iii) Cotton Bagging by Rs.200 a tonne; (iv) Other sacking by Rs.100 a tonne (loss of revenue as a result of these reductions: Rs.117.5 million)

(II) Tea: (i) Backage tea by 10% ad valorem; (ii) Other tea by 5% ad valorem plus 20 P. per kg. (loss of revenue Rs.105.5 million)

(III) Degreased raw wool by 10% ad valorem (loss of revenue: Rs.3 million)

(IV) Mica loose splittings Nos.5½ and 6 by 20% ad valorem (loss of revenue: Rs.4 million).

MISCELLANEOUS

Telephone rentals in Bombay, Calcutta, Madras and Delhi are proposed to be revised from Rs.300 per annum to Rs.360 per annum. For other exchanges, the rates will be raised from Rs.240 per annum to Rs.300 per annum under the measured rate system and from Rs.300 per annum to Rs.340 per annum for the flat rate system.

The directory inquiry service which has been free will now be charged for.

A uniform additional charge of 50% of the basic charge is proposed to be levied on trunk calls for particular person, fixed time and subscriber fixed time calls instead of the existing additional charge on a slab rate.

The charges for greetings telegrams, multiple telegrams, telex services and a few other services will be raised (yield: 6460 million in a full year)

Finance Minister's Speech.- Reviewing the state of the economy, Mr. Morarji Desai said that the year now drawing to a close had been a good one for the Indian economy. The expectation in his last Budget speech that, given the right policies, 1968-69 could become a year of revival had been largely fulfilled. For the second year in succession it should be possible to reap a satisfactory harvest. There were distinct signs of an industrial revival and industrial production should register an increase of almost 6 per cent. Transport activity and trade had revived and had been no serious shortages of power or raw materials. The general price level now was somewhat lower than last year. There had been remarkable increase in exports. Imports were now being replaced by domestic production over a wide front as a result of the efforts made over successive Plan periods. Despite heavier repayment obligations and somewhat lower utilisation of foreign aid than 1967-68, it should be possible to close the current year without any material variation in our foreign exchange reserves. Against this background of a new dynamism in agriculture, industrial revival, restoration of price stability and progress towards self-reliance, it was possible now to approach the next Plan period with a measure of confidence. All the same, there were a number of factors which limited considerably the area of choice before us in the immediate future.

While food production had increased, we had still a long way to go before we could assure satisfactory levels of consumption for our growing population. Imports of agricultural raw materials and foodgrains were still sizeable. Investments in agriculture, including those in research, inputs such as fertilizers and water and provision of credit and storage facilities must, therefore, have a prior claim on our limited resources matched only by the attention to family planning.

The substantial development of capital goods industries that had already taken place made it necessary as well feasible to step up investment outlays. ~~But rising levels of investment could be achieved without inflation~~ But rising levels of investment could be achieved without inflation only on the basis of growing volume of production of essential consumer goods. This required not only a steady improvement in agricultural productivity but also a greater efficiency and expansion of capacity in consumer goods industries. Attention to these industries was all the more important as they helped stimulate the motivation for higher productivity and contributed to growth of public revenue.

The STATESMAN, 1 March 1969

India - January-February 1969

32. Public Finance and Fiscal Policy

Railway Budget for 1969-70 presented to Parliament on 19 February 1969: No Increase in Rail fare and freight

Mr. Ram Subhag Singh, Railway Minister presented to Parliament on 19 February 1969 the Railway budget for 1969-70. He announced that there will be no increase in passenger fares and freight rates. There were no fresh burden on rail users for the first time in many years.

The Minister said that the Railways would have a nominal surplus of 19.1 million rupees in the coming financial year, after four consecutive years of deficit. This, however, depended on cost not going up for reasons beyond the control of the Railway administration. The following table summarises the estimated figures of the budget under various heads:

	(In millions of Rupees)			
	Actuals 1967-68	Budget estim- ate 1968-69	Revised esti- mate 1968-69	Budget esti- mate 1969-70
Gross traffic receipts	8181.4	8925.0	9021.5	9468.0
Ordinary revenue working expenses (net) after taking credit for recoveries - -	5882.2	6140.1	6400.0	6653.5
Appropriation to depreciation reserve fund from revenue - - - - -	950.0	1000.0	950.0	950.0
Appropriation to pension fund	100.0	100.0	100.0	100.0
Net miscellaneous expenditure (including cost of works charged to revenue)	149.2	154.9	158.3	155.3
TOTAL -	7081.4	7395.0	7608.3	7858.8
Net railway revenue	1100.0	1530.0	1413.2	1609.2
Dividend to general revenues	1415.3	1520.0	1513.3	1590.1
Net surplus (+)/deficit (-)	315.3(±)	10.0(±)	100.1(±)	19.1(+)

Speaking about the relations between Labour and administration, the Minister said that the relations were generally cordial during the year under review and the permanent Negotiating Machinery continued to function usefully.

The HINDUSTAN TIMES 20 February 1969

India - January-February 1969

34. Economic Planning Control and Development

Economic Survey for 1968-69 Presented to Parliament on 21 February 1969

Mr. Morarji Desai Deputy Prime Minister and Minister for Finance placed before Parliament the Economic Survey for 1968-69 which gives the Government's assessment of the Economic climate of India.

The survey says having recovered considerably from the shocks of famine and recession, the economy is now poised for another major effort towards development but this will necessarily need higher tax revenue, larger domestic savings and more non-project assistance.

It expresses satisfaction that the pace of recovery in the economy has been continued for the second year in succession. A heartening feature seemed to be that for the first time since 1955 prices had shown a decline in relation to the preceding year.

During the year the national income should rise by 3% with industrial production up by 5.6% and agriculture output remaining around last year's peak level of 96 million tonnes.

The balance of payments position has continued to improve intrinsically though this may not be reflected significantly in the reserves owing to various adverse factors such as reduced aid withdrawals, increased debt-repayments, lower prices fetched by Indian exports and the need to make larger payments to the IMF.

But though the reserves have not improved, there has been "a striking growth in exports" and fall in imports. Most encouraging were the strides made in the export of iron and steel that may touch \$100 million and of engineering goods expected to be \$90 million during the year.

The need for a bigger tax effort is highlighted in the survey. "The securing of an adequate buoyancy of tax revenues in relation to national income growth will be a major task of public finance policy in the coming years. More generally, it will be necessary to correct the decline in the ratio of total domestic savings to national income from about 10% in 1965-66 to around 8% in 1967-68; and an increase in public savings is a necessary part of this process in our conditions".

The survey express concern that in spite of substantial recourse to additional taxation "the proportion of tax revenue of the Central and State Governments to national income had declined from 14.2% in 1965-66 to 12.3% in 1967-68. The ratio of public savings to national income, which had been in the range of 2.5% to 3% during the Third Plan is likely to have declined in 1967-68".

Loans will need to play a major role in financing the Fourth Plan, says the Survey. "They will need to take the form not only of more intensive use of the traditional savings instruments but also the development of new media which will facilitate investments by those with larger income to finance schemes in which they may be interested. These would include deposits and loans for expansion of facilities such as power and irrigation.

Crisis in Jute Industry.-

The review makes pointed reference to the crisis faced by the jute industry in the current year which affected both the industry and exports. It hopes that the production of jute will be stepped up and an adequate buffer stock of raw jute will be created and at the same time the farmer will be assured a remunerative price.

Reference is also made to the healthy effect of the liberal policies followed by the Government in regard to industrial licences, import liberalization, export incentives and bank credits. It lists the various steps taken to stimulate industry and exports and indicates that the process of liberalization will be continued in the coming year.

The review calls for significant changes in the pattern of foreign aid. It points out that unlike in the past when project aid was synonymous with the creation of new assets, imports under non-project assistance will now contribute more effectively to capital formation "in the sense that considerably more capital formation is possible with any given quantum of external assistance in non-project than in project form".

This is because of the large utilized capacity built up in the capital goods industry in India which can be used if spares, components, and essential raw materials can be more freely imported.

Note is also taken of the shift recently in the terms of aid from the liberal stand taken by the Aid India Consortium countries in 1966-67. It says that "in the recent past there has been some tendency to shift assistance towards projects or the non-project assistance to capital machinery or project type imports. It is to be hoped that this trend will be reversed and freedom to utilize assistance in the manner that will best utilize domestic capacity will be restored".

At the same time the review calls for "a significant step-up in the fresh authorisations in the coming year both for projects and non-project assistance if the tempo of industrial growth is to be maintained and the inputs necessary to sustain the growth of agricultural output are to be secured". The need for increased non-project assistance is also felt because a greater proportion of the country's export earnings will be consumed by debt service payments.

Utilisation of Aid:

The survey however points out that aid utilisation improved substantially during 1967-68. Total disbursements were higher by \$80 million as compared to \$1,506 million in 1966-67. Disbursements in the first half of 1968-69 are running about 17 per cent. lower than in the corresponding period of last year largely because of a drop in food imports. The utilisation of assistance other than in the form of foodgrains is also lower than in the first half of last year reflecting the general sluggishness in imports in spite of the improvement in industrial production. In view of the level of aid utilisation and disbursement during the year of a U.S. loan of \$.225 million authorised in 1967-68, it is likely that the aid in the pipeline at the end of 1968-69 will be somewhat higher than at the end of March 1968.

The survey points out that the objective of food policy is to expand supplies of the high-yielding varieties of seeds, promote multiple cropping through short duration varieties, secure a quick increase in water inputs primarily through minor irrigation and to expand minor irrigation and to expand supplies of fertilizers so that production can be rapidly expanded by a combined application of the necessary inputs. The target for 1968-69 is to increase the area under high yielding varieties of seeds to 8.5 million hectares as against 6.03 million hectares last year out of which 1.78 million hectares were under wheat. The additional area brought under minor irrigation during 1968-69 is expected to be 1.5 million hectares as against an addition of 1.38 million hectares in 1967-68.

The price stability was also reflected in the movement of the all-India working class consumer price index. The index at 214 for November 1968 was lower by 0.9% as compared to its level a year before.

In industrial commodities the policy of gradual relaxation of controls as and when supplies improve has been continued and in some cases controls were removed altogether.

A happy balance has been struck between increase in national income and money supply. While the average increase in national income over the two-year period from April 1967 has been about 6%, the increase in the money supply this year was 6.5%.

Persistent recourse to unauthorized overdrafts by the States has been a matter of serious concern, says the survey. The Reserve Bank had to issue formal notices this year to some States to clear their overdrafts within three weeks. This they did but with Central ways and means assistance.

The STATESMEN dated 22 February 1969

India - January-February 1969

34. Economic Planning Control and Development

Automation inevitable to maintain industrial
Tempo

Automation is vital for rapid progress in a developing country. This was the consensus of a seminar on "Economic and Social Implications of Automation" organised by the Personnel Management Association in Ahmedabad.

Mr. Shantilal Shah, the Labour Minister of Gujarat who inaugurated the Seminar said that in a developing economy and fast expanding technology, automation was inevitable to maintain the industrial tempo. Himself a labour leader Mr. Shah admitted that whether one wanted it or not technological revolution had reached a stage of no return. He however, cautioned that change over, should be smooth.

Representing the Labour point of view, Mr. Raja Kulkarni, Secretary of the Petroleum Workers' Union made a strong plea for a 'national policy on automation considering its far-reaching effects. The employment policy of the Government should be manpower-oriented where automation or computers were introduced.

Defending automation, Mr. S.A. Kher said Ahmedabad Textile Industry had introduced rationalisation which did not cause large scale unemployment. Expansion of various units, according to him, was the proper reply to possible unemployment resulting from rationalisation.

India - January-February 1969

36. Wages

Payment of Bonus (Amendment) Ordinance, 1969
(No.2 of 1969)

The President of India promulgated on 10 January 1969 an Ordinance to amend the Payment of Bonus Act, 1965. The Ordinance amends section 5 of the Payment of Bonus Act, 1965, to increase the amount of available surplus in any given year by the amount of tax rebate which accrues to an employer on account of bonus paid or payable under the Act in the previous year.

The Ordinance provides that during the period of operation of this Ordinance, the Payment of Bonus Act, 1965, shall have effect subject to the modification that to section 5 thereof, the following proviso shall be added, namely:

"Provided that the available surplus in respect of the accounting year commencing on any day in the year 1968 and in respect of every subsequent accounting year shall be the aggregate of -

(a) the gross profits for that accounting year after deducting therefrom the sums referred to in section 6; and

(b) an amount equal to the difference between -

(i) the direct tax, calculated in accordance with the provisions of section 7, in respect of an amount equal to the gross profits of the employer for the immediately preceding accounting year; and

(ii) the direct tax, calculated in accordance with the provisions of section 7, in respect of an amount equal to the gross profits of the employer for such preceding accounting year after deducting therefrom the amount of bonus which the employer has paid or is liable to pay to his employees in accordance with the provisions of this Act for that year".

India - January-February 1969

36. Wages

U.P.: Minimum Wages for Woollen Blanket Workers

The Government of U.P. have decided to fix a minimum rate of wages for those employed in the woollen blanket-making industry in the State. The minimum rate of wages both for the time-rated and piece-rated workers have also been proposed by the Government. The proposed minimum rates by the Government are Rs.54.60 per month or Rs.2.10 per day for an adult employee of eighteen years or above working on time-rate wages. The proposed minimum piece-rate is Rs.0.60 per kilogram of wool spun. The piece rate is for spinners alone. The minimum time-rate of wages as specified above will consist of basic wages cost of living or dear food allowance and the cost value of concession in respect of suppliers of essential commodities at concessional rate where so authorised.

The employees under 18 years of age but not below 14 and working on time rate wages shall be paid two-thirds of the wages payable to the adult employee of this category.

National Herald dated 22 January 1969

India - January-February 1969

36. Wages

Bill to Replace Bonus Ordinance

A Bill to replace the Payment of Bonus (Amendment) Ordinance promulgated on January 10, this year was introduced in the Parliament by the Labour Minister.

The Bill seeks to amend Section 5 of the Payment of Bonus Act in order to carry out the intention of the Government that the available surplus under that Section should be so computed that the amount of tax rebate accruing to the employers becomes part of the available surplus of the succeeding year and does not go entirely to the employers.

The STATESMAN dated 25 February 1969

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS

India - January-February 1969

50. General

Conditions of Work of Staff on Indian Railways:
Railway Board's Annual Report for 1967-68

The following information regarding conditions of work of railway employees in India during the year ending 31 March 1968 is taken from the Annual Report of the Railway Board on Indian Railways for 1967-68.

Number of Staff.-

The total number of employees, permanent and temporary, on all Railways (including non-Government Railways) and in the office of the Railway Board and other offices attached and subordinate thereto as well as staff employed in construction works at the end of 1967-68 was 1,367790 compared with 1370181 at the end of 1966-67. Of this non-Governmental Railways accounted for 4601 employees at the end of 1967-68 against 5345 at the end of the pervious year.

The total cost of staff, including those on loan from the Indian Audit and Accounts Service amounted to Rs.367.77 crores during the year against Rs.339.08 crores during the previous year. The increase was on account of increase in dearness allowance, annual increments etc.

Relations with Labour.-

During the year, relations between the Labour and the Railway Administration generally remained cordial except on Southern Railways, where some of the firemen resorted to mass sick leave for about a week. At the Centre negotiations were conducted by the National Federation of Indian Railwaymen and the All India Railwaymen's Federation.

Permanent Negotiating Machinery for settlement of disputes.

The permanent negotiating machinery for maintaining contacts with the Labour functioned satisfactorily during the year under review. On the Railways 963 meetings were held at the divisional workshop and headquarters levels and 18,754 items were discussed. Of these 16006 items or 85.34 per cent. At the Railway Boards level, six meetings were held at which 138 items were discussed. Of these decisions were taken on 111 items.

1 were disposed of within one year

Joint Committees of Management and Staff.-

At the close of the year, the number of joint committees functioning on the Railways was 330. The object of these committees is to foster a sense of partnership among the staff of different grades in the task of providing efficient service to the public and to take workers into confidence in all such matters. The subjects discussed at these meetings included a wide range of topics such as maintenance of passenger rakes, controlling the consumption of fuel and electrical energy, maintenance of better sanitation in Railway colonies, stations, and goods sheds, engine utilisation links, preventing leakage of revenue due to ticketless travel etc.

Implementation of Labour Laws.-

The total number of regular railway employees and departmental casual Labour governed by the provisions of the Indian Railways Act relating to Hours of Employment Regulations under different classifications and the payment of wages Act during 1967-68 was 1515,872 and 1660045, respectively.

There were 234 railway installations such as major workshops, electric powerhouses and sub-stations, printing presses etc. governed by the factories Act. The number of staff of different categories including casual labour in these factories was 193,620. Ninety seven canteens had been provided in these factories. Payment of overtime allowance to factory workers under departmental orders as well as under the provisions of the factories Act amounted to Rs.2402880 and Rs.15847038, respectively.

Infringements of and lapses in the working of the Hours of Employment Rules, Payment of Wages Act, Minimum Wages Act and Factories Act noticed by the Ministry of Labour were investigated and irregularities were promptly rectified.

The following is the position during the year 1967-68 in regard to the number of employees involved in Railway accidents, the number of cases in which compensation was paid and the amount of compensation paid under the workmen's Compensation Act.

<u>Nature of accident</u>	<u>Number of employees involved in accidents</u>		<u>Number of cases in which compensation was paid</u>		<u>Amount of compensation paid</u>	
	Regular employees	Casual labour	Regular employees	Casual labour	Regular employees	Casual labour
Death	364	87	310	70	Rs. 2044192	Rs. 306816
Permanent disablement	672	123	523	113	806957	207562
Temporary disablement	24324	1908	19281	1336	1157314	57070

The following payments were made in 1967-68 as compensation on account of accidents which had taken place earlier:

	<u>Number of cases in which compensation was paid</u>		<u>Amount of Compensation paid to</u>	
	Regular employees	Casual labour	Regular Employees	Casual labour
Death	241	72	Rs. 16,44,803	Rs. 2,96,450
Permanent disablement	529	78	9,65,321	1,22,525
Temporary disablement	8,657	641	5,26,480	62,591

Service Conditions of Staff.-

The rates of dearness allowance were further revised, during the year under review, resulting in benefit ranging from Rs.18 to Rs.33 per month in different pay ranges.

Labour Welfare (i) Railway schools.- Railways have provided 746 schools - two intermediate colleges, 47 high, higher secondary schools, 210 middle schools and 671 primary schools.

(ii) Subsidised Hostels.- Thirteen subsidised hostels functioned at different places. Against a capacity of 738, the number of children admitted to these hostels was 684.

(iii)

(iii) Staff Benefit Fund.-- The contribution from railway revenues at the rate of Rs.4.50 per non-gazetted Railway servant in respect of the Zonal Railways and ad hoc grants to other units of smaller size were made during the year. Staff Benefit fund committees managed the fund. The balance of the funds brought forward from the preceeding year amounted to Rs.19.45 lakhs and a sum of Rs.63.45 lakhs was credited to the staff benefit Funds of the various Railway Administrations during the year. Additional grants amounting to Rs.8.30 lakhs were made to the staff benefit funds mainly for sports activities. A total of Rs.80.63 lakhs was spent during the year.

(iv) Canteens.-- Besides canteens statutorily required to be provided under the Factories Act, the Railways also provided, as a measure of Staff welfare, canteens at places having concentration of staff. There were 280 canteens on the Railways during the year under Review.

(v) Holiday Homes.-- Holiday homes for class II and class IV staff at various places continued to be popular. This aminity was made use of by 4500 employees during the year.

(vi) Scholarships for Technical Education.-- 1150, scholarships varying from Rs.15 to Rs.70 per month are awarded every year to the children of Railway Employees from the Staff Benefit Fund, for prosecution of technical education. This scheme was introduced in 1956-57 and it covers Railway employees whose pay does not exceed Rs.575 per month. Scholarships awarded during 1967-68 and those continuing from the previous years numbered 3,194 involving an expenditure of about 13.46 lakhs .

(vii) Scouting.-- Scouting activities maintained their tempo during the year under review. Several training camps, service camps and rallies were held in 1967-68.

(viii) Vocational Training Centres.-- Vocational training Centres on the Railways financed from the staff Benefit Fund have been opened to import technical training to unskilled and semi-skilled workers during their off duty hours with a view to improving their prospects of promotion to higher grades.

This scheme also covers children of Railway employees to infuse in them the bias for technical jobs. The railwaymen and their children trained at those training Centres during 1967-68 numbered 174 and 651 respectively.

(ix) Handicrafts Centres.- The number of handicrafts centres for imparting training to women members of railwaymen families, in handicrafts was 289. The total number of families that benefitted from these Centres was over 50,702.

(x) Sports.- During the year 1967-68 inter-railway tournaments in various games were held in different Centres.

Railwaymen's Co-operative Credit Societies and Banks.- There were 26 Co-operative Credit Societies of railway employees at the beginning and at the end of the year. The total membership of these societies at the end of the year was 754,200. The paid up share capital of these societies was 735 million rupees.

Railwaymen's Co-operative Housing Societies.- There were 21 Railwaymen's Co-operative housing societies during the year which had 3748 members with a paid up share capital of Rs.764499. The total working capital of these societies was Rs.40.78 lakhs at the end of the year. The societies disbursed loans to the members to the extent of Rs.20000 during the year.

Encouragement to Co-operative Labour contract Societies.- During the year 85 co-operative labour contract societies undertook fuel handling, vending and catering contracts at 184 stations on the Railways.

Provision of Quarters for Staff.- In pursuance of the railway Board's policy of providing progressively staff quarters to essential staff who are required to live near the site of their work, and for non-essential staff at places where private accommodation is not available, 9023 staff quarters and 23 barracks were constructed on the Railways during 1967-68.

Activities of the Medical Department.- The medical facilities were further extended during the year. The cost of medical and health services per railway employee per annum went up from Rs.99.92 in 1966-67 to Rs.111.96 in 1967-68, the total expenditure being Rs.15.2

crores during 1967-68 as against Rs.13.2.
crores during the preceding year.

Report by the Railway Board on Indian
Railways for 1967-68 pp.55-65.

CHAPTER 5. WORKING CONDITIONS AND LIVING
STANDARDS

India - January-February 1969

50. General

Mysore Shops and Commercial Establishments
(Amendment) Bill, 1969

The Government of Mysore published on 24 January 1969 the text of the Mysore Shops and commercial Establishments (Amendment) Bill, 1969, proposed to be introduced in the Legislative Assembly of the State. The statement of objects and Reasons to the Bill points out that in the Mysore Shops and Commercial Establishments Act, 1961, there is no provision enabling the State Government to grant exemption in favour of any establishment from the provisions of the Act. The Bill accordingly provides for this purpose.

for
The Bill provides/the addition of the following sub-sections after sub-section (4) Section 3 of the Act 1961.

"(5) The State~~ment~~ Government may, by notification, exempt any establishment to which this Act applies from the operation of all or any of the provisions of this Act, if in the opinion of the State Government the employees in such establishment are in the enjoyment of benefits not less favourable to the employees provided by or under this Act.

(6) Where an exemption has been granted under sub-section (5) the employer shall not at any time after the grant of the exemption, without the leave of the State Government, reduce the total quantum of benefits to which the employees were entitled at the time of grant of such exemption.

Any exemption granted under sub-section (5) may be cancelled by the State Government by notification if the employer fails to comply with the requirements of sub-section (6):

Provided that no such order shall be made unless the employer has been given a reasonable opportunity of showing cause against the proposed cancellation."

(The Mysore Gazette, Extraordinary, Part IV - 2A,

24 January 1969, pp. 1-3)

India - January-February 1969

50. General

Mysore Beedi Industrial Premises (Regulation of Conditions of Work) Repealing Bill, 1969

The Government of Mysore published on 24 January 1969 the text of the Mysore Beedi Industrial Premises (Regulation of Conditions of Work) Repealing Bill to be introduced in the Legislative Assembly of the State. The Statement of Objects and Reasons of the Bill points out that the Mysore Beedi Industrial Premises (Regulation of Conditions of Work) Act, 1964 is in force in Mysore State. The Government of India have requested that the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 (Central Act 32 of 1966) may be brought into force in the State for the sake of uniformity in legislation in all the States. Therefore, it has been decided to make the Central Act applicable to Mysore State. For this purpose the existing Mysore Act has to be repealed. Hence this Bill.

The Bill provides for the repeal of the Mysore Beedi Industrial Premises (Regulation of Conditions of Work) Act, 1964, on the date to be notified by the State Government under section 1(3) of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 (Central Act 32 of 1966). Such repeal shall not affect

(a) the previous operation of the Act so repealed or anything duly done or suffered thereunder, or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the repealed Act, or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed Act, or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid; and any such investigation, legal proceeding, or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the said Act, had not been repealed:

Provided further that subject to the receding proviso, anything done or any action taken (including any appointment or delegation made, notification, order, instruction or direction issued, rule or form framed or certificate obtained under the repealed Act, shall be deemed to have been done or taken under the corresponding provisions of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 (Central Act 32 of 1966) and shall continue to be in force accordingly, unless and until superseded by anything done or any action taken under the said Act.

(Mysore Gazette, Extraordinary, Part IV-2A,
24 January 1969, pp. 1-3).

India - January-February 1969

53. Women's Work

Panel to go into Status of Women in India

In view of the strong criticism in Parliament and outside that women continued to suffer from various social disabilities and were not given a fair deal in education and employment, the union cabinet decided to set up a national Committee to go into the Status of women in India.

While its composition has not yet been decided, the committee will examine the working of the constitutional and administrative provisions having a direct bearing on the education, employment and social status of women. It will be asked to suggest how best these provisions can be made more effective and their benefit extended to cover the special needs of women in the urban and rural areas.

The TIMES OF INDIA dated 30 January 1969



CHAPTER 6. GENERAL RIGHTS OF WORKERS

63. Individual Contracts of Employment
India - January-February 1969

Kerala Industrial Workmen (Regulation of Discharge, Dismissal and other forms of Termination of Service) Bill, 1968

The Government of Kerala published on 13 December 1968 the text of the Kerala Industrial Workmen (Regulation of discharge, dismissal and other forms of termination of service) Bill, 1968, proposed to be introduced in the Legislative Assembly of the State. The Statement of Objects and Reasons of the Bill points out that section 18 of the Kerala Shops and Commercial Establishments Act, 1960, contains provisions for preferring appeals to the prescribed authority against termination of services of employees of shops and commercial establishments as defined in that Act. There is no similar provision in respect of employees of other industrial establishments. Recourse to adjudication in cases of termination of services of workmen causes delay and hardship to them. It is, therefore, considered that there should be an independent legislation enabling the workmen employed in all industrial establishments to file appeals against termination of their services by employers.

The Bill provides that no employer shall dispense with the services of a workman employed in an industrial establishment continuously for a period of six months or more, except for a reasonable cause, and without giving such workman at least one month's notice or wages in lieu of such notice:

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Provided that such notice shall not be necessary if the services of such workman are dispensed with on a charge of misconduct supported by satisfactory evidence recorded at an inquiry held by the employer for the purpose.

Such notice shall be in writing and shall specify the reasons for dispensing with the services of the workman.

Any workman who is discharged or dismissed or whose services have been terminated otherwise may appeal against such discharge, dismissal or other termination of service to such authority as may be prescribed; either on the ground that there was no reasonable cause for dispensing with his services or on the ground that he had not been guilty of misconduct as held by the employer.

Every appeal shall be in such form and shall contain such particulars as may be prescribed.

The appeal shall be presented within sixty days of the date of receipt by the workman of the order of discharge, dismissal or other termination of service as the case may be:

Provided that the appellate authority may entertain an appeal presented within ninety days of the said date if it is satisfied that the appealant had sufficient cause for not presenting it within the said period of sixty days.

The appellate authority may, after giving notice in such form and in such manner as may be prescribed to the employer and the workman and after such inquiry as it deems fit, by order, dismiss the appeal or direct the reinstatement of the workman with or without wages for the period during which he was kept out of employment or direct payment of compensation without reinstatement or grant such other relief as it deems fit in the circumstances of the case.

The order of the appellate authority shall be final and binding on both the parties, not be liable to be questioned in any court of law and be given effect to within such time as may be specified in the order of the appellate authority.

Any compensation required to be paid by the employer under this Act, but not paid by him, shall be recoverable as arrears of public revenue due on land under the provisions of the Revenue Recovery Act for the time being in force.

Other provisions of the Bill provide for liability of employers to produce registers, etc. before appellate authority, power of appellate authority to appoint commission for collecting data or information required by the authority, penalty for offences, and effect of laws and agreements in consistent with the provisions of the Bill.

(Kerala Gazette, Extraordinary, 13 December 1968, pp. 1-6.)

India - January-February 1969

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

Payment of Wages (Kerala Amendment) Bill
1968

The Government of Kerala published on 13 December 1968 the text of the Payment of Wages (Kerala Amendment) Bill, 1968, proposed to be introduced in the Legislative Assembly of the State. According to the Statement of objects and reasons of the Bill under the provisions of the Kerala Financial Aid (to the Discharged or Dismissed Labour) Rules, 1958, workers who are discharged or dismissed on questionable grounds are being granted financial aid by the Government. The amount of financial aid so granted is to be repaid by the worker on his reinstatement and on receipt of the arrears of wages or compensation or both granted under the terms of any award made by an Industrial Tribunal, Labour Court or Arbitrator, as the case may be. In most of the cases it is noted that the workers concerned either did not repay the amount or made only part payment, although they received the amount payable under the award from the employer. There is no provision in the Payment of Wages Act, 1936, authorising the deduction of the amount granted as financial aid from the arrears of wages or compensation payable to the worker. It is considered necessary to amend the Payment of Wages Act, 1936, in its application to the State of Kerala authorising the deduction of the amount of financial aid from the wages of the worker.

The Bill seeks to achieve the above object.

The Bill seeks to introduce after Section 7 sub-section (2) clause (0) of the Payment of Wages Act, 1936, the following clause:

"(p) deductions for repayment to the State Government of the amount of financial aid granted under the Kerala Financial Aid (to the Discharged or Dismissed Labour) Rules, 1958."

(Kerala Gazette, Extraordinary, 13 December 1968, pp. 1-2)

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India - January-February 1969

66. Strike and Lockout Rights

Essential Services Maintenance Act, 1968
(No.59 of 1968)

The Essential Services Maintenance Bill (vide page 38 of the report of this Office for September-December 1968) as passed by Parliament received the assent of the President on 28 December 1968 and has been gazetted as Central Act No.59 of 1968.

The Act provides that if the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special Order, prohibit strikes in any essential service specified in the Order. Such an order shall be in force for six months only, but the Central Government may, by a like Order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

Upon the issue of an Order -

(a) no person employed in any essential service to which the Order relates shall go or remain on strike;

(b) any strike declared or commenced, whether before or after the issue of the Order, by persons employed in any such service shall be illegal.

Any person who commences a strike which is illegal under this Act or goes or remains on, or otherwise takes part in, any such strike shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees, or with both.

The term 'essential service' has been defined to mean

(i) any postal, telegraph or telephone service;

(ii) any railway service or any other transport service for the carriage of passengers or goods by land, water or air with respect to which Parliament has power to make laws;

(iii) any service connected with the operation or maintenance of aerodromes, or with the operation, repair or maintenance of aircraft;

(iv) any service connected with the loading, unloading, movement or storage of goods in any port;

(v) any service connected with the clearance of goods or passengers through the customs or with the prevention of smuggling;

(vi) any service in any mint or security press;

(vii) any service in any defence establishment of the Government of India;

(viii) any service in connection with the affairs of the Union, not being a service specified in any of the foregoing sub-clauses;

(ix) any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the Official Gazette, & declare to be an essential service for the purposes of this Act;

4)

The Act repeals the Essential Services
Maintenance Ordinance 1968.

(The Gazette of India, Extraordinary,
Part II Sec. I, 28 December 1968, pp. 813-816)..

India - January-February 1969

67. Conciliation and Arbitration

Tribunal on Railway Disputes

The Railway Board has referred to a one-man tribunal some outstanding issues of dispute between it and its employees. The issues now pending before the Railway Board were raised by the two recognised employees federations - the All India Railwaymen's Federation and the National Federation of Indian Railwaymen some time back.

The one-man tribunal consists of the retired Chief Justice of the Gujarat High Court Mr. N.M. Miabhoy.

The demands to be referred to the tribunal are the following:

1. Night duty allowance should be calculated at one and a half times the normal rate of pay to all employees irrespective of their classifications under the hours of employment regulations.

2. In respect of workshop staff:

a) All vacancies, which occurred since the introduction of the incentive scheme, should be filled up.

b) Proper proportion of skilled, semi-skilled and unskilled staff should be maintained and other measures taken to ensure adequate scope for promotion to the semi-skilled and unskilled staff and

c) The posts of supervisory staff in the mechanical workshops should be redistributed amongst the various grades in conformity with their responsibilities and an adequate channel of promotion should be provided for them.

3. Casual labour on the Railways should be paid wages at the rate of 1/30 in the minimum of the time scale plus appropriate dearness allowance applicable to the corresponding categories, of staff in regular employment in the railways.

4. The disparity between the hours of work and annual gazetted holidays at present prescribed for clerks at railway stations sheds and depots on the one hand and those prescribed for clerks in administrative offices on the other hand should be removed. Otherwise the former should be monetarily compensated for the extra-hours, and days of work done by them.
5. The present hours of employment regulations, which govern hours of work, periodic rest and overtime in respect of railway staff other than those employed in workshops following under the definition of factories in the Factories Act should be completely removed.
6. All gangmen in the Civil Engineering Department of railways should be granted an arduous duty allowance of Rs.3 per month.
7. The scale of pay of gangmates in the Civil Engineering Department of the railways should be raised to the skilled grade.
8. The scales of pay of all running staff should be enhanced.

PATRIOT dated 1 February 1969

India.- January-February 1969

67. Conciliation and Arbitration

Industrial Disputes in India During 1967

The January 1969 issue of the Indian Labour Journal contains an article relating to industrial disputes in India during 1967. The author of this article analysis the industrial disputes month-wise, state-wise and industry-wise. The article gives an analysis of the disputes by causes, by duration by results and by losses to wages and value of production. According to this article, in 1967 the three states of West Bengal, Kerala and Maharashtra together accounted for 51.8 per cent. of the total number of disputes, 47.1 per cent of the total number of workers involved and 60.9 per cent. of the total time loss. Compared with 1966, the time-loss increased in all the states/Union Territories except Maharashtra, Mysore, Punjab, Delhi and Tripura during the year 1967.

The manufacturing Division of the Industries accounted for 72.3 per cent of the total time-loss during the year 1967. The share of the other Sector was 'Mining and Quarrying' 9.5 per cent, 'Transport and Communication (other than workshops)' 4.9 per cent. Activities, not Adequately Described' 4.5 per cent. "Electricity Gas, Water and sanitary Services" 4.4, 'Agriculture and Forestry, Fishing etc." 2.1 per cent., 'Construction' 1.3 per cent., 'Services' 0.8 per cent. and 'Commerce' 0.2 per cent. of the total time-loss. In the Manufacturing Division the highest time-loss was recorded by the group "Textiles" (23.8 per cent.). In the Mining and Quarrying Division, Coal Mining accounted for 68.5 per cent. of the total man-days lost in that Division. As compared to the preceding year, the time-loss increased in all except three major industry groups namely Agriculture, forestry, Fishing etc. Construction and Services:

In 1967 among the disputes classified by these groups of causes, wages and allowances accounted for more than one-third or 39.9 per cent. of the total number of disputes, followed by 'others' and 'Personnel' which accounted for 24.6 and 17.3 per cent. respectively. Disputes relating to "Retrenchment' and 'Personnel' together constituted 23.6 per cent. of the total number of disputes. The disputes due to "Wages and Allowances" and Bonus" together accounted for 57.9 per cent of the total number of workers involved and 55.5 per cent. of the total time-loss.

Nearly 44.4 per cent. of the total disputes, 34.1 per cent. of the workers involved and 36.3 per cent. of the total man-days lost were accounted for by the affiliates of the AITUC. The INTUC accounted for 32.6, 24.0, and 15.4 per cent. respectively of the total disputes, workers involved and man-days lost. The HMS and UTUC together accounted for 6.8 per cent of the total time-loss. The disputes sponsored by more than one Central Organisation, accounted for the highest total time-loss (41.5 per cent.)

INDIAN LABOUR JOURNAL - January 1969
pp. 1-9.

India - January-February 1969

69. Co-operation and Participation of Industrial Organisations in the Social and Economic Organisation

Report on the Working of Joint Management Councils for the year 1967

The Scheme of Joint Management Councils was introduced in 1958 as a voluntary basis for promoting increased production for the general benefit of the enterprises and the community, giving the employees a better understanding of their role in the working of Industry and of the process of production and satisfying the worker's urge for self-expression. It was also designed to break down misconceptions and allay suspicions by improving the system of employer-employee communication.

At the end of 1967, the scheme of Joint Management Councils was functioning in 132 units, 47 in the Public Sector and 85 in the Private Sector. 77 Joint Management Councils were functioning in manufacturing, 48 in mining and 7 in Plantation industries. Besides these the State Bank of India had constituted a Central Consultative Committee at each of the seven local head offices. During the year Joint Management Councils became defunct in 20 enterprises, but new ones were formed in 12.

Essential Features of the Scheme.- The main ingredients of the scheme of Joint Management Councils which make it distinct from other joint Consultative bodies are
1) they are to be consulted by the management on certain specified matters regarding day-to-day administration, ii) they have the right to receive information, discuss and give suggestions on the economic and financial aspects of the working of the undertakings and iii) they are to be entrusted with administrative responsibilities in respect of welfare, safety and allied matters.

Consultation.- As a rule J.M.Cs are to be consulted in spheres like the General Administration of standing orders, introduction of new methods of production and manufacture involving redeployment of men and machinery, closure, reduction in or creation of operation etc. From the reports received during the year in most enterprises where J.M.Cs were functioning effective consultation on most cases took place.

Administrative Responsibility.- In the written agreements for setting up of J.M.Cs, managements have agreed in principle to delegate some administrative responsibilities to the J.M.Cs in respect of welfare measures, supervision of safety measures, vocational training and apprenticeship schemes, preparation of schedules for working hours, breaks and holidays and payment of rewards for valuable suggestions from employees. From the reports received in 1967, some of the Joint Management Councils were entrusted with direct administrative responsibility relating to matters of welfare, safety, canteen, milk supply, house allotment, colony welfare, list of holidays, children's Parks, sports and family planning programmes.

Sub-Committees.- Several Joint Management Councils have set up a number of sub-Committees to deal with specific subjects such as production, welfare, safety, suggestions, canteen, sports, house allotment etc.

Regularity of Meetings.- For effective and fruitful functioning of J.M.Cs it is necessary that their meetings are convened regularly. Apart from the regularity of the J.M.C. meetings, the extent and nature of the business transacted and the status of the workers' and employers' representations and the extent and degree of implementation of the council's decisions are some of the factors which determine the success of the scheme. According to reports received quite a good number of J.M.Cs held several meetings during the year. Among the subjects discussed were Production and productivity, minimising waste, welfare measures, blood donation, family planning, absenteeism, and quality control.

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS

India - January-February 1969

71. Employers and Salaried Intellectual Workers

Andhra Pradesh - Dearness Allowance rise for Government Employees

The Andhra Pradesh Government has raised the rates of dearness allowance for its employees with effect from February 1, 1969, so as to bring them on par with Central rates.

The dearness allowance rise ranges from Rs.6 for those drawing below Rs.110 to Rs.11 to those drawing between Rs.400 and Rs.500. The village officers will get Rs.1.50. Fifty per cent of the additional dearness allowance will be paid in cash and the remaining credited to the Employees' Provident Fund.

The additional commitment to the Government on account of the revision in the dearness allowance is Rs.42 million.

The HINDU - 19 January 1969

India - January-February 1969

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

More Pay for Railwaymen

The Railway Board had announced a new scheme to benefit Class I, II and III staff including running staff. For Class I officers, the Board had upgraded some of the posts from the junior administrative grade of Rs.1300 to Rs.1600 to the inter-administrative grade on a scale of Rs.1600 to 1800. Some of the senior scale posts in the grade of Rs.700 to Rs.1250 had been upgraded to Rs.1300 to Rs.1600. These new scales would give promotional avenues comparable to those obtaining in other services and remove stagnation to some extent.

For class II officers who were temporarily acting in class I posts for more than three years and who were facing reversion due to shrinkage, the Board was creating some additional jobs. The idea was to see that these officers who had put in more than three years in a higher scale were not reverted.

For class III clerical staff the Board is now considering a scheme to increase the percentage of promotional quotas. The Board had already announced higher running allowance for railway staff including drivers, motormen, guards, firemen, assistant drivers, brakesmen and shunters.

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The HINDUSTAN TIMES dated 8 January 1969

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CHAPTER 8. MANPOWER PROBLEMS

India - January-February 1969.

81. Employment Situation

Public Employment (Requirement as to Residence) Amendment Bill, 1968

Mr. Y.B. Chavan, Minister for Home Affairs, Government of India, introduced in the Rajya Sabha on 23 December 1968 a Bill further to amend the Public Employment (Requirement as to Residence) Act, 1957. The Statement of Objects and Reasons of the Bill states that Section 3 of the Public Employment (Requirement as to Residence) Act, 1957, empowers the Central Government to make rules prescribing a requirement as to residence in regard to appointment in any subordinate service or post under the State Government of Andhra Pradesh or under the Control of the Administrator of Himachal Pradesh, Manipur or Tripura or to any service or post under a local authority (other than a cantonment Board) within the Telangana area of Andhra Pradesh or within the Union territory of Himachal Pradesh, Manipur or Tripura. Section 5 of the Act as amended in 1964 provides that section 3 and the rules made thereunder shall cease to have effect on the expiration of ten years from the commencement of the Act. By virtue of this, section 3 and the rules made thereunder would cease to have effect on the 21st March 1969. It is considered desirable, after consultation with the Governments of Andhra Pradesh and the Union territories concerned, that the said section 3 and the rules made thereunder should be continued for a further period of five years on and from the 21st March 1969.

With effect from 1st November, 1966, certain territories of the former State of Punjab were added to the Union territory of Himachal Pradesh (vide section 5(1) of the Punjab Reorganisation Act, 1966). It is considered desirable, after consultation with the

Government of Himachal Pradesh, that the provisions of the Public Employment (Requirement as to Residence) Act, 1957, should apply in relation to these territories also.

The Bill seeks to achieve the aforesaid objects.

(The Gazette of India, Extraordinary, Part II
Sec. 2, 23 December 1968, pp. 1697-1699).

CHAPTER 8. MANPOWER PROBLEMS

81. Employment Situation

Engineers, Scientists not by Choice - a study by the C.S.I.R.

According to a career analysis made by the Council of Scientific and Industrial Research on the basis of data collected for the National Register of Scientific and Technical Personnel, two-thirds of the engineering graduates and nearly a third of the scientists engaged in research at institutions in the country did not take their present vocations by choice. Conditions of the employment market forced them into undertaking research jobs.

Out of the 33,000 post-graduates in science nearly 10,000 are engaged in research orientated occupations. Of the 45,000 engineering graduates and post-graduates 2,000 were engaged in research. About 30 per cent. of the research scientists do not consider research as their first choice of avocation. Four per cent. do not consider it their choice at all.

Of the Engineers now engaged in research work, nearly 30 per cent. do not make research as any one of their career choices. A quarter of the research scientists have taken up their present occupation as a secondary choice vocation. Of the remaining four per cent. uninterested scientists among the researchers, nearly a third have research publications to their credit. Forty-five per cent of those who declared research to be their third choice, have published scientific papers.

It appears that 20,000 to 25,000 post graduate scientists capable and anxious to devote themselves to research are working outside the research sector.

About 5,000 degree holding engineers are estimated to be employed full time in research. Of them 36 per cent. have taken research as their first choice and 34 per cent. as the second or third choice. The other 30 per cent. of the engineers in research did not indicate their present occupation as any of their chosen fields of endeavour. More than 40 per cent. of the electrical and mechanical engineers in research come under this disinterested category.

There are over 100,000 graduate engineers who are not in research. Twenty six per cent of the non-researchers, have put research as one of their preferences and eight per cent indicated research as their first choice. Over 20 per cent. of the non-research engineers have research experience including five per cent. who have research publications to their credit.

This situation suggests that at least 5,000 to 8000 engineers are competent and anxious to do research but are in other occupations.

The HINDUSTAN TIMES dated 24 January 1969

India - January-February 1969

81. Employment Situation

Employment Exchanges Working during December
1968

According to the Review of the Principal activities of the Directorate-General of Employment and Training during the month of December 1968, the position of registrations, placements, live-register, vacancies notified and employers using employment exchanges is shown in the following table:

S.No.	ITEMS	November 1968	December 1968	Increase (+) Decrease (-)
1.	Registrations	3,36,621	3,10,517	(-) 26,104
2.	Placements	39,340	38,366	(-) 974
3.	Live Register	30,49,823	30,11,642	(-) 38,181
4.	Vacancies notified	61,965	53,054	(-) 8,911
5.	Employers who used exchanges	12,288	10,973	(-) 1,315

The total number of Employment exchanges in the country at the end of December 1968 was 446.

Displaced Persons from East Pakistan.

302 East Pakistan Migrants were registered with various Employment Exchanges during the month of December 1968 bringing the total number of EPMS so far registered to 44,895. 37 EPMS were placed in employment during the month bringing the total number of EPMS placed up to the end of December 1968 to 3307. The live Register of EPMS stood at 10,550.

Registration

Repatriates from Burma.-

440 Repatriates from Burma were registered at various Employment Exchanges during December 1968 bringing the total number of Burma Repatriates so far registered to 10785. 79 repatriates from Burma were placed by various Employment Exchanges during December 1968 bringing the total number so far placed in employment to 1869. The live Register of Burma Repatriates stood at 2879.

Repatriates from Ceylon.-

37 Repatriates from Ceylon were registered at various Employment Exchanges during December 1968 bringing the total number so far registered to 660. The Live Register of Ceylon Repatriates stood at 1850. 7 Repatriates from Ceylon were placed in employment by various Employment Exchanges during the month under report bringing the total number of Ceylon Repatriates so far placed in Employment to 82.

(Review on the Principal Activities of the Directorate-General of Employment and Training for the month of December 1968, Ministry of Labour and Employment, New Delhi).

India - January-February 1969

84. Vocational Rehabilitation of Disabled Persons

National Awards for Handicapped

The Government has decided to institute six national awards for outstanding employers of the physically handicapped and for the most efficient of the handicapped employees. The Awards will be made in March every year on the World Disabled Day by the President.

Three awards for employers of the blind, the deaf and the orthopaedically disabled respectively, will each consist of a shield, on a bronze medal and a citation. Three similar awards for the blind, deaf and orthopaedically disabled employees respectively will consist of a cash prize of Rs.500 each and a commendation.

To qualify for the awards at least 2 per cent of an employer's staff should be physically handicapped, and should have been offered the same service conditions as the rest.

The STATESMAN dated 17 January 1969

List of Articles

India - January-February 1969

CHAPTER 2: International and National Organisations.

The status and Role of Local union Leaders: A Study by N.R. Seth and S.P. Jain - Indian Journal of Industrial Relations, July 1968.

"Recognition of Trade Unions in India" by Ramanujam, Secretary INTUC: Asian Trade Unionist published by ICFTU, December 1968

Aims and motives of trade union participation in development Planning" by S.R. Bhattacharya Lecturer, ICFTU Trade Union College - The Indian Worker 13 January 1969.

Executive Aspects of Personnel Administration" by Navin Kumar, Lecturer, Development of Commerce and Business Administration, Annamalai University: Maharashtra Labour Gazette, December 1968 pages 475-476.

CHAPTER 3. Economic Questions

Industrial Housing under Neglect: by Mr. Jagannath Rao former Minister for Works, Housing and Supply, Amrita Bazar Patrika dated 21 February 1969.

CHAPTER 5. Working Conditions and Living Standards

Middle class family Living Surveys in India: A study in method by R.C. Arora. Maharashtra Labour Gazette: December 1968 P. 462-472.

"Towards a better deal for Labour" by Mr. J. L. Hathi, Minister for Labour, Employment and Rehabilitation, AICC, Economic Review January 1969, P. 17-20.

Attitude of Management and Trade Unions to Women Workers and Vice versa" by B.S. Bhis The Indian Worker - 17 February 1969

Women in Labour Force: by Dr. (Mrs) Maitree Bose. The Indian Worker - 17 February 1969.

CHAPTER 6: General Rights of Workers

Workers Participation in Management by M.R. Masani, M.P. Labour Bulletin of the Co-ordinating Committee for Independent Trade Union.

'Labour Management Co-operation alone ensures Industrial Peace' - by Mr. V.V. Giri Vice President of India - Amrita Bazar Patrika dated 12 February 1969.

CHAPTER 8: Manpower Problems

Manpower for Agriculture - by M.L. Manrai Agricultural Situation, P.597-607.

List of Principal Laws Promulgated during
the period covered by the Report for January-
February 1969

India - January-February 1969

CHAPTER 6: GENERAL RIGHTS OF WORKERS

66. Strikes and Lockout Rights

Essential Services Maintenance Act
Act 1968 (No.59 of 1968)