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INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in
January-February 1964.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - JANUARY-FEBRUARY 1964.

11. Political Situation and Administrative
Action.

68th Session of Indian National Congress:
Socialist State to be new Congress goal.

The 68th session of the Indian National Congress was held at Bhubaneswar (Gopabandhumagar) on 9 and 10 January 1964.

The session marked a turning point in the history of the party during the post-freedom era inasmuch as it made a vital change in the its constitution declaring the national objective as the "establishment of a socialist State based on parliamentary democracy".

amidst After a two-day debate, ^{the} Congress adopted *unanimously,* ~~and~~ loud acclaim, a 3,000-word resolution on "democracy and socialism", defining its ideal as "democratic socialism based on democracy, dignity of the human individual and social justice".

Towards the close of the session, the Congress adopted, by unanimous vote, a resolution on international affairs reiterating India's policy of non-alignment and of goodwill and friendship toward other countries.

Winding up the session the Congress President, Shri Kamraj said that the programme adopted by the Congress was for the masses who had to be pulled out of the morass of poverty and ignorance so that they may fully enjoy the fruits of freedom.

Shri Kamraj invited people and parties and groups believing in the socialist policies of the Congress to join it in large numbers so that a united country might achieve the national objective with speed and vigour.

Shri Kamraj said that it was possible that interests affected by new socialist programme might oppose the Congress and resist its efforts to create a socialist society. The Congress and Congressmen, therefore, would have to be very vigilant and careful.

He asked Congressmen to rise above petty quarrels and not give the impression to outsiders that their's was a divided house. He urged them to unite and strengthen the Congress and make it a powerful instrument for serving the people.

The Congress blueprint on "democracy and socialism" indicates, in broad terms, the policy in fulfilment of the socialist programme that the Congress Governments at the Centre and the States have to pursue through legislative and executive action.

Delegate after delegate, both in the Subjects Committee as well as in the plenary session, emphasised that the implementation aspect had assumed great importance in order to strengthen the people's faith in the Congress and their expectation that it now meant business.

The resolution envisages a socialist society "wherein poverty, disease and ignorance shall be eliminated, wherein property and privilege in any form occupy a strictly limited place, wherein all citizens have equal opportunities, wherein ethical and spiritual values contribute to the enrichment of the individual and the community life".

The Congress considers it imperative to limit incomes and property in private hands, particularly inherited wealth and urban property. The resolution says: "The State should secure a large share of capital gains and appropriate a much larger proportion of unearned income than is being done at present."

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Besides, the resolution on democratic socialism gives the directive that the "Government should place itself in a position more effectively than is the case now to direct the means of credit and investible resources of the country along the lines of national priorities and our social purposes."

It also lays stress on the need of taking further steps for "the removal of abuses and malpractices in financial institutions."

The resolution gives the highest priority to ensuring a national minimum, in respect of food, clothing, housing, education and health to every individual as speedily as possible. It emphasises that measures would have to be taken to reduce the prevalent sharp disparities in incomes and wealth "in a striking manner in a reasonable period of time". These steps will be in the sphere of both policy and organisation.

(The Hindustan Times,
11 January 1964).

Shri D. Sanjivayya appointed Minister
for Labour and Employment.

The President of India administered the oaths of Office and secrecy to Shri Lal Bahadur Shastri and Shri D. Sanjivayya on 24 January 1964.

Shri Shastri, ~~as announced earlier,~~ is to be Minister without Portfolio and Shri Sanjivayya will be Minister for Labour and Employment.

(The Hindu, 25 January, 1964).

Madhya Pradesh: New Labour Minister
appointed.

Madhya Pradesh Labour Minister, Shri V.V. Dravid submitted his resignation to the Chief Minister on 17 February 1964 from the State Cabinet following his appointment as a one-man Committee to look after the INTUC Organisation in Indore and Madhya Pradesh. His resignation has been accepted and Shri Shyam Sundar Nagayan Mushran has been appointed the new Minister for Labour to fill the vacancy in the State Cabinet.

(The Hindustan Times, 18 February 1964).

12. Activities of External Services.

India - January-February 1964.

Meetings

During the period under review the Director attended the following meetings :

a) Seminar on "Motivation and Morale" held at Delhi on 24 January 1964, organised by the Indian Institute of Personnel Management in collaboration with the Delhi Management Association. The Seminar was presided over by the Labour Secretary.

b) First Conference of the Afro-Asian Rural Reconstruction Conference, held at Kuala Lumpur from 17 February to 2 March 1964.

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13. Press and Opinion.

India - January-February 1964.

In addition to the attached clippings the following reference to the work of the I.L.O. appeared in Indian Journals received in this Office during the period under review:

1. The Supplement to the 75th Anniversary Number of 'Capital', dated 19-12-1963 contains an article on employment target in the third Five Year Plan. Discussing the strategy of employment policy in a country like India the author quotes from the ILO publication: Employment Objectives in Economic Development.
2. The November 25, 1963 issue of 'The Indian Worker' publishes texts of resolutions adopted at the 23rd Regional Executive Board Meeting of the IOFTU-Asian Regional Organisation. There are incidental references to the I.L. Convention on Freedom of Association.
3. The 20-12-1963 issue of 'Trade Union Record' publishes the names of the Indian delegation to, and the agenda of, the I.L.O. Tripartite Technical Meeting for the Food Products and Drink Industries.
4. The December 1963 issue of 'Social Action' under its column 'News and Comments', reviews I.L. Conference's action on the question of South Africa during its 47th Session.
5. 'Industrial Bulletin' dated 15-12-1963, issued by the Employers' Federation of India reproduces an item from ILO News Service regarding the ILO's International Centre for Advanced Technical and Vocational Training at Turin.
6. 'United' The January 6, 1964 issue of 'Indian Worker' publishes a news item on the seventh session of the tripartite Committee on ILO Conventions held at Delhi on 26-12-1963.
7. The same issue of the journal publishes a news item about the retirement of Assistant Director-General R. Rao and the appointment of Mr. Majid as his successor.
8. The above news item is also published in the 11 January 1964 issue of 'Commerce'.

9. The 10 February, 1964 issue of 'The Indian Worker' publishes a news item about a Japanese Trade Union Delegation's visit to India. While in Delhi the delegation visited ILO's Branch Office.

10. The same issue of the Journal also publishes an ILO Press Release about the 1963 world labour situation.

11. The same news is published in the 8th February 1964 issue of 'Commerce'.

12. An article on the trade union movement in Aden containing a reference to a complaint by the ICFTU to the ILO Governing Body urging the repeal by British Government of the Industrial Relations Ordinance, is also published in the same issue of the journal.

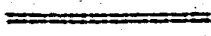
13. 'Trade Union Record', dated 5 February 1964 publishes the draft of a Charter on economic and social rights of working women to be submitted to the 2nd International Trade Union Congress scheduled to meet at Bucharest from 11-16 May 1964. The Charter contains incidental reference to the ILO.

14. January-March 1964 issue of 'News Letter' issued by the T.W.I. unit of Central Labour Institute publishes an article on 'Policy Problems of Management Development Planning' by Prof. K.J. Shone, Principal ILO Expert, Regional Labour Institute.

15. The same issue of the News Letter refers to a recommendation for conducting Pilot Project in Supervisory Training made by the ILO expert on Supervisory Training attached to the Ministry of Labour and Employment.

16. The January 1964 issue of the Indian Labour Gazette, publishes two news items about the ILO under its "Foreign News" column. The first relates to the seventh session of the ILO's Iron and Steel Committee and the second to the Governing Body decision to exclude South Africa from all meetings of the ILO, except the I.L. Conference, till that country continues its apartheid policy.

17. The same issue of the journal under "Important Books" column of its 'Current Labour Literature' section, lists various ILO publications.



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Chapter 3. Economic Questions

32. Public Finance and Fiscal Policy.

India - January-February 1964.

Central Budget for 1963-64 presented:
Tax Reliefs for Low Income Groups :
Super Profit Tax Replaced by Sur-tax
on Profits: Industrial Growth to be
encouraged.

The levy of a surtax on profits of companies in place of the super profits tax, the abolition of the Compulsory Deposit Scheme and its substitution by an Annuity Deposit Scheme for those having an annual income of over 15,000 rupees per annum and the reintroduction of the Expenditure Tax are some of the highlight of the General Budget for 1963-64 which was presented to the Lok Sabha on 29 February 1964 by the Finance Minister, Shri T.T. Krishnamachari. The Finance Minister also proposed stepping up of the rates of Estates Duty to prevent large family fortunes being passed on from one generation to another and an increase in the Gift Tax to restrict the transfer of property by gift.

Presenting the budget the Finance Minister announced that for the coming year he had budgeted for a total revenue of 20,950 million rupees and expenditure of 20,410 million rupees at the existing level of taxation. This would lead to a revenue surplus of 540 million rupees.

Compared with the revised estimates for the current year, revenue receipts next year would be more by 1,810 million rupees.

The Compulsory Deposits Scheme, withdrawn last year for all categories of persons except income-tax payers, has now been totally scrapped. But it has been replaced by an Annuity Deposit Scheme which will apply only to those with an annual income exceeding 15,000 rupees.

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An outstanding feature of the Budget is an overhaul of the corporate tax structure with a view to promoting industrial growth and infusing confidence.

Taxes and reliefs.— The main proposals made by the Finance Minister are:

Duty on gramophone records, all gases other than carbon dioxide used in the manufacture of aerated waters, low voltage electric motors and all acids other than sulphuric, to be removed.

Duty on one group of cigarettes to be lowered and raised slightly on another group.

The duty on motor cars to be reduced to 60 per cent.

Instead of super profits tax a surtax on profits of companies.

Rebate of corporation tax equivalent to 10 per cent. of the income-tax and super tax normally payable by certain industries.

A tax at the rate of 7.5 per cent. on amounts distributed as dividend capital other than preference capital.

An increase in the rate of super tax in the case of non-resident companies from 38 per cent. to 40 per cent. in respect of their income other than dividends and also royalties and fees for technical services.

Super tax to be raised from 25 per cent. to 35 per cent. in the case of companies other than those in which the public are substantially interested or Section 23(A) companies.

An annuity deposit scheme to replace the Compulsory Deposit Scheme at an income level above 15,000 rupees per year.

For foreigners working in India a rebate of income-tax and super tax of 2,000 rupees per child up to two children of 21 years of age.

Tax on capital gains on a graduated scale without the ceiling of 25,000 rupees.

Minor changes in the rates structure of wealth tax, reintroducing the rate of half per cent. on the first slab of 1,00,000 rupees to 4,00,000 rupees.

Reimposition of expenditure tax. Levy on expenditure over 36,000 rupees per year.

Revision of estate duty at 40 per cent. on estates worth over 1 million rupees instead of 5 million rupees as at present. Some changes in subsequent slabs.

Increase in the highest rate of gift tax from the present 40 per cent. to 50 per cent. applicable to taxable gifts of value over 3,45,000 rupees.

A summary of the final estimates is given below:-

	<u>REVENUE</u>		
	Budget 1963-64	Revised 1963-64	(In million rupees) Budget 1964-65
Customs. —	3,012.0	3,200.0	3,300.0 +63.7*
Union Excise Duties. —	6,875.1	7,034.7	7,503.9 +191.5*
Corporation Tax. —	2,220.0	2,750.0	2,950.0 +110.0*
Taxes on Income. —	1,200.5	1,157.1	1,415.5
Estate Duty. —	1.2	1.3	1.3 +0.5*
Taxes on Wealth. —	94.0	100.0	100.0 + 2.0*
Expenditure Tax. —	1.0	1.7	0.5 +15.0*
Gift Tax. —	9.5	11.0	11.0 +20.0*
Other Heads. —	198.7	204.6	215.7
Debt Services. —	2,170.5	2,204.6	2,521.4
Administrative Services.	767.6	882.5	889.8
Social and Developmental Services.	316.1	292.5	281.3
Multipurpose River Schemes, etc.	4.5	1.5	1.1
Public Works, etc.	43.8	37.5	37.5
Transport and Communications.	74.6	72.0	68.1
Currency and Mint.	736.8	573.7	537.3
Miscellaneous.	249.3	174.8	172.9
Contributions and Miscellaneous Adjustments.	276.6	291.1	310.8
Extraordinary items.	810.0	946.0	1,433.1
TOTAL REVENUE.	18,361.8	19,136.8	20,951.2 + 402.7*

*Effects of Budget proposals.

EXPENDITURE

(In Million Rupees)

	Budget 1963-54	Revised 1963-64	Budget 1964-65
Collection of Taxes, Duties and other Principal Revenues.	238.3	236.7	253.4
Debt Services.	2,802.4	2,820.6	3,184.1
Administrative Services.	882.8	804.5	818.4
Social and Developmental Services.	1,550.0	1,469.4	1,681.4
Multipurpose River Schemes, etc.	19.6	13.6	18.4
Public Works, etc.	209.4	216.5	202.1
Transport and Communications.	97.9	87.0	101.8
Currency and Mint.	172.4	167.6	173.3
Miscellaneous:			
Pensions.	106.8	107.7	110.4
Expenditure on Displaced Persons.	84.1	117.6	84.6
Other Expenditure.	918.9	694.6	790.1
Contributions and Miscellaneous Adjustments:			
Grants to States and Union Territory Governments	2175.5	2,357.0	2,890.8
States Share on Union:			
Excise Duties.	1,280.7	1,359.9	1,409.8
Other Expenditure.	34.2	34.6	41.3
Extraordinary Items.	861.9	840.6	1,475.2
Defence Services (Net).	7,085.1	6,925.5	7,178.0
TOTAL EXPENDITURE.	18,524.0	18,253.4	20,413.1
<u>Deficit (-)</u>	(-) 162.2	+ 883.4	+ 538.1
<u>Surplus (+)</u>			+ 402.7*

*Effect of Budget proposals.

Finance Minister's Speech.- In his speech the Finance Minister said that by and large, the budgetary outturn bears testimony to the country's determination to strengthen its defences without slackening its developmental efforts or without resorting to unbridled deficit financing. It was noteworthy that the overall deficit in the budget which was originally estimated at 1,810 million rupees has now placed at 1,350 million rupees. The improvement of 460 million rupees in the overall gap in the current year has taken place despite the net increase of 940 million rupees in loans and advances to States and of 270 million rupees in loans and advances to other parties. The major improvement in revenue was on account of Corporation Tax and Taxes on Income, which together showed an increase of 700 million rupees, but this would be partly offset by an increase of 210 million rupees in the States' share of Income-tax. Customs and Union Excise Duties also show an improvement of nearly 350 million rupees.

Small Savings.- It was a matter for particular satisfaction that collections under Small Savings which amounted to 730 million rupees only in 1962-63 were now expected to amount to 1,150 million rupees in 1963-64. Other miscellaneous Dept heads were also expected to show an improvement of 310 million rupees, but this would be offset by the decline in Emergency Risks Insurance receipts and Compulsory Deposits.

A part of the improvement in the budgetary position was also explained by the saving or shortfall in expenditure of 270 million rupees under Revenue and 640 million rupees under Capital other than Loans and Advances. Of the saving under Revenue, 160 million rupees occur under Defence and the balance under Civil heads. The major shortfalls in Capital expenditure are in respect of Defence, 430 million rupees; Hindustan Steel, 190 million rupees; Atomic Energy, 110 million rupees; and food purchases, 140 million rupees. On the other hand, Capital requirements of Railways would show an increase of 190 million rupees.

Turning to the economic scene the Finance Minister said that the most disturbing feature is the rise in the price level. While the increase in the wholesale prices of the order of 8 percent. over the first three years of the current Plan period cannot be considered large by any standards, and particularly against the background of the sizable step-up in outlays under defence and development, the fact that the general index of wholesale prices rose by as much as 7.2 per cent. between the end of the March 1963 and the end of January, 1964 is certainly a cause for great concern. Government has already taken several steps to afford relief to the poorer sections of the community. However, to arrest this unhealthy trend in the coming year Government has to apply new measures of discipline, fiscal and others.

Farm Output.- Essentially, the rising trend in prices is explained by the inadequate rate of growth in agriculture. After increasing by 1.2 per cent. in 1961-62, agricultural production declined by 3.3 per cent. in 1962-63. Crop prospects for the current agricultural season, which seemed somewhat better to begin with have been adversely affected by the recent severe winter conditions in some parts of the country.

The recent increases in the prices of edible items have been causing Government a great deal of concern, the problem is being examined at the highest level.

On the industrial front production trends have been more satisfactory, the increase being 10 percent. over the first nine months of the current year compared with 8.5 per cent. in the corresponding period of the previous year. A number of steps have been taken to stimulate industrial production and a measure of acceleration in the rate of growth over the coming year should be possible. Even so, it is clear that the preservation of a reasonable degree of stability in the months to come will call for a reduction in the volume of deficit financing in the coming year.

In this connection, the overall rate of monetary expansion in the economy will also call for a careful watch. During 1963, money supply with the public increased by 4,30 million rupees or 13.8 per cent. as compared to an increase of 9.9 per cent. in 1962 and 6.1 per cent. in 1961. Government indebtedness to the banking system has been a major factor in monetary expansion in recent years; but bank credit to the private sector has also shown a brisk increase during the current busy season. While the Reserve Bank pursues a fairly liberal policy to help production and while the availability of credit to the farmer is being improved by the Agricultural Credit Department of the Reserve Bank, a close watch has to be kept on the situation to ensure that credit creation is kept within reasonable limits and does not encourage speculation or hoarding.

Externally, the current year has witnessed a welcome increase in export earnings and a comparatively satisfactory position in regard to foreign exchange reserves. On present indications, export receipts during 1963-64 should exceed 7,600 million rupees and thus show an improvement of at least 7 per cent. over the corresponding receipts in 1962-63. Partly as a result of better export performance and partly in view of greater utilization of external assistance, particularly of the non-project type, our foreign exchange reserves are likely to show a slight improvement over the current year as against a decline of 22.1 million rupees in 1962-63 and 63.0 million rupees in 1961-62.

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In addition, India ~~was~~^{has} reduced her indebtedness to the International Monetary Fund by \$ 50 million during this year as against an increase in such indebtedness of \$ 25 million in 1962-63 and \$ 122.5 million in 1961-62.

The Finance Minister continued: "In the ultimate analysis, the three problems of prices, growth and balance of payments on which I have focussed my remarks so far are inter-related and we cannot solve any one of them without the fullest attention to the other two. Indeed, it is only to the extent that all these problems are tackled within the framework of an integrated policy, in regard to incomes, wages and investments that we can hope to ensure that the necessary investment potential is available for the development of economy."

Price Policy.- The Finance Minister said that it was now generally agreed, for example, that trying to keep agricultural prices too low for producers may defeat the objective of raising agricultural production. But if this is the case, one cannot, at the same time, try to keep agricultural prices low for all consumers, or adopt a wage policy in which most wage-earners are compensated for the increase in agricultural prices. Nor can one succeed in raising resources for defence or development by taxation if each such effort leads to price increases which are passed on all along the line. These were, a few lessons which has emerged from the experience in the recent past, which deserved to be borne in mind in framing budgetary and other policies for the period ahead. In a certain sense the broad policy of investment that had to be undertaken in India was self evident; and it was easy enough to agree that there was need to expand investment in irrigation works, fertilisers plants, power and transport programmes, or indeed basic and heavy industries which have a vital bearing on the future growth potential of the economy. The Minister continued: "But broad generalizations of this nature were of little real help at this stage when the most important questions to decide were in regard to the choice of the specific projects and programmes in each of these fields which promise the greatest benefit in relation to the cost they entail."

"Our present arrangements for the choice of specific projects and programmes after a detailed examination of the technical and economic aspects of practical alternatives leave much to be desired; and it is my intention to strengthen this aspect of the work of my Ministry during the months to come.

"Apart from this question of the size and pattern of investment, there is need for speedier execution of projects and of earnings better returns from the investments that are being made. Many of the public sector projects are lagging behind the schedule of their construction and what is more disappointing is that their contribution to our resources is nowhere near the Plan estimates.

"It is of the utmost importance for our economy that enterprises in the public sector should not only make profits, but should make good profits. By that I mean that they should give a good dividend to the Exchequer and yet be able to build up reserves to finance their own future expansion.

"I know that some people think that public sector enterprises should work on no profits or low profits. Such an approach is wholly unsound in any society, more so in which the State seeks to own or control the major sectors in production.

~~"I knew that some people think~~

"When the State does no more than build schools, hospitals and roads, it need not look to direct returns on its investments. But when the State begins to provide power and transport, when it owns steel plants fertiliser plants and machine-building plants, it must make sizable profits out of them, build reserves, amortise loans and provide adequately for depreciation of assets and their replacement, so that the public sector can expand without adding unduly to the tax burden.

"This reinforced by the fact that the products and services provided by the public sector are absorbed by the private sector which is not inhibited from making adequate profits. To the future growth of the public sector in India, a major contribution has to be made by the return on investments already made in the public sector.

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"It is equally important for our development that the private sector has the resources to expand in the fields assigned to it in our planning."

Development Bank.— The Minister said that one of the weaknesses in the economy has been that a high proportion of the community's savings was being diverted towards industries of low priority, towards quick speculative gains through purchase and sale of urban housing and the hoarding of commodities ~~while~~ in short supply in a manner which tends to push up their prices.

It was important that these savings should be canalized into the industries to which the Government attached the highest priority. He said: "In curbing profiteering, fiscal devices can be used much more effectively than controls which lead to abuses. Reliance on price controls is only appropriate where it is possible to exercise effective check on distribution and consumption as well; in other words, there can be some form of ration.

"While conceding the need to provide private industry with resources for the development entrusted to it in our planning, I should like to say a word about the equally important point that we must not, in the process, allow concentration of economic power and growth of monopolies. The question we have to consider is how we are to achieve this objective consistently with our concern to see that genuine and desirable development is not stifled. For a proper formulation of our policies and attitudes in this respect, the Government feels that there is need for an impartial and objective inquiry so as to bring the relevant data out in the open.

"It is, therefore, proposed to set up under the Commission of Enquiries Act a commission to inquire into monopolies and the concentration of economic power in the Indian economy. While we must await its report, before undertaking any legislation or setting up any kind of a statutory body to deal with monopolistic practices, I should like to draw attention to some aspects of this problem.

"There are basically three essential ingredients in any industrial or economic set-up. They are: ownership, control and management. When discussing the question of monopolies, it is important to distinguish between these three elements and to have a clear appreciation of their relative roles. It is popularly believed that the ownership of industries in the private sector is concentrated in a few hands. This is only partially true.

"What is really disturbing is that despite diffused ownership, control is concentrated in a relatively few people. We have recently taken some major steps to weaken this stranglehold. The changes in the Banking Companies Act and the amendments to the Companies' Act have paved the ground for the State to have strategic control over the private sector in order to ensure that the investor in industry gets a square deal and that anti-social activities are curbed and controlled.

"It is not, of course, our intention to interfere in the detailed running of an enterprise in the private sector. Indeed, the running of the enterprise is not a matter of control, but of management. Management is a professional and technical job and the skills necessary for that have to be encouraged and rewarded not only in the private sector, but in the public sector also. One of the weaknesses in the public sector today is the lack of adequate managerial personnel. The last thing which we should do is to weaken the management. It is control which really is the vital element.

"In the society which we hope to establish on an enduring basis, the private sector, in the sphere assigned to it, will have the opportunity to grow, to attract individual savings, and to develop managerial skills, subject to the overall discipline of the State, to prevent monopolistic exploitation and the pursuit of methods which do not help the growth of the economy. Our fiscal policies should give encouragement and support to larger investment in priority industries, to better and more efficient management by those who have the necessary talent and to a weakening of the devices, such as managing agencies and improvised selling agencies, through which dynastic domination of private industry is perpetuated."

Foreign Aid.- The Finance Minister said that: "Much of our foreign assistance has been coming in the shape of credits and grants from friendly countries, as well as from international institutions, particularly the World Bank which takes an active role in organising the aid effort through annual meetings of the Consortium. We have, since the Emergency, been also helped by external aid to strengthen our defence effort. In addition, supplies of agricultural products, especially wheat and cotton, under the PL 480 programme of the United States have made a major contribution in meeting food and other material shortages in the country. We owe a debt of gratitude to these friendly countries and institutions, which I must, on this occasion, publicly acknowledge.

"While for some years to come we must rely on continued external assistance, it is important that we should at the same time, devote increasing attention to the objective of reducing our requirements of such aid. We can do so by reducing the level of our imports. But there is a point beyond which restrictions on imports, whether fiscal or administrative, begin to do more harm than good, result in idle capacity in industry and slower rate of growth and lead to higher prices with a consequent fall in export earnings, which may well exceed the saving in foreign exchange effected by the cut in imports.

"Our primary emphasis in import saving has to be not on additional measures of restrictions, but on tuning our investment policies to give the maximum support to our balance of payments. Secondly, we must do everything possible to increase our export earnings, though here again, we have to be careful not to spend too much foreign exchange on the devices we use to help our exports. Finally, we must make full use of private capital sources in the world outside to augment the external aid we receive.

"Quite apart from the credits which we receive from Governments, we could raise funds from the banking system and capital markets of the world. We have, however, to remember that our external debts are already at a high level. For the Third Plan, we had a repayment liability of approximately 5,750 million rupees, including principal and interest, and the repayment liability for the Fourth Plan is already in excess of 8,250 million rupees.

"In these circumstances, we should specially welcome foreign investment in the shape of equity capital which not only brings with it technical know-how and managerial skills, but has the special advantage of not adding to the heavy and growing burden of debt repayment. To attract private investment in appropriate fields, we have to offer some incentives and I shall deal with those which pertain to the fiscal field a little later.

"I shall now turn to the budget provisions for the coming year. At the existing level of taxation, I have budgeted for a total revenue of 20,950 million rupees and expenditure of 20,410 million rupees, leading to a surplus of 540 million rupees on Revenue account.

"As compared to the revised estimates for the current year, the Revenue receipts next year would be more by 1,810 million rupees. The four principal heads of Revenue account for an improvement of 920 million rupees, while interest receipts are expected to go up by another 320 million rupees. Following the change in the procedure for the release of assistance under PL 480 on an advance basis, the grants for approved projects are now expected to exceed the current year's provision by 760 million rupees.

"But this would be covered by a corresponding transfer to the Special Development Fund for which the expenditure estimates take a debit. These improvements, however, will be partly offset by a drop of 120 million rupees under Emergency Risks Insurance receipts and 40 million rupees under the surplus profits of Reserve Bank accruing to Government.

"I am providing for Revenue expenditure of 20,410 million rupees next year, of which 7,180 million rupees will be for Defence Services and 13,230 million rupees for Civil purposes. The defence requirements debitable to Revenue next year show an increase of 250 million rupees over the revised estimates of 6,930 million rupees for the current year, while Civil expenditure shows an increase of 1,910 million rupees. The growing volume and cost of public borrowings mainly for development account for an increase of 360 million rupees under Debt charges. A lump provision of 100 million rupees has been made on account of the increase in dearness allowance sanctioned recently with retrospective effect from 1 July 1963.

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"Miscellaneous , Social and Developmental Services in the fourth year of the Plan are expected to cost 210 million rupees more, whereas grants to States for both Plan and non-Plan purposes would exceed the current year's Revised by 530 million rupees. The self-balancing items of grants under PL 480 deposits and Emergency Risks Insurance Receipts to which I have just referred, together account for a net increase of 640 million rupees. The States' share of Union Excise Duties would also show an increase of 50 million rupees."

Capital Outlay.- "Excluding the adjustment for the transfer of loan assistance assistance from USA, which is notionally treated as Capital expenditure. Capital outlay next year is estimated at 7,960 million rupees representing an increase of 340 million rupees over the current year's Revised. The Defence Capital requirements next year at 1,360 million rupees show an increase of 200 million rupees over the current year."

"The repayment of debt, both internal and external, will be of the order of 2,590 million rupees next year. Loans to parties other than State Governments at 2,540 million rupees will be higher by 640 million rupees."

Aid for Plan.- "Provision has been included in the budget next year for a total expenditure of 15,160 million rupees for implementing the Plan of which 2,530 million rupees will be on Revenue account and the balance of 12,630 million rupees as Capital outlay including Loans. In addition, Railways are expected to provide 460 million rupees, Hindustan Steel 250 million rupees and other public sector enterprises 440 million rupees from their own resources. These estimates include 5,590 million rupees as assistance to the States of which 1,220 million rupees would be on Revenue account and 4,370 million rupees in the Capital budget. The States are expected to find 3,530 million rupees from their own resources."

"Larger outlays on Defence are also a matter of painful necessity for us. The Defence Budget in 1964-65, taking Revenue and Capital together is somewhat lower than the budget estimate for the current year, but shows an increase of 460 million rupees over the Revised. No one in this House will grudge this increase though we may all regret it."

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"For meeting the increased cost of development in the coming year and in the years thereafter together with our obligations to meet the needs of defence, it would be necessary to take all possible steps for mobilizing resources. Promotion of savings would have to form a cardinal part of such mobilisation. I had indicated that we are likely to end the year with record collections of 1,150 million rupees through Small Savings. I am assuming for the coming year net collections of 1,250 million rupees. Even at this rate we are not likely to reach the target of 6,000 million rupees for the Plan. We have, therefore, to make special efforts to step up the level of savings in the community as a whole. To this end our policy in regard to incomes, wages and consumption has to be reoriented.

"Savings, and as a consequence, investment can only be generated by a margin between consumption and incomes or wages. While we cannot afford to neglect our efforts to improve the lot of low income groups, such efforts, I feel, should be directed more towards measures of social security than towards an increase in their expendable income.

"One of the essential conditions to be fulfilled by indirect taxes is that the revenue from the items on which such taxes are imposed is sizable and secondly, that the incidence of these taxes should be identifiable. Applying these two criteria, it is proposed to remove the duty completely on a number of items. They are gramophone records, all gases other than carbon dioxide used for the manufacture of aerated waters, low voltage electric motors and all acids other than sulphuric acid. It is proposed to withdraw the excise duty on soap, manufactured without the aid of power, and to levy an effective duty of 40 rupees per tonne on sodium silicate which goes into the manufacture of such soap. This would free from excise control a large number of soap manufacturers. It is also proposed to modify the sub-classification of soap produced with the aid of power from four to two.

"Some changes are being made by regrouping items under paper in order to simplify the schedule of rates and classification. With a view to encourage the use of bagasse in the manufacture of paper, the duty on paper in the manufacture of which more than 50 per cent. bagasse is used would be reduced by 5 naya Paise per kilogram. The special duty of excise is being abolished in respect of synthetic dyes, glassware, chinaware, porcelainware, cellophane and certain types of writing and printing paper and electric bulbs and reduced on the initial slabs on tyres.

"The schedule of duty on cigarettes is being revised lowering the duty on one group and raising it slightly on another. It is proposed to revise the tariff description of plastics and electric wire and cables and of footwear and aluminium. The net result of ~~revenue~~ these changes is a loss of revenue of 48.6 million rupees.

"It has been decided to abolish the surcharge on iron and steel, which is transferred to the Iron and Steel Equalization Fund. The surcharge is being replaced by an increase in the effective rates of Excise Duty on pig iron, certain steels and steel products; some of these are being prescribed as ceiling rates so as to enable ~~eff~~ Government to increase the effective rates further if circumstances call for such a measure. The effective rates per tonne now proposed are 30 rupees on pig iron, 90 rupees on semi-finished steel, and steel bars rods and structurals, 110 rupees on all flat products other than skelp and 150 rupees on skelp. This will mean an increase in revenue of 118.1 million rupees in 1964-65, more than compensating the loss of accrual to the Iron and Steel Equalization Fund.

"It is proposed to extend further the process of transferring Excise Duty from cotton fabrics to yarn as well as to processed cloth. Increase in the duty on fine and superfine yarn has become necessary in view of the high profits that are being made on such yarn which are spun from imported cotton.

"By levying a surcharge on sized yarn and also by prescribing higher effective rates for yarn other than in hanks, with the duty on yarn in hanks being kept at a comparatively low level, the impact of these duties on handloom cloth will not, it is expected, be felt. The lowering of duty on grey fabrics had necessitated lowering of the rates of compounded levy on power-loom units of 5 to 49 power-loom units of 50 and above will pay a preferential duty at 80 per cent. of the rates applicable to composite mills.

"The addition to revenue as a result of these changes will be 98.1 million rupees on yarn and a reduction of 28.6 million rupees on fabrics. It is also proposed to raise the effective rates of duty by 50 per cent. in the case of rayon yarn and about 100 per cent. on other synthetic fibres and yarn and to reduce the special duty on cellulosic staple fibre.

"In addition certain minor adjustments will be made in some of the other items of excise tariff such as paints, varnishes, worsted yarns, matches, rubber products and a few more.

"Taken all together, these changes in Excise Duties would account for a net gain in revenue of 195.4 million rupees in 1964-65, of which 3.9 million rupees will accrue to the States as their share. The net additional burden on industry will, however, be only about 1 per cent. of the total estimated revenue from this source.

"It is proposed to continue the power to levy regulatory duty, both for Central Excise and Customs. There has been no occasion to use these powers during the current year. Nevertheless, the continuance of this power is necessary in order to meet unforeseen price or production situation. The lifting of control over prices of certain goods would also necessitate a watch on their movement. It is, therefore, proposed to take power to levy a regulatory duty of excise at the rate of 15 per cent.

Customs Duties.- "In regard to Customs Duties, my proposals are mainly confined to maintaining the actual incidence of duty as it was till a few months back. It is known that a number of items are assessed to import duty on basic tariff values. Before the coming into force of the Customs Act of 1962, the tariff values were based on market values which included certain post-importation charges. In view of the provisions of the new Customs Act, it became necessary to fix the tariff values without such charges. This resulted in the tariff values being lowered on certain articles, especially dry fruit, copra and caustic soda and consequently the import duty on these articles has gone down.

"It has been found that the benefit of lowering the incidence of duty on these articles has not been passed on to the consumer and it is, therefore, necessary to revise the rates of duty so as to keep the actual incidence at about the same level as it was before the change in tariff values was made.

"In the case of dry fruit it is proposed to adopt specific instead of ad valorem rates based on tariff values for most varieties. The rate of duty on copra is being raised from 25 per cent. to 30 per cent. and that on caustic soda from 40 per cent. to 80 per cent. In both cases the preferential rates will be 10 per cent. lower. The increase in revenue as a result of these changes is expected to be 20.2 million rupees in 1964-65.

"It is proposed to raise the import duty on high carbon or spring steel wire by 20 per cent. to place the indigenous product on a competitive basis. The rate of duty on motor cars, which has gone up to 150 per cent., though actual imports are few, is very high and it is proposed to reduce this to 60 per cent. It is also proposed to abolish the export duty on jute.

"The net effect of the changes in the Customs duty will be an increase in revenue of 20.8 million rupees in 1964-65. There will also be an additional revenue of 42.9 million rupees from countervailing duties.

"The total effect of all the changes in indirect taxes will be a gain in Central revenue of a little over 250 million rupees in 1964-65.

" Revenue from direct taxes has shown a considerable amount of buoyancy. This is partly due to the measures taken in recent years to close the gap between the tax due and the tax collected. Due to a shortage of staff and the difficulties of training new staff within a short period, assessments have been falling into arrears and even provisional assessments were not kept up-to-date. This has been partly remedied, but a great deal remains to be done.

"The administrative drive for better collection and stricter enforcement requires to be supported by suitable legal powers. The tax structure itself which has grown in a somewhat haphazard manner needs a closer look and in this task one has to remember that direct taxes provide the means through fiscal change in the nature and direction of society towards the goal of removing inequalities of income distribution."

The Minister added that there has been considerable criticism in respect of the Super Profits Tax and the uneven nature of its effect on industry as a whole.

The present tax on corporations of 25 per cent. income-tax and 25 per cent. Super-tax would remain. In substitution of the Super Profits Tax, we proposed to levy a surtax on profits of companies. The capital base for this purpose will consist of equity and preference capital, reserves, debentures, loans from approved financial institutions and loans for 10 years or more from banks, or from foreign sources for creating capital assets. This tax will be at the rate of 40 per cent. on the residue of the profits after tax after deducting 10 per cent. on the capital base.

In order to encourage development of certain industries which occupy an important place in our economy, we proposed to provide to companies which engage in such industries a rebate of Corporation Tax equivalent to 10 per cent. of the Income-tax and Super-tax, which will be normally payable by them. This rebate would also be applicable in respect of surtax on such profits to the extent of 20 per cent. of tax assessed.

The reliefs which were being given are intended to strengthen the reserves and augment the capacity of the corporate sector to develop. It was desirable to discourage the dissipation of these additional resources in higher ~~view~~ dividends. With this object in view, it is proposed to levy a tax at the rate of 7.5 per cent. on the amount distributed under the law, such distribution will not attract this tax. A new company has, however, to wait for some years before it can declare a dividend, such period varying with the nature of the undertaking. It would, therefore, be fair to exempt such companies from this tax to the extent of a dividend of 10 per cent. on capital other than preference capital for a period of five years from the first declaration of dividend by such a company.

At present, inter-corporate dividends bear Income-tax at the rate of 25 per cent. and Super-tax at varying rates depending on when the company was formed and whether it is an Indian company and is a ~~subsidiary~~ subsidiary or not. It proposed to abolish these fine distinctions and exempt all inter-corporate dividends from Super-tax.

It is also proposed to remove the provisions in the Income-tax law respecting disallowance of expenditure incurred by companies on the remuneration of their Indian employees above 60,000 rupees per annum for each employee. The imposition of this limit has not brought any perceptible advantage to revenue and besides being discriminatory is an ineffective restraint under tax law in respect of remuneration of Indian employees. Salaries of certain categories of employees are subject to restrictions under the Companies Act. I, therefore, see little advantage in continuing the application of this limitation.

It is, however, proposed to introduce a new-provision in the Income-tax Act limiting the amount of deduction admissible to companies for expenditure incurred by them in providing perquisites to their employees, whether of Indian or foreign nationality, to an amount of 20 per cent. of the salary of each employee. Any expenditure in excess of that limit would not be deducted in computing the assessable income of the company.

This would have the healthy effect of putting a curb on excessive expenditure on perquisites for companies' employees. It is also proposed to reduce the deduction of income-tax at source from dividends from 30 per cent. to 20 per cent. for resident holders of shares. It was expected that this will be of some benefit to small investors who have to wait for quite some time to get their refunds.

He proposed to increase the rate of Super-tax in the case of non-resident companies from 38 per cent. to 40 per cent. in respect of their income other than dividends and also royalties and fees for rendering technical services received from an Indian concern under an agreement approved by the Central Government. The Super-tax on income from royalties and technical fees will be at the rate of 25 per cent. The Income-tax for these companies will continue at the existing rate of 25 percent.

It was also proposed to increase the rate of Super-tax from 25 per cent. to 35 per cent. in the case of companies other than those in which the public are substantially interested or are wholly subsidiary of public companies, namely the group generally referred to as Section 23-A companies which are now governed by Section 104 of the Income-tax Act, 1961.

Such of these companies as were engaged in specified industries will also be eligible for the proposed rebate of Super-tax equivalent to 10 per cent. of the Income-tax and Super-tax payable by them. Income-tax on dividends received by non-resident companies engaged in the specified industries will be reduced from 25 per cent to 15 per cent.

Further, he proposed to exempt such Indian companies as are now governed by Section 104 of the Income-tax Act, originally called Section 23-A companies, and are engaged in the manufacture or processing of goods or mining or generation and distribution of electricity or any other form of power, and other classes of companies as may be notified, from ~~compulsory distribution~~ the existing requirement of compulsory distribution of dividends.

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This would enable such companies to plough back their profit after tax into the undertaking to the extent it may be necessary. For companies other than these, the Central Board of Direct Taxes will be empowered to exempt such portion of the profits which it considers necessary to be retained to meet the development needs of the company, subject to the limit of 20 per cent. of the income required to be distributed.

Tax structure.— On the non-corporate side the Minister felt that the present rate structure of Income-tax and Super-tax needed revision. The structure had grown over years with annual additions and occasional reductions. He said that the personal Income-tax structure was being re-graded. This would provide a revised and simplified schedule of rates of Income-tax and Super-tax in which most of the surcharges would be integrated and would mean a reduction of tax at all levels. With this change, the burden on the incomes in the lower brackets will be substantially lower than what it is now.

He proposed to fix the Central surcharge on earned incomes above 100,000 rupees at 10 per cent. and on unearned incomes above 10,000 rupees at 12½ per cent. where such income does not exceed 25,000 rupees and at 15 per cent. where it exceeds 25,000 rupees but does not exceed 75,000 rupees and at 17.5 per cent. above that amount.

The Compulsory Deposit Scheme, which, is now only applicable to income-tax paying category of persons, who can discharge a part of their liability in respect of additional surcharge by making a deposit, would be discontinued altogether.

It was, however, proposed to introduce an Annuity Deposit Scheme to replace the Compulsory Deposit Scheme which will operate at the income level above 15,000 rupees per annum. This deposit will be at the rate of 5 per cent. in the case of assessee's having incomes between 15,000 rupees and 20,000 rupees, at 7.5 per cent. for those with incomes between 20,000 rupees and 40,000 rupees, at 10 per cent. for incomes between 40,000 rupees and 70,000 rupees, and at 12.5 per cent. where the income is above this amount. The deposit which will be compulsory for resident assessee's who are citizens of India will be allowed as a deduction in computing the total income for the year in which it is made.

It would be repayable in 10 annual equated instalments of principal and interest commencing from one complete year after the year of assessment. The deposits in 1964-65 will earn interest at a rate slightly above 4 per cent. per annum compound.

Checking evasion.- The Minister said that the revised tax structure without taking into account the capital receipts from the Annuity Deposits would mean a lowering of revenue from these sources and a compensatory lowering of tax at all levels. He expected, however, to make good this loss wholly by tightening the tax assessment and collection machinery in a number of ways.

The main steps proposed for checking evasion are five-fold. First, every tax return will carry an affirmation about its correctness. This would, induce people to take additional care in preparing their return. Secondly, the tax due according to the return would have to be deposited within one month of the submission of the return, failing which the assessee will be liable to a substantial penalty. This would ensure quicker collection. Thirdly, the existing provision in the Income-tax Act regarding the levy of penalty for concealment of income is proposed to be amended. In the new provision where the income returned by a person is less than 90 per cent. of the assessed income, the assessee should be deemed to have concealed his income unless he proves his bonafides.

Fourthly, it is proposed to take extensive powers to search for evaded wealth. The evil of unaccounted money has become so great that its mitigation, if not its total eradication, calls for drastic measures. It is intended to use the new powers effectively to ensure that no persons possessing income or wealth that has escaped assessment remains out of the reach of law.

Fifthly, it is proposed to do away with the secrecy provision in the Income-tax Act and other similar enactments. The combined effect of all these steps will, it is hoped, prove beneficial to collection of revenues as well as to ensure a fairer deal to the honest taxpayer.

Continuing the Finance Minister said that he proposed to allow rebate of Supertax on contributions to recognised Provident Funds, deposits in the 10-year and 15-year accounts of the Post Office Cumulative Times Deposit Scheme and premiums on life insurance but the limit for this purpose will continue to be at 10,000 rupees per annum. Rebate of Income-tax and Super-tax will cumulatively be limited to 50 per cent. of the payments or deposits qualifying for relief.

"Our tax rates cause some hardship to foreigners working in India. Many of them find it necessary to keep their school-going children in their own country. In Western countries there are liberal concessions in Income-tax amongst other things for the children's education. In the U.K. it is fixed at £ 150 per child.

"I, therefore, propose to allow to resident assesseees who are not citizens of India a rebate of Income-tax and Super-tax of a sum of 2,000 rupees per child up to two children under 21 years of age receiving education outside India.

"I also propose to extend the scope of two existing concessions. As the House is aware, under our Income-tax Act, certain categories of foreign technicians whose contract have been approved before their arrival, enjoy exemption from tax on their salary income for a period of three years. In the absence of prior approval, the tax exemption is limited to one year. -In some cases, it is found necessary to bring technicians at a short notice when it is not possible to obtain prior approval to their contracts of service. Sometimes it is found that the task for which a technician is brought out takes longer than was expected and the period may go beyond one year."

Tax exemption— To remove these difficulties the Minister said it is now proposed that the tax exemption for three years will be available provided approval is obtained within one year of the arrival of the technician in India. It is also proposed to extend the concession of exemption from tax to foreign teachers and professors, coming to India on approved programmes.

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Under the law, incomes arising from a business connection are liable to tax. While this principle is generally sound for developing countries, it is found necessary in the context of the present drive for higher exports to exempt from tax such income arising from purchase in India of goods which are exported. In order to encourage our exports, it is necessary to remove the disincentive of tax liability which does not exist in many other countries. It was also proposed to extend the scope of exemption from tax on interest on approved foreign lending by bringing within its scope investment in approved securities.

Capital gains.— The Minister said that at present, the law did not permit short-term gains made within one year to be treated as capital gains and treated it as income. Such short-term capital gains would also bear the surcharge in respect of unearned income. But in regard to the other types of capital gains, he proposed to make three changes. The main one was that the tax on capital gains would be on a graduated scale in future without a ceiling of 25 per cent. as at present. Secondly, the scale would be different for house and landed property and would be at the rate of 75 per cent. of the appropriate slabs in the Income-tax cum Super-tax rate of personal taxation. Other types of property would bear tax at 50 per cent. of the average rate of tax on personal income.

In regard to exporters, the existing rebate of Income-tax and Super-tax on profits derived from exports and on an amount of 2 per cent. of the proceeds of exports or sale for exports by manufacturers is proposed to be continued. It has, there however, been decided to exclude from the purview of the latter concession such articles as arms, ammunition, photographic films and newsprint and to include items such as non-jute textiles exported after February 20, 1964.

In regard to Wealth Tax he proposed to make a few minor changes in the rate structure. It has been decided to re-introduce the rate of 0.5 per cent. for Wealth Tax on the first slab of a net wealth of 400,000 rupees but beyond 100,000. Other slabs will be slightly rearranged but their rates will remain the same. It was also proposed to exempt from Wealth Tax the value of a house or part of the house owned or used by the assessee for residential purposes subject to the limit of 100,000 rupees where such a house is situated in a place with a population exceeding 10,000. Other exemptions remain.

Estate Duty.— The Minister said he proposed to completely recast the tax rate schedules of Estate Duty and Gift Tax . At present, the rates of Estate Duty are gradually reaching 40 per cent. on estates of over 5 million rupees. He proposed to replace it by a rate structure in which the rate of 40 per cent. will be reached on an estate worth over 1 million rupees, going up to 50 per cent. on the next slab of 500,000 rupees and to 85 per cent on the value of the estates over 2 million rupees. The revenue from Estate Duty would accrue mostly to the States and the revised rates would apply only to property passing on death taking place after the rates have come into force. The total additional revenue expected in 1964-65 is 30 million rupees, of which 29.5 million rupees will accrue to the States.

In the matter of Gift Tax, in the existing scales the highest rate of 40 per cent. is reached on gifts over 5 million rupees. The highest rate which it was now proposed was 50 per cent. which will be applicable to taxable gifts of a value above 345,000 rupees. The rate of 40 per cent. will apply on gifts between 145,000 rupees and 345,000 rupees. The existing exemption limit of 10,000 rupees is proposed to be reduced to 5,000 rupees. It is hoped that these changes will restrict transfer of property by gift.

Expenditure Tax.— Regarding tax on expenditure the Minister said that he had carefully considered the circumstances and difficulties which made his predecessor suspend the collection of this tax. It seems to him that these difficulties arose on account of too many exemptions and the high rates of the tax. Besides, the wording of the charging section of the Act was highly defective and considerably limited the scope of the operation on the tax. This clause has now been redrafted so as to attract Expenditure Tax on all expenditure above 36,000 rupees per annum, no matter from which source the money for expenditure came. It was also necessary to harmonize the process of lowering of the rates of Income-tax with the imposition and changes in Expenditure Tax with reduced rates.

He therefore, proposed to reduce the exemption and exceptions to the minimum, and to have the rates rising from 5 to 20 per cent. on successive slabs of 12,000 rupees. There will be no tax on first 36,000 rupees. The rate of tax will be 5 per cent. on the next 12,000 rupees, 7.5 per cent. on the slab of 12,000 rupees after that and 10 per cent. on the next slab of 12,000 rupees. It will be 15 per cent. between 72,000 rupees and 84,000 rupees and 20 per cent. above 84,000 rupees. He also proposed not to apply the highest slab of 20 per cent. for the expenditure in the year 1963-64 and 1964-65. It was also proposed to prescribe a compulsory return for certain categories of persons in order to ensure that evasion is reduced.

More Revenue.- In conclusion the Minister said: "As a result of all the changes, I have proposed in the direct taxes, there will be an additional revenue of 150 million rupees to the Centre. The abolition of the Compulsory Deposit Scheme and the introduction of Annuity Deposit Scheme will result in a net credit of 500 million rupees in 1964-65 on the capital side after allowing for a drop of 70 million rupees in the accretion to the Iron and Steel Equalization Fund.

"The combined effect of the changes in taxes and deposits will be a net gain to revenue of 400 million rupees and to capital of 500 million rupees leaving an overall gap of 860 million rupees.

"Given the present economic situation, to which I have referred earlier, this order of deficit, I think, should serve the best the requirements of growth as well as reasonable stability in prices. Honourable members would note that in my remarks today, I have given attention to the overall deficit, rather than to the position on the revenue account. With the growing importance of capital expenditure in our budgets, it is no longer sufficient merely to balance the revenue budget. Indeed, the revenue budget must yield an increasing volume of surplus if the requirements of public investment are to be met without continually growing reliance on private or foreign savings.

"In presenting the estimates for the coming year; I have taken substantial credit for higher collections of revenue by improvement in administration and stricter enforcement . On the other hand, in estimating expenditure, I have enforced very tight budgeting. I have emphasised the role of savings in the community and Government itself should set an example by economizing in expenditure and by not investing in less essential fields.

"Economy in administration is fully compatible with efficiency; and it shall be my constant endeavour to ensure that the administrative machinery of the Government is ~~regarded~~ reorganised so that it is fully responsive to this need.

"Our standards of performance, be it in economy in expenditure, or in efficiency in collection, have to improve if we are to put our limited resources to the best possible use. In formulating these proposals, my attempt has been to correct anomalies, to rationalise the structure of taxation, to initiate steps to plug loop-holes, to create incentives and to reduce unearned profits.

" Generally, I have attempted to create some cushion in our tax structure which could be relied upon in the event of an unforeseen contingency. We are passing through difficult times. We might perhaps have to face a rehabilitation problem of some dimension. Our defence requirements may also any day make a larger demand on our resources. We have to be ready to meet any such unforeseen demand by keeping a margin for safety in our budgetary transactions. But above all, we must prepare ourselves for shouldering ever-increasing responsibilities in the sphere of development, social justice and social security where, despite what has been done so far, the road ahead is still long and arduous."

(The Statesman, 1 March 1964).

Railway Budget for 1964-65: Revenue Surplus
of Rs. 308.7 Million Estimated: 2% Increase
in Freight proposed: New Pension Fund being
set up.

Shri H.C. Dacappa, Union Minister for Railways, presented the Railway Budget for 1964-65, in the Lok Sabha on 11 February 1964. No increase in passenger fares and parcel rates is proposed but the Union Minister for Railways has suggested a 2 per cent. increase in the supplementary charge on goods freight rates, including coal rates which he said was "too insignificant to affect retail prices". This would add an estimated 75 million rupees to the revenues.

He proposed a graduated increase in basic coal freight rates, with a maximum increase of 3 rupees per tonne for distances of 501 km. to 2,100 km, as a rationalisation measure to make these rates conform more nearly to haulage costs.

It is also proposed that the Railways should pay interest at 5.75 per cent. (as against 4.5 per cent. earlier) to the Central exchequer on the fresh capital made available to the Railways during the budget year and thereafter until the position is reviewed by the Railway Convention Committee in 1965.

The table below shows the main features of the budget as also the previous year's account.

(Please see table on the next page)

(Rupees in Millions)

	Actuals 1962-63.	Budget 1963-64.	Revised Estimate 1963-64.	Budget 1964-65.
Gross Traffic Receipts.	5,667.9	5,996.9	6,222.2	6,680.0*
Ordinary Revenue Working Expenses Net i.e. after taking credits or recoveries.	3,625.2	3,791.8	3,934.8	4,148.2
Appropriation to Depreciation Reserve Fund from Revenue.	670.0	800.0	800.0	830.0
Appropriation to Pension Fund.	-	-	-	190.0**
Net Miscellaneous Expenditure (including cost of works charged to Revenue).	139.5	164.0	159.6	170.8
TOTAL.	4,434.7	4,755.8	4,894.4	5,339.0
Net Railway Revenue.	1,233.2	1,241.1	1,327.8	1,341.0
Payments to General Revenues:				
(a) Dividend on Railway Capital-at-Charge (© 4.25 per cent. for 1962-63, © 4.50 per cent. for 1963-64 and © 5.75 per cent. on fresh capital for 1964-65).	687.6	806.1	825.3	907.3***
(b) In lieu of Passenger Fare Tax.	125.0	125.0	125.0	125.0
NET SURPLUS:	420.6	310.0	377.5	308.7

* This includes the effect of the adjustments in freight rates including the levy of a two per cent. supplementary charge on all basic freight rates, other than export ore, proposed in the budget for 1964-65. Total estimated increase 110 million rupees in 1964-65.

** Represents contribution from Revenue to the Railway Pension Fund to be created from 1-4-1964.

*** Includes about 15.0 million rupees due to increase in rate of Dividend (interest) from 4.5 per cent. to 5.75 per cent. on the fresh capital outlay for 1964-65.

Gross traffic receipts for 1964-65 were estimated at 6,680 million rupees, including 1,840 million rupees from passenger traffic and 4,320 million rupees from goods earnings. After paying dividend to general revenues and payments due in lieu of the passenger fare tax, together amounting to 1,032.3 million rupees, the net surplus would be 308.7 million rupees.

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Compared to this, gross traffic receipts during the current year were expected to be 6,222.2 million rupees under the revised estimate - nearly 250 million rupees more than the budget estimate. The bulk of the increase was under passenger and goods train earnings.

Railway Minister's Speech.- Explaining the Pension Fund Scheme, Shri Dasappa stated that many railway employees, who had hitherto preferred to continue under the railway contributory provident fund scheme for retirement benefits would now elect pension in view of the enhanced benefits in lower rated pensions sanctioned from 1 October 1963, and the improvement in the family pension scheme from 1 January 1964.

With large numbers of railway staff in varying age groups choosing the pension scheme, it was necessary for the Railways as a commercial department to even out the resultant fluctuating burden from year to year. That was why the pension fund was being set up, by making an annual contribution from revenue to the fund on the lines of the provision made from revenue for the Railway depreciation reserve fund.

An initial contribution from revenue of 190 million rupees would be made in 1964-65, part of which would be found by reducing the provision for Government contribution to the provident fund, since the number of non-pensionable fund scheme of retirement benefits would correspondingly decrease. The net additional cost on account of the pension fund in 1964-65 would be 150 million rupees.

There have been

Labour relations and Staff Welfare.- Shri Dasappa said: "Continued happy relations", with railwaymen. He outlined some of the staff welfare measures, including housing and medical facilities, larger number of scholarships and other educational facilities and concessions to the children of railwaymen.

The Accidents Committee had adjudged the medical facilities on the railways, both in scale and quality, as being second to those of no other organisation in India. Adequate training of staff in different categories, in the context of the increase in workload was also being continued.

The Railway Minister referred to a new form of award for good work he had instituted as an experiment in the shape of a free "educational tour on wheels" round the country provided for selected good workers and their families. He hoped that this organised tour, for which the facility of a sleeper coach has been provided, would ~~includ~~ inculcate in the workers a knowledge of the development in different parts of the country and a sense of pride in their own work as a contribution to the development.

The Railway Minister said the Indian Railways, "as the major transport system in the country", have had to assume added responsibilities in a defence-oriented economy during a period of continuing emergency. He referred to the Railways as an organisation qualified and eager to serve the nation, notwithstanding shortcomings here and there.

(The Statesman, 12 February 1964;
The Hindustan Times, 12 February,
1964).

India to get new non-project U.S. Loan
of \$ 225 Million: Agreement concluded.

India and the U.S. concluded an agreement at New Delhi on 24 February 1964, providing for an American loan of \$ 225 million (1,070 million rupees). The items of imports for which the loans will be available are: steel, non-ferrous metals, lubricants, fertilisers, machinery, rubber, tire cord, machinery parts, sulphur, ~~rubber~~, carbon black, caustic soda, DDT, chemicals, vehicle components and other components. Within these broad categories the Government of India will be free to set the amounts of imports according to the needs of the economy. Nearly 80 per cent. of the imports will be for private industry. It is expected that over 6,000 individual licences will be issued under this loan.

The loan is part of the U.S. commitment of \$ 435 million for the third year of the Plan. It carried an interest of three quarters of one per cent. per annum for the first ten years and 2 per cent. per annum for the remaining years. Repayment in dollars will be spread through 40 years after the first disbursement, with no payments for a period of ten years.

(The Hindustan Times, 25 February, 1964).

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34. Economic Planning, Control and
Development.

India - January-February 1964.

Pattern of Income Distribution in India
from 1953 to 1957.

An article on the Pattern of Income Distribution in India 1953-54 to 1956-57 has been published in the Reserve Bank of India Bulletin, September 1963. The following is a brief review of this article.

Introduction.- The article represents on the basis of the estimates of income distribution, the income distribution pattern in India in terms of the relative shares of ten decile groups of house-holds and of the top five per cent. of households as well as in terms of concentration ratios during the period 1953-54 to 1956-57 and the changes in this pattern during period II (1956-56 to 1956-57) over period I (1953-54 to 1954-55) for all-India as well as rural and urban sectors separately. For this purpose, the low income households (with income equal to or less than Rs.3,000 per year) have been sub-divided into ten income groups on the basis of the NSS data relating to consumers' expenditure.

~~The chief limitations of these estimates have been already pointed out in the earlier article.~~ Because of certain limitations, the results of this investigation should not be taken as definitive. It is, however, worth emphasising that the results of this investigation are likely to be more reliable than the estimates based only on either the income tax data or the survey data. In the present estimates, the total number of households is independently estimated from the population data and the total income, from the national income data; and as far as the income tax data and the survey data are concerned, only the proportions revealed in these data are used. Thus, the results are consistent with the estimates of aggregate income and households.

Pattern of Income Distribution: 1953-54 to 1956-57.— On the basis of the estimated pattern of income distribution, Lorenz curves were drawn. The table below is based on the Lorenz charts and gives income (both personal and disposable) accruing to the top 5 per cent. of households and each decile group of households during 1953-54 to 1956-57.

(Percentage)

Households.	Personal Income.			Disposable Income.		
	Rural Sector.	Urban Sector.	All-India.	Rural Sector.	Urban Sector.	All-India.
Top 5 per cent.	17	26	20	17	24	19
Top tenth.	25	37	28	25	36	28
Second "	14	12	14	14	11	14
Third "	13	10	13	12	11	12
Fourth "	9	8	9	10	8	9
Fifth "	9	8	8	9	8	9
Sixth "	8	6	8	9	7	8
Seventh "	7	6	6	7	7	6
Eighth "	6	6	6	5	4	6
Ninth "	5	4	5	5	4	5
Bottom "	4	3	3	4	4	3
Concentration ratio.	0.310	0.400	0.340	0.306	0.382	0.335

The top decile accounts for 28 per cent. of personal income and the bottom decile for only 3 per cent.; the top 5 per cent. of households accounts for 20 per cent. of personal income. The distribution pattern of disposable income is more or less similar to that of personal income. The concentration ratio for disposable income is only slightly lower (0.335) than that for personal income (0.340); direct taxes seem to affect only the top 5 per cent.

Income distribution is more uneven in the urban sector than in the rural sector; the urban sector concentration ratio for personal income is 0.400, while this ratio for the rural sector is only 0.310.

It is significant to note that though the concentration ratio for personal income declined slightly from period I to period II because of the change in the distribution pattern in the rural sector, the concentration ratio in the urban sector actually increased from 0.378 during period I to 0.421 during period II.

This is illustrated in the following table. It was only in period II that a substantial acceleration in capital formation under planned development took place, particularly in the urban sector and this seems to have made the pattern of income distribution ~~more~~ ~~the pattern of income distribut~~ more uneven in the urban sector. Again, it may be noted that this increase in the concentration ratio in the urban sector is associated with a rise in the saving-income ratio in the urban sector and hence in the aggregate household sector; the saving-income ratio in the urban sector rose from 12.5 per cent. during period I to 19.5 per cent. during period II.

	Period I		Period II		Savings-Income ratio* (Percentage)	
	Personal Disposal Income.	Personal Disposal income.	Personal Disposal income.	Personal Disposal income.	Period I	Period II
Rural household sector.	0.305	0.304	0.304	0.301	2.6	2.6
Urban household Sector.	0.378	0.368	0.421	0.405	12.5	19.5
All-India (Household Sector).	0.349	0.342	0.341	0.335	5.3	7.5

* Source: Bhatt, V.V., Estimates of Saving and Investment in the Indian Economy, Reserve Bank of India Bulletin, August 1961. This refers to the ratio of net saving to disposable income.

NOTE:- Period I refers to years 1953-54 and 1954-55 and Period II refers to years 1955-56 and 1956-57.

Concluding Observations.- This comparative study of the income distribution pattern in India and some of the developed countries leads to the following tentative conclusions. These conclusions are inevitably very tentative because of the likelihood of a large degree of error in the estimates with regard to India as well as one of the developed countries.

(1) The pattern of income distribution in India is more or less similar to that in some of the developed countries and is more even than that in some of the underdeveloped countries and the pre-1930 pattern in some of the developed countries.

(2) However, the distribution pattern in the urban sector seems to be more uneven in India than in some of the developed countries and the trend seems to have been towards an increase in the degree of inequality in income distribution in the urban sector in India.

(3) In the rural sector, there seems to have been much less difference between the distribution pattern in the developed countries and the underdeveloped countries than that between countries with large-scale capital intensive agriculture and those with less commercialised and less capital intensive agriculture.

(4) As in some of the developed as well as the underdeveloped countries, in India, too, the distribution pattern in the rural sector is more even than that in the urban sector.

(5) The system of direct taxes is more effective in the developed countries in reducing the degree of inequality in income distribution than it is in the underdeveloped countries; the disparity between the concentration ratios with regard to personal and disposable (post-tax) income is much wider in the developed countries than in the underdeveloped countries.

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Finance Minister urges Vigilance on
Prices: Economic Survey for 1963-64
presented to Parliament.

The Economic Survey for 1963-64 was placed on the table of the Lok Sabha by the Finance Minister, Shri T.T. Krishnamachari on 21 February 1964.

The Survey presents a picture of India's economic growth showing "promise of rising growth rates" in the basic fields of industry but the Finance Minister admitted that the rates were somewhat below the Plan expectations.

The Survey says: "In the ultimate analysis a lasting solution to India's major economic problems can be sought only within the framework of a rapidly expanding economy. The need for accelerating the pace of growth has become all the greater in the context of substantially larger defence requirements.

"At the same time the acceleration of economic growth must be achieved in an environment of reasonable stability of prices, if the levels of living at the most vulnerable points in the society are to be protected and raised, and if the economy as a whole is to be freed progressively from dependence on external assistance."

The Survey emphasised that in the coming months it would be necessary to "strengthen the forces which contribute to higher levels of growth" not only in industry but also in agriculture. Stressing the need for "continuing vigilance over prices", the Survey points out that the current wholesale and consumer price trends reflected the growing pressure on supplies of grain and other essential commodities. This was attributable to both a rise in demand and a shift in the pattern of consumption. While the ultimate solution to the price problem lay only in an increase in production, continued action would be required to avoid excess demand and to strengthen governmental control over distribution.

Referring to the country's balance of payments position the Survey shows the Government's concern over the growth in the external debt falling due for repayment over the next few years. But it gives out the cheerful news that in 1963-64 India would have repaid a part of its drawals from IMF while the year before it had actually borrowed from that agency. Increased export earnings during the year had been the major factor contributing towards this improvement.

Reviewing the current year's Budget the Survey noted that the increased taxes on kerosene had checked the rising trend in consumption with a resultant relief to the balance of payments.

A considerable part of the Survey is devoted to an analysis of the production trends in different fields, the price trends and of short-term measures taken to correct deficiencies. It mentioned the Government's decision to step up the procurement of rice to build up a substantial stock.

On measures to stimulate production, it especially referred to the price support and buffer stock schemes for raw jute, and to the raising of the minimum prices of wheat and sugarcane and the procurement prices of rice.

It also made special mention of the fiscal and price policies employed to stimulate production in priority industries, such as cement and coal, and said that the problems of steel, coal and electricity were receiving more detailed examination.

The Survey emphasised that the need to accelerate the rate of growth had become all the greater in the context of substantially larger defence requirements.

This must be achieved "in an environment of reasonable stability of prices", if the levels of living at the most vulnerable points in society were to be protected and raised and if the economy was to be freed from dependence on external assistance.

The Survey said indications were that the rise in national income in real terms would be higher in the current year than in the first two years of the Plan.

The favourable situation in regard to transport, power, and others which existed now would have to be made full use of so as to push production and incomes still higher during the remaining years of the current Plan.

It was estimated that the flow of production inputs to agriculture would be considerably higher in the coming years and said "the dependence on weather conditions should be further reduced".

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The Survey pointed out that the capacity of the cement industry was expected to rise by more than a third during the next two years. The petroleum refining capacity was expected to go up over the next two years from the current level of 6.8 million tonnes to 17.3 million tonnes.

It was hoped that as a result of the expansion of capital goods output and of the production of import substitutes, such as fertilisers and steel, the import content of economic development would be reduced.

Nevertheless, it was stated, there was an urgent need to increase export earnings further to enable larger imports of components and raw material to make full use of the industrial capacity and to reduce dependence on external assistance.

(The Statesman, 22 February, 1964).

36. Wages.

India - January-February 1964.

Iron Ore Mining Industry: Central Government
accepts Wage Board's Recommendation for
Interim Wage Increase.

A Resolution dated 5 February 1964 of the Ministry of Labour and Employment, Government of India, says that the Central Wage Board for the Iron Ore Mining Industry, set up by the Government of India by their Resolution dated 3 May 1963, has considered the ~~question~~ question of interim wage increase for workers. Its recommendations on the subject are appended.

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

Wage Board's Recommendations.- The Board received requests from labour organisations and Unions for an interim wage increase. The Board ~~thereupon~~ invited from employers and from labour their views in writing and also heard their oral submissions. After carefully considering all relevant questions, the Board is satisfied that the demand of labour for an interim wage increase is justified and makes the following recommendations:-

1. All workmen (time-rated as also piece-rates) as defined in the Industrial Disputes Act, working in Iron Ore Mines should be paid an interim increase as worked out below:-

Note: Workmen employed by or through contractors in all processes directly connected with the raising and despatch of iron ore will also be entitled to the interim increase.

2. The minimum emoluments of an unskilled worker should be raised to Rs.2.50nP. per day or Rs.65 per month.

Note:- Emoluments include Basic wages, Dearness Allowance, cash food subsidy and/or value of food concessions in cash or in kind but not bonus.

3. Employers giving foodgrains at concession rates to workmen shall work out the value of food concessions as on 1-12-1963. Thereafter, they shall work out as to what increase the minimum paid workman would get in a particular Mine on the basis of the above minimum emoluments. All workmen in that mine should be given this amount as interim wage increase.

4. The interim wage increase shall not count for Dearness Allowance or bonus, if any; but shall be taken into account for other purposes like provident fund, over-time, leave with pay, paid holidays, maternity leave, retirement benefits, etc.

5. All workmen should get a minimum interim increase of Rs.7.80nP. per month (i.e. 0.30nP. per day).

6. In case of workman, whose total emoluments are Rs.100 and above, but less than Rs.150 should be paid an interim wage increase of Rs.10.40nP. per month (or 0.40nP. per day) and those who get Rs.150 and above shall be paid Rs.13 per month (or 0.50nP. per day).

7. In those cases, where workmen are already getting an interim wage increase as a result of recommendations of the Iron & Steel Industry Wage Board, no further interim increase will be given.

8. The amount of interim relief shall be shown as a separate item, till the final recommendations of the Wage Board are made and thereafter such final recommendations will prevail.

9. The interim wage increase should be paid with effect from 1-1-1964.

10. The employers' representatives on the Board stated that the above increase will have the effect of increasing the cost of production of iron and steel and will also affect them in respect of exports. The Board has not been able to examine these points carefully at this stage though it does feel that there is a prima facie case on these points. The Board would recommend to Government to examine these questions and take appropriate action.

Limestone and Dolomite Mining Industries:
Central Government accepts Wage Board's
Recommendation for Interim Wage Increase.

A Resolution dated 5 February 1964 of the Ministry of Labour and Employment, Government of India, says that the Central Wage Board for the Limestone and Dolomite Mining Industries, set up by the Government of India by their Resolution, dated 3 May 1963, has considered the question of interim wage increase for workers. Its recommendations on the subject are appended.

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

Wage Board's Recommendation.- The Board received requests from labour organisations and Unions for an interim wage increase. The Board thereupon invited from employers and from labour their views in writing and also heard their oral submissions. After carefully considering all relevant questions, the Board is satisfied that the demand of labour for an interim wage increase is justified and makes the following recommendations:-

1. All workmen (time-rates as also piece-rated) as defined in the Industrial Disputes Act, working in limestone and dolomite mines should be paid an interim wage increase as worked out below:-

Note:- (i) Workmen working in captive lime kilns connected with limestone quarries/mines will also be entitled to the interim wage increase.

(ii) Workmen employed by or through contractors in all processes directly connected with the raising and despatch of limestone and dolomite and manufacture of lime in such captive lime kilns will also be entitled to the interim wage increase.

2. The minimum emoluments of an unskilled workman should be raised to Rs.2.50nP. per day or Rs.65 per month.

Note:- Emoluments include Basic wages, Dearness Allowance, cash food subsidy and/or value of food concessions in cash or in kind but not bonus.

3. Employers giving foodgrains at concession rates to workmen shall work out the value of food concessions as on 1-12-1963. Thereafter, they shall work out the increase the minimum paid workman should get in a particular Mine on the basis of the above minimum emoluments. All workmen in that mine will be given that amount as interim increase.

4. The interim wage increase shall not count for Dearness Allowance or bonus, if any; but will be taken into account for other purposes like provident fund, over-time, leave with pay, paid holidays, maternity leave, retirement benefits, etc.

5. All workmen should get a minimum interim wage increase of Rs.7.80nP. per month (i.e. 0.30nP. per day).

6. In case of workmen, whose total emoluments are Rs.100 and above, but less than Rs.150 should be paid an interim wage increase of Rs.10.40nP. per month (or 0.40nP. per day) and those who get Rs.150 and above should be paid Rs.13 per month (or 0.50nP. per day).

7. In those cases, where workmen are already getting an interim wage increase as a result of recommendations of the Iron and Steel Industry Wage Board, no further interim wage increase will be given.

8. The amount of interim wage increase shall be shown as a separate item, till the final recommendations of the Wage Board are made and thereafter such final recommendations will prevail.

9. The interim wage increase should be paid with effect from 1-1-1964.

(The Gazette of India, Part I, Sec.1,
15 February 1964, pp. 65-66)

Kerala: Revised Minimum Rates of Wages
Fixed for Employment in Cashew Industry.

In exercise of the powers conferred under the Minimum Wages Act, 1948, and in supersession of the notification dated 26 April 1960 the Government of Kerala, after consulting the Advisory Board, has revised the rates of minimum wages for employment in cashew industry with effect from 1 February 1964. The following are the revised rates of minimum wages.

I. Minimum piece rates for Shelling and Peeling:

- (a) Shelling. 9nP. per 450 grams of shelled whole kernels delivered at the weighing machine.
- (b) Peeling. 11nP. per 450 grams of peeled kernels delivered at the weighing machine.
- (c) Peeling) 7nP. per 450 grams of peeled
shelling) kernels delivered at the
pieces.) weighing machine.
- (d) Peeling) 14nP. per 450 grams of peeled
Kattals) kernels delivered at the
(unpeelable). weighing machine.

II. Minimum Time-rates for other workers:

Category.	Rate. <u>Rs.</u>	Period.
(a) Grader Tin filler Mycaud (female).	1.40	per day.
(b) Mycaud (male).	2.05	"
(c) Stencilling and packing scrubber, Oil bath roaster bag carrier (full time).	2.30	"
(d) Roaster Fireman Tinker.	2.50	"
(e) Borma worker.	60.00	per month.
Kernel checker.	42.00	"
(f) Adolesents working on time rates shall be paid 2/3 of the wage of adults in each category.		

III. Dearness Allowance - Sliding Scale.

The above wages are fixed in relation to an index number of 400 in the Quilon cost of living index. All workers shall be paid in addition to the above wages a dearness allowance calculated at the rate of 1nP. per day for every 3 full points in the cost of living index for Quilon in excess of 400. In case of monthly rated workers the rate shall be 25nP. per month for every 3 points in excess of 400.

The rate of dearness allowance payable each year beginning from 1 January shall be based on the average of the index number of Quilon for the preceding twelve months ending 31 October. The rate so arrived at shall remain constant for the whole of that calendar year. The average of the index for the 12 months ending 31 October 1959 being 450, the dearness allowance payable in the year 1960 shall be 16nP. per day and Rs.4.00 per month for adults. The dearness allowance at the rates specified above shall be paid up to a rise of 475 points in the cost of living index and if there is any rise above 475 points the position will be reviewed. Exception:- Piece rate workers in the shelling and peeling sections, who fail to give the minimum output stipulated below on any particular day shall not be eligible to receive the dearness allowance for that day.

Shelling.	3.6 Kilograms of shelled whole kernels.
Peeling.	2.7 Kilograms of Peeled whole.
Peeling Shelling pieces.	4.5 Kilograms of Kernels peeled.
Peeling Kettals.	2.25 Kilograms of peeled kernels.

H.B.- This exception will not apply to cases in which the workers have not been supplied with sufficient materials to give the minimum output. Adolescents shall be paid 2/3 of the dearness allowance of adults.

IV. Guaranteed Minimum Daily Wage.

Piece rated workers in the shelling and peeling sections shall be given a guaranteed minimum daily wage. A worker shall be entitled to receive this guaranteed minimum wage prescribed below (plus the dearness allowance to which he or she is eligible) only if the minimum quantum of work stipulated below is done with the normal and customary proportion of wholes and broken.

Operation.	Minimum output to qualify for receiving the guaranteed minimum wage.	Guaranteed minimum wage. nP.
1. Shelling.	4.5 Kilograms of shelled whole kernels.	90
2. Peeling.	3.6 Kilograms of peeled whole kernels.	88
3. Peeling Shelling pieces.	5.4 Kilograms of peeled kernels.	84
4. Peeling kattals.	2.7 Kilograms of peeled kernels.	84

N.B.- It is the employers' obligation to provide all workers who are employed on a day the minimum quantum of work to enable them to give the output stipulated above, maintaining the normal and customary proportion of wholesand broken and the worker shall not be denied the guaranteed minimum of his/her failure to give the minimum outputs due to the failure of the employer to supply the requisite materials.

The employers shall provide sufficient materials to the workers for work from 8 a.m. to 5 p.m. during working days failing which the guaranteed minimum wages at the rates specified shall be paid.

(Notification No.83954/HL/62/HLD dated 4 January 1964; Kerala Gazette, Part I, 14 January 1964, page 28).

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

INDIA - JANUARY-FEBRUARY 1964.

41. Agriculture.

Kerala Land Reforms Act, 1963 (No.1 of 1964).

The Kerala Land Reforms Bill (vide pages 25-26 of the report of this Office for September 1963) as passed by the State Legislature received the assent of the President on 31 December 1963 and has been gazetted as Act 1 of 1964. A summary of the salient provisions of the Act is given below.

Chapter II of the Act contains provisions regarding tenancies. As regards fixity of tenure Section 13 of the Act provides that notwithstanding anything to the contrary contained in any law, custom, usage or contract, or in any decree or order of court, every tenant shall have fixity of tenure in respect of his holding, and no land from ~~reform~~ the holding shall be resumed except as provided in sections 14 and to 22. Sections 14 to 22 provide for resumption of land for extension of places of public religious worship, for construction of residential buildings, for personal cultivation, and for certain other purposes.

Fair Rent.— The fair rent in respect of a holding shall be the rent payable by the cultivating tenant to his landlord and it shall be the rent calculated at the rates specified in Schedule III applicable to the class of lands comprised in the holding or the contract rent, whichever is less. Schedule III specifies the various rates of fair rent which vary from one-sixteenth to one-third of the gross produce of the land.

This provision relating to fair rent will, however, not apply to lands held by religious charitable and educational institutions.

Landlords are given the right to sue for eviction of tenants, failing to pay rent for two consecutive years. Cultivating tenants are to be given the right to purchase the rights of landowners and intermediaries in the holding straightaway by application to the Land Tribunal. If the owners happened to be religious, charitable or educational institutions, they will have option to vest their interests in the Government in consideration of payment of an annuity. The cultivating tenants have to pay a price equal to ~~the~~ 16 times their rent in addition to the value of structures of a permanent nature on the holdings.

Chapter III of the Act deals with restrictions on ownership and possession of land in excess of ceiling area and disposal of excess lands. The ceiling area of land shall be,-

(a) in the case of an adult unmarried person or a family consisting of not more than five members, twelve standard acres; and

(b) in the case of a family consisting of more than five members, twelve standard acres increased by one standard acre for each member in excess of five, so however that the total extent of the ceiling area shall not exceed twenty standard acres:

The ceiling area shall, in no case, be-

- (i) less than fifteen acres in extent; or
- (ii) more than thirty-six acres in extent.

For the purposes of this Chapter, all the lands owned or held individually by the members of a family or jointly by some or all of the members of such family shall be deemed to be owned or held by the family.

Categories of land included for the purpose of exemption from the ceiling are those under the management of the Court of Wards, Kayal Padasekharas (reclaimed backward lands) in Kuttanad and papper and ~~awscanut~~ gardens. The Government is to empowered to exempt lands required for bona fide plantation, industrial or commercial purposes, besides lands required for dairy and cattle breeding farms.

Compensation.— Where ownership or possession or both of any land is surrendered by, or assumed from, a person or is vested in the Government under section 86 or section 87, such person shall be entitled to compensation. Where the rights of an intermediary are extinguished, such intermediary shall also be entitled to compensation.

The compensation payable to an owner for the surrender or assumption of ownership and possession of land shall be fifty-five per cent. of the market value of the land and improvements, if any, thereon.

The compensation payable to the landowner, intermediary, or cultivating tenant for the surrender, assumption, vesting in the Government or extinguishment of their rights shall be the portion of fifty-five per cent. of the market value of the land and the improvements, if any, thereon that will fall to his share if such value were apportioned among the landowner, cultivating tenant and intermediary, if any, in respect of the land, according to the following provisions:—

(i) the portion of the compensation for any building or other improvements shall be set apart to the persons to whom such building or other improvement belongs;

(ii) ninety per cent. of the portion of the compensation for the site of any homestead or hut in the occupation of a kudikidappukaran shall be deducted from the total amount of compensation;

(iii) the balance remaining after deducting the amounts referred to in clauses (i) and (ii) shall be apportioned among the landowner, the intermediaries and the cultivating tenant in proportion to the profits derivable by them from the land immediately before the surrender, assumption or vesting in the Government, as the case may be.

The compensation or the amount of encumbrance, as the case may be, shall be paid either in cash or in negotiable bonds redeemable in sixteen years and carrying interest at the rate of 4½ per cent. per annum with effect from the date on which the ownership or possession or both of the land has or have vested in the Government under section 86 or section 87, or partly in cash and partly in such bonds, in such manner as may be prescribed.

Chapter IV of the Act contains miscellaneous provisions relating to constitution of Land Tribunal, Land Board, powers of the Tribunal and the Board, provision for revision by the High Court against orders of Board or Tribunal, constitution of Agriculturist Rehabilitation Fund, and procedure for applications to Board or Tribunal.

(Kerala Gazette, Extraordinary,
14 January 1964, pp. 1-109).

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CHAPTER 5. WORKING CONDITIONS AND LIVING
STANDARDS.

INDIA - JANUARY-FEBRUARY 1964.

50. General.

Conditions of Work of Staff on Indian
Railways: Railway Board's Annual
Report for 1962-1963.

The following information regarding conditions of work of railway employees in India during the year ending 31 March 1963 is taken from the Annual Report of the Railway Board on Indian Railways for 1962-1963*.

Number of Staff.- The total number of employees, permanent and temporary, on all the railways (including non-Government Railways) and in the office of the Railway Board and other offices attached and subordinate thereto, including staff employed on construction works, at the end of 1962-63, was 1,217,557** compared with 1,179,902** at the end of 1961-62. Of this number, the non-Government Railways accounted for 5,517 employees at the end of 1962-63, against 5,453 at the end of the previous year.

* Government of India: Ministry of Railways (Railway Board): Report by the Railway Board on Indian Railways for 1962-63: Published by the Manager of Publications, Delhi, 1964: pp. viii+113.

** These figures exclude casual labour.

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The strength of staff on the Government Railways, increased by 37,591 or 3.2 per cent. in 1962-63, as compared to 1961-62. This small increase should be viewed in relation to the higher rate of increase in the volume of traffic handled and the transport output on the Indian Government Railways and the increase in track kilometres. The passenger traffic, in terms of number of passengers originating increased by 3.36 per cent. in 1962-63 over 1961-62, passenger kilometres by 2.68 per cent., goods traffic in terms of tonnes originating, by 11.4 per cent., net tonne kilometres by 10.4 per cent., train kilometres by 3.11 per cent. and track kilometres by 2.25 per cent.

The total cost of staff, those on loan from the Indian Audit and Accounts Service, went up by 186.2 million rupees during the year, compared with the last year. The increase in cost may be attributed to the increase in the strength of staff to cope up with the increase in traffic, the annual increments, etc.

Details of the number and cost of staff on the Indian Government Railways are given below:-

(Please see table on the next page)

Class of Staff.	Number of Staff (in Units) &&				Cost of Staff (In Million Rupees) &	
	Open Line.	Construction.	Total.			
	1961-62*	1962-63	1961-62*1962-63	1961-62*1962-63	1961-62*1962-63	1961-62*1962-63
Class I & II.	4,288£	4,662@	547 644	4,785£ 5,306@	56.1	61.0
Class III.	462,170	475,961	10,901 12,804	473,071 488,765	1,243.7	1355.2
Class IV.	694,321	715,479	2,272 2,490	666,593 717,969	844.9	914.7
Total.	1160,729£	1,196,102@	13,720 15,938	1174449£1212040@	2144.7	2330.9

- * Revised.
- £ Excludes 4 officers on loan from Indian Audit and Accounts Service.
- @ Excludes 5 officers on loan from Indian Audit and Accounts Service.
- & The figures of cost of all Railways represent pay, allowances, passages, provident fund contributions, gratuities, pensionary benefits and grainshop concessions.
- && These figures exclude casual labour.

The total number of employees belonging to scheduled castes and scheduled tribes at the end of 1962-63 on the Government Railways, including the office of the Railway Board and other offices subordinate thereto and including staff employed on construction works was as under:-

	<u>Scheduled Castes.</u>	<u>Scheduled Tribes.</u>
Class I.	50	3
Class II.	51	6
Class III.	38,941	3,837
Class IV.	153,017	24,988
Total.	192,059	28,834

Recruitment and Promotion.- Seventeen training courses were held for officers of the various departments, and a total of 279 probationers, temporary officers, class II officers and section officers of the Railway Board Seretaryat Service were trained at the Railway Staff College, Baroda. Besides these officers, courses, a refresher course which was attended by 23 senior officers of Transportation (Traffic) and Commercial Department was also conducted. The training courses included case studies and group discussions on personnel management.

Twenty three instructional tours for the trainee officers were organised.

Sixty five officials (43 gazetted and 22 non-gazetted) who were sent for training abroad, were also briefed at the College.

Railway Service Commissions.— Some of the important statistics relating to the recruitment of staff by the Railway Service Commissions headquartered at Allahabad, Bombay, Calcutta and Madras are given below:—

	Degree/Diploma Holders. (Engineering)	Others.
(a) Number of posts indented by the Railways.	2,820	24,514
(b) Number of applications received.	26,759	301,303
(c) Number of candidates called for test/interviews.	8,876	212,720
(d) Number of candidates recommended.	2,226	16,911

The variation between items (a) and (d) is due partly to the fact that some of the indents related to the posts required in the following financial year and partly to the difficulty experienced in getting suitable candidates for recruitment, particularly in technical categories.

A rough assessment of class III technical staff required by the Indian Railways (except the Northeast Frontier Railway) during the year 1963-64, which will be available by direct recruitment or training of apprentices, is as follows:—

	Civil engineering.	Mechanical engineering.	Electrical engineering.	Signal and tele-communications engineering.
Degree Holders.	97	34	129	5
Diploma Holders.	504	341	285	83

Recruitment of Scheduled Castes and Scheduled Tribes in non-gazetted Railway Services.— Indents were placed by the Railways on the Railway Service Commissions for 3,609 Scheduled Caste and 1,820 Scheduled Tribe candidates for filling up class III posts. The Commissions recommended 2,470 Scheduled Caste and 308 Scheduled Tribe candidates.

The shortage of candidates from these communities has been persisting in the case of technical categories. In order to make up the deficiency of Scheduled caste and Scheduled tribe candidates, the General Managers of Indian Railways continued to exercise the special powers vested in them, i.e., the power to select candidates from those communities with relaxed standards of suitability without reference to the Railway Service Commissions. These selections supplemented those made by the Railway Service Commissions.

The recruitment position of scheduled castes and scheduled tribes on the Railways as a whole showed signs of improvement as revealed by the figures given below:-

Category.	Number of posts Reserved.		Number ^{actually} employed Recruited.	
	Scheduled Castes.	Scheduled Tribes.	Scheduled Castes.	Scheduled Tribes.
Class III.	1,238	1,167	1,290	320
Class IV.	4,269	2,667	6,449	1,572

NOTE.- The number recruited exceeds the number reserved, this being due to making up for previous shortfalls in recruitments against the reserved quota.

Training.- Out of 337 recommendations of the Railway Technical Training Schools Committee, 329 were finalised, the remaining 8 being under examination by the Railway Board at the end of the year.

Theoretical and practical training was imparted to class III and class IV staff, in the existing zonal/system training schools. In addition, practical training facilities were provided in the workshops, sheds and the divisional training centres for class IV staff. During the year under report, 2,327 apprentices mechanics, trade apprentices and apprentice train examiners were recruited, 2,838 completed training and 5,069 were under training at the end of the year.

Relations with labour.- Relations between the railway administrations and organised labour remained very cordial during the year under review.

The additional burden of work placed on railwaymen during the National Emergency, promulgated by the Government following the Chinese aggression on Indian soil, was shouldered with dignity and pride and the entire railway labour rose resolutely to the clarion call of the Prime Minister for a "total national effort". The two labour federations and their affiliated unions on railways gave their unstinted support in getting the more output from staff through increased hours of work, wherever necessary, and in raising funds for the Prime Minister's National Defence Fund. The total contribution to this Fund by railwaymen as on 31 March 1963 exceeded 6 million rupees. In addition, over 500 grams of gold and several gold ornaments including gold medals were also contributed by railway employees.

Permanent negotiating machinery for settlement of disputes.- In spite of the pressure of work in the context of the National Emergency, meetings under the permanent negotiating machinery continued as before.

At the first tier of the machinery, viz., on the zonal railways, 37 meetings were held at the headquarter's level and 898 meetings at the district/divisional/workshop level during the year. In all, 18,350 items were discussed at these meetings and over 88 per cent. of these items were finalised within one year and this included disposal of about 74 per cent. of the items within 3 months.

At the second tier of the machinery, at the Railway Board's level, 6 periodical meetings were held with the National Federation of Indian Railwaymen and the All India Railwaymen's Federation. A total of 158 items were discussed at these meetings and nearly 92 per cent. of these items were finalised within the year 1962-63.

During the year 1962-63, it was decided to accept the recommendations of the Justice Sankar Saran ad hoc Tribunal in toto and instructions, where necessary, were issued to give effect to this decision.

Joint Committees of Management and Staff.- At the close of the year 1962-63, the number of joint committees functioning on the railways was over 480. The object of these committees is to foster a sense of partnership among staff of different grades in the task of providing efficient service to the public and to take workers into confidence in all matters, especially where the question of efficiency and safety of the travelling public is concerned.

Working of Staff Councils and Advisory Committees for Welfare Works.- The number of staff councils functioning on the railways during 1962-63 was 304 and 742 meetings were held. Deliberations of these bodies were useful in promoting better understanding between the administration and the staff.

The advisory committee for welfare works on each railway, at which representatives of labour are also associated in the formulation of welfare schemes, functioned satisfactorily.

Implementation of Labour Laws.- The total number of staff governed by the provisions of the Indian Railways Act relating to hours of employment under different classifications was 1,491,014 during 1962-63 against 1,390,731 in 1961-62.

The number of transfers regular railway employees and departmental casual labour governed by the Payment of Wages Act on the railways, during 1962-63 was 1,604,329 against 1,442,341 in 1961-62.

There were 233 railway installations, such as major workshops, electrical power houses and sub-stations, printing presses, etc., governed by the Factories Act, 1948. The number of staff of different categories including casual labour in these factories was 186,002. A total of 101 canteens had been provided in these factories. Overtime payment made during the year to the workers in these factories under the departmental orders and the provisions of the Factories Act amounted to 5,479,762 rupees and 4,990,660 rupees respectively.

Infringements and lapses in the working of the Hours of Employment Rules, Payment of Wages Act, Minimum Wages Act, 1948 and Factories Act, 1948, brought to the notice of the railway administrations by the competent officials of the Ministry of Labour, were investigated and steps taken to rectify them promptly.

The following is the position in regard to the number of accidents to railway staff which took place during the year 1962-63, the number of accidents in which compensation was paid and the amount of compensation paid under the Workmen's Compensation Act, 1923:-

Nature of accidents.	Number of accidents which took place during the year 1962-63.	Number of accidents in which compensation was paid.	Amount of compensation paid. <u>Rs.</u>
Death.	341	217	1,266,143
Temporary Disablement.	41,306	21,252	623,488
Permanent Disablement.	444	367	278,685

The following payments were also made in 1962-63 as compensation on account of accidents which had taken place earlier:

Nature of accident.	Number of accidents in which compensation was paid.	Amount of compensation. <u>Rs.</u>
Death.	222	585,312
Permanent disablment.	491	371,559
Temporary disablement	26156	472,643

Service Conditions of Staff.- The age of compulsory retirement of railway servants was raised from 55 years to 58 years from 1 December, 1962.

As a measure of liberalisation, the temporary railway employees with not less than three years' service, were made eligible for the grant of educational assistance from railway revenues, for the education of their children. This concession was hitherto admissible only to permanent employees.

During the year under review, the Government of India, accepted in toto the recommendations made by Justice Sankar Saran ad hoc Tribunal regarding the percentage distribution of posts in the categories of clerks and clerical supervisors in the Accourts and other departments, train clerks, signallers and station masters/assistant station masters. The revised percentages were given effect to from 1 October, 1962.

Labour Welfare.- (i) Railway Schools.- During the year 1962-63 one high school was upgraded to higher secondary school standard; two schools, one middle school and one primary school, were upgraded to high schools. Thirteen additional single-teacher primary schools were opened and 60 single-teacher schools were converted into two-teacher schools.

The total number of schools functioning on the Railways during 1962-63 was 715 (intermediate 2, higher/high 36, middle 25, and primary 652). A total of 100,475 pupils were on rolls in these schools.

Against a capacity of 594 in all the 12 subsidised hostels in the major linguistic areas, the total number of children admitted during 1962-63 was 547.

(ii) Staff Benefit Fund.- A contribution from railway revenues at a rate of Rs.4.5 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. The Staff Benefit Fund Committees at the headquarters/divisional levels, consisting of representatives of recognised unions, staff and the administration, managed the fund. The balance in the Fund brought forward from the preceding year amounted to 1.797 million rupees and a further sum of 5.421 million rupees was credited to the Staff Benefit Fund of the different railway administrations during the year. Of the total amount of 5,866,245 rupees spent during the year, the expenditure on relief of distress and assistance to sick employees was 2,385,498 rupees, on education of children and staff 1,940,386 rupees, on sports 627,611 rupees, on recreation and amusement 642,482 rupees, on scouting 118,535 rupees and on miscellaneous items 151,733 rupees.

(iii) Canteens.- Besides canteens statutorily required to be provided under the Factories Act, 1948, the railways also provided, as a measure of staff welfare, canteens at places having concentration of staff. The number of canteens rose from 239 in 1961-62 to 259 in 1962-63.

(iv) Institutes and clubs.- Institutes and clubs on the Railways functioned satisfactorily.

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For extending some of the facilities provided in the Railway Institutes to railway staff posted at wayside stations, mobile libraries, stocked with adequate number of books on various subjects, functioned satisfactorily on seven railways.

(v) Holiday homes.- Holiday homes for class III and Class IV staff at various places continued to be popular. This amenity was made use of by more than 2,000 employees during the year.

(vi) Children's camps.- Seven children's camps were organised by Railways during 1962-63 in which about 1,000 children participated. Expenditure on these camps was largely met from the Staff Benefit Fund, the amount payable only by parents being kept sufficiently low so as to bring this amenity within the reach of the lower paid staff. Organisation of such camps was, however, suspended after declaration of the Emergency in October, 1962.

(vii) Scholarships for technical education of children of railway employees.- Under this scheme, financed from the Staff Benefit Fund, 994 scholarships ranging from 15 rupees to 50 rupees per month, and, in special cases, upto 70 rupees per month, were awarded during the year, in addition to 1,650 scholarships continuing from the preceding years. The total amount spent on such scholarships during the year was 954,024 rupees.

(viii) Scouting.- Scouting activities on Railways maintained their tempo, and the strength of the Organisation showed an increase during the year under review. Several training camps, service camps and rallies were held at usual during the year.

(ix) Vocational Training centres.- Technical training to unskilled and semi-skilled staff during their off duty hours was imparted at 26 training centres with a view to improving their prospects of promotion to higher grades, in addition to vocational training to children of employees to infuse in them a bias for technical jobs. Training was given to over 200 employees and about 300 children under this scheme, which was financed from the Staff Benefit Fund.

(x) Handicraft centres.- The number of handicraft centres, on Railways for imparting training to women members of railwaymen's families in handicrafts rose to 266 in 1962-63 as against 251 in the previous year. These centres are proving extremely popular.

(xi) Other miscellaneous schemes.- Other schemes financed by the Staff Benefit Fund during the year included dental laboratories where dentures were supplied to staff on payment of cost price. Similarly, spectacles were supplied to staff and their families on 'no profit no loss' basis except class IV staff who are charged 50 per cent. of the cost only and the balance is borne by the Staff Benefit Fund. Two homoeopathic dispensaries were added as a welfare measure on Railways.

(xii) Sports activities.- Sports activities on the Indian Railways continued as usual till November, 1962 and several inter-district/divisional and inter-railway tournaments were organised as usual. Further activities, however, had to be postponed when national emergency was declared in the country in October, 1962.

The Railways participated in various national tournament and won championships in hockey, weight-lifting, boxing, swimming and water polo, kabaddi, badminton(ladies), and table tennis(ladies). They also won the first place in the "Bharat Shree" contest. Railways were runners-up in national volleyball and junior weight-lifting. Fourteen railwaymen found place in the various national teams which participated in the fourth Asian Games held at Jakarta during the year 1962. A weight-lifter of the Eastern Railway and a lady badminton player of the North Eastern Railway were given Arjuna Awards by the Government of India. The lady player also got the Railway Week Award, 1963.

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 696,810 as against 668,839 at the beginning of the year 1962-63. The paid-up share capital of these societies rose from ~~510.98 rupees~~ 51.098 million rupees to 54.092 million rupees during the year. The membership of these societies works out to 57.5 per-cent. of the total railway staff and by leaving out a small number of retired railway servants, who are allowed to continue as members, nearly 57 per cent. of the railwaymen are members of the societies. The average share capital paid by the members amounted to about 78 rupees per head.

The total amount of loans issued during the year was about 1.086 million rupees less than that issued in the previous year.

All the societies worked at profit during the year under review, the ~~total~~ total net profit earned being 3.925 million rupees. Twentythree societies declared dividends on shares to members, at rates ranging from 2 percent. to 7½ per cent.

Railwaymen's Consumer Co-operative Societies.- There was an all round improvement in the working of the railwaymen's consumer co-operative societies.

The number of consumer co-operative societies actively functioning on the Railways increased from 174 to 186. The following statement shows the comparative progress made by them in respect of membership, share capital, working capital and business turnover during the last two years:-

	<u>1961-62</u>	<u>1962-63</u>
Number of members.	80,118	87,521
Paid up shares capital (in million Rs.)	1.537	1.690
Reserve Fund (")	0.477	0.556
Total working capital(")	2.977	3.323
Purchases. (")	14.765	17.040
Sales. (")	17.096	18.291

The Railways gave subsidy to 28 societies during the year to the extent of 39,026 rupees, towards their administrative and establishment charges.

Railwaymen's Co-operative Housing Societies.- There were 14 railwaymen's cooperative housing societies at the end of the year as against 13 such societies at the beginning of the year 1962-63. These societies had 2,512 members as against 2,135 in the previous year. The total working capital of these societies, including deposits from individuals and loans from Government and other bodies, has risen from 1.060 million rupees at the beginning of the year to 1.593 million rupees at the end of the year. Six societies disbursed loans to the members to the extent of 0.124 million rupees. The number of buildings constructed till the end of the year by the members structured with the help of these societies was 125. Besides, 56 buildings were constructed by the societies on behalf of the members. Of the 14 societies 10 have invested 1.067 million rupees in purchasing land for developing into housing sites for allotment to members.

Co-operative Labour Contract Societies.- During the year 1962-63, 18 co-operative labour contract societies undertook railway handling contracts at 29 stations. The annual value of the contracts given to them during the year amounted to 2.250 million rupees, as against 1.444 million rupees in the previous year. The Railways disbursed a sum of 1.693 million rupees to the societies towards the execution of contracts against their bills during the year.

Provision of quarters for staff.- In pursuance of the Railway Board's policy of providing staff quarters to essential staff who are required to live near the site of their work and for other non-essential staff at places where private accommodation is not available, 14,562 staff quarters were constructed on Indian Railways during the year 1962-63. The details of the quarters are given below:-

Type I	Type II	Type III	Type IV	Barracks	Officers' Quarters.	Total
8,984	4,883	405	139	113	38	14,562

Activities of the Medical Department.- During the year under review, there was further extension of the medical staff facilities for staff.

The daily average outdoor, attendance went up from 85,420(revised) in 1961-62 to 93,828 in 1962-63 and the total number of operations performed from 170,064 to 178,494. The cost of providing medical and health services increased from 74.4 million rupees(revised) to 86.6 million rupees. The working of the medical attendance and treatment rules was further liberalised.

Rules for training of railway doctors were further liberalised.

The family planning programme, national malaria eradication programme which is at present in consolidated stage and is soon to enter maintenance phase, and small-pox eradication programme have been carried out satisfactorily during the year on railways, in collaboration with the States, on the basis of the schemes formulated by the Ministry of Health. The national 'cleanliness day' and 'world health day' were also observed during the year.

Preventive measures against diseases, received due attention. Examination of drinking water and food analysis were carried out as usual. Sanitation of railway premises and protective inoculation during the fairs and festivals were also properly attended to.

Accidents.- The number of railway servants killed and injured in accidents on-Indian Railways, exclusive of casualties in railway workshops during 1962-63 compared with the previous year, is shown below:-

	Killed		Injured	
	1961-62	1962-63	1961-62	1962-63
Railway servants.	339	316	27,632	25,840

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

India - January-February 1964.

Labour Conditions in the Mineral Oil
Industry.

An article on the working conditions of labour in Mineral Oil Industry has been published in the Indian Labour Journal, January 1964. The following is a brief review of this article.

Coverage.- The present survey which is third in the series deals with all workers covered under the Factories Act/ Mines Act, including watch and ward staff but but excluding clerical and supervisory staff. The refinery workers were also covered for the purpose of the survey.

Employment.- The total number of workers engaged in the Mineral Oil Industry as on 31 March, 1963 was 12,917. Of these, 10,322 workers or 79.9 per cent., were employed ~~throug~~ directly and the remaining 2,595 workers or 20.1 per cent., were employed through/by the contractors. Among direct and contract workers, women workers accounted for 2.3 per cent., and 9.6 per cent., of the total labour respectively. Four of the 5 units used to employ contract labour normally, but on the specified date (31 March 1963) only 3 units had employed such labour. In 2 of them, all the contract labour was employed and paid by contractors independently of the managements whereas in the remaining unit about 70 per cent., of the contract workers were employed and paid by the contractors independently and 30 percent., of such workers were employed and paid by contractors under the supervision of the management. Contract labour was mainly employed for earth-cutting, loading and unloading, project construction work like building roads, installation of plants and machinery, grass-cutting, road maintenance, etc. Some of the important reasons for getting such jobs done by contract labour were stated to be the intermittent and non-regular

or purely temporary nature of jobs, economy and convenience. During the course of the survey it was observed that there was adequate supervision by management over the conditions of work of, and wages paid to, the workers employed by contractors. In one of the three units employing contract labour the conditions of work of, and wages paid to, contract labour were being examined by the Labour Officer of the Unit. In another unit their conditions of work and wages were regulated by the terms of contract which contractors were made to observe. In the third unit the Company's officials used to inspect periodically the contractors' Books. In order to ensure that the monthly wages earned by the contract labour compared well with those of the direct labour employed in comparable jobs, these officials also used to check the wages paid to such workers by their contractors.

System of Recruitment.- All the units recruited their workers, except casual ones, through Employment Exchanges or advertisements in the press. The casual or contingent workers were, however, recruited directly at the gate. Further all the workers except casual ones were medically examined before recruitment. Of the five units, 2 had laid down certain priorities for the recruitment of labour. In one of these units preference was given to sons, relatives and direct dependants of employees provided they had good record of service to the company. In the other unit, the priorities which formed the basis of recruitment policy were (a) sons and daughters of Assamese employees, (b) sons and daughters of non-Assamese employees, (c) relatives of employees who belonged to the state of Assam, (d) other candidates from the state of Assam and, finally, (e) other suitable and qualified Indians.

Schemes of Apprenticeship, Training, etc.- None of the units in the industry had introduced any facility for imparting training to the apprentices under the Apprenticeship Act, 1961. However, in 3 units there were some non-statutory schemes of apprenticeship. The various trades/trades in which training for a period of 2 to 3 years was imparted were shift mechanic, diesel mechanic, fitter, rigger, turner, welder, auto-machine mechanic, etc. The shift mechanics were paid remuneration of 110 rupees, 120 rupees, and 130 rupees per month during the first, second and third years of their training respectively,

whereas for other trades the rate of remuneration was 30 rupees per month plus board free boarding and lodging or 50 rupees per month in lieu thereof. The total number of apprentices trained in all the trades during the twelve months ending on 31 March 1963 was 95.

Absenteeism.- The annual average rate of absenteeism for the year ending on 31 March 1963 was 7.3. Month-wise rates of absenteeism do not show any large variations although absenteeism was at the lowest during the months of June to November. The main reasons for absences were sickness, domestic or social matters. No positive steps were taken to reduce the rate of absenteeism except that disciplinary action was taken by some units against those workers who absented themselves without permission.

Labour Turnover.- The average monthly rates of accessions and separations during the reference year (April 1962 - March 1963), were 2.4 and 0.5 respectively. In all the twelve months the rates of accessions were comparatively higher than those of separations which show that the employment in the Industry was on the increase.

Wages and Earnings.- During the course of the survey, data relating to wage rates/scales of pay, man-shifts worked and total earnings by components were collected for the month of March, 1963 for all categories of workers employed directly. In one of the units wages of workers were governed by an Agreement arrived at between the Company and the Labour Union on 3 September 1961. According to this Agreement, twelve grades of basic wages were framed by the Joint Evaluation Committee composed of the representatives of the Company as well as the Union on the basis of job evaluation. The wage scale of a job was decided on the basis of the grade which that job fitted in. The job descriptions, ratings and the gradings for jobs in existence were also not to be altered during the term of this Agreement, i.e., till 30 June, 1964, unless the job content changed considerably as a result of a major change in the job character. These grades were as follows:-

Grade I	- Rs.1.50-0.05-1.70-0.10-2.00 per day.
Grade II	- Rs.1.80-0.10-2.50 per day.
Grade III	- Rs.2.10-0.10-2.80 per day.
Grade IV	- Rs.2.35-0.15-3.40 per day.
Grade V	- Rs.2.80-0.15-3.55 per day.
Grade VI	- Rs.3.40-0.15-4.45 per day.
Grade VII	- Rs.3.80-0.20-5.25 per day.
Grade VIII	- Rs.4.50-0.25-6.25 per day.
Grade IX	- Rs.120.00-10.00-190.00 per month.
Grade X	- Rs.140.00-10.00-210.00 per month.
Grade XI	- Rs.190.00-10.00-250.00 per month.
Grade XII	- Rs.220.0-15.00-310.00 per month.

Dearness Allowance.- In 3 units only regular employees got separate dearness allowance as per the Government of India Rules, whereas in the remaining 2 units all workers were paid separate dearness allowance in accordance with the Tribunal Award of 1954 according to which dearness allowance was to be paid at the following rates:-

Rate of Basic Pay.	Rate of Dearness Allowance.
For first Rs.100.00	Rs.52.50*
For next Rs. 50.00	90% of basic pay above Rs.100.
For next Rs. 50.00	45% of basic pay above Rs.150.
For Balance.	22½% of basic pay above Rs.200.

* This amount was payable if the Cost of Living Index Number (Base 1954) was 100. The amount of d.a. was to go up by 81 pP. for every rise of one point in the Index Number.

House Rent Allowance.- All the regular workers were given house rent allowance in case they were not allotted any accommodation by the units. In 2 units this allowance was paid at the rate of 10 per cent. of the basic pay provided the employee paid house rent equal to or more than 10 per cent. of his basic pay and produced the rent receipt to that effect. In another unit it was paid at the rate of Rs. 15.00 or 7½ per cent. of basic pay on similar conditions. In the remaining 2 units, the house rent allowance was different for different income-slabs.

Other Cash Allowances.- Of the five units, four paid some type of cash allowance to their workers. Three of them paid Drill Site ~~Compensatory~~ Allowance only to their regular employees according to their income at the following rates:-

Basic Pay.	—	House rent allowance Drill Site Allowance.
Below Rs.100	—	25% of basic pay.
Rs. 100-300	—	20% of basic pay.
Rs. 301-500	—	20% of basic pay with a minimum of Rs.60.50 and maximum of Rs.85.00.
Rs. 501-600	—	Rs. 100.
Rs. 601-699	—	Rs. 120.
Rs. 700-1,299	—	Rs. 125.
Rs.1,300-1,599	—	Rs. 150.
Rs.1,600 and above	—	Amount by which pay falls short of Rs.1,749.

The fourth unit paid Out-Test Allowance to employees living at test area. The rates of allowance varied from 25 nP. to 47 nP. per rupee of basic pay, subject to a maximum of Rs.45 to Rs.95 according to the type of accommodation provided and welfare facilities made available. Further, the employees engaged on reconnaissance or living in basha accommodation without area lighting and piped water, were paid Field Party Allowance ranging between Rs. 45.00 and Rs.135.00 per month according to their monthly basic rates of pay or monthly equivalents of daily basic rates of pay.

Concessions in Kind.- Of the five units, 4 gave some concessions in kind in food, fuel, etc. Food worth Re.0.78 to Re.1.00 was supplied to Riggers and Topmen while on duty in three units. One of these units, however, extended this concession also to its Khalasis working on the rigs. The fourth unit supplied kerosene oil and coke at rates cheaper than the market to all its workers.

Wage of the Lowest Paid Male and Female Workers.- In all the 5 units male and female mazdoors were the lowest paid workers. The daily earnings of such male and female mazdoors varied from Rs.1.50 to Rs.4.92 and Rs.1.25 to Rs.1.50 respectively.

Average Daily Earnings.- From the point of view of daily earnings important categories of workers engaged in this industry were Topmen (Rs.11.00), Turners (Rs.10.97), Electricians (Rs.10.91), Welders (Rs.10.30), Fitters(Rs.10.20), Diesel Mechanics(Rs.8.98), Blacksmiths(Rs.8.91), and Drivers (8.01). The lowest paid workers, as pointed out earlier, were Mazdoors. The average daily earnings for Male and Female Mazdoors worked out to Rs.3.30 and Rs.1.40 respectively.

Working Conditions.- Hours of Work, Rest Interval, etc.- In 2 of the units the normal daily working hours for the general shift workers were 8 for the first 5 days of the week and 4 on Saturdays; the number of hours of work per week was thus 44. The workers had a 2-hour rest-interval on all full working days. For those workers working in shifts (other than the general shift), the number of working hours per day was 8 which included a rest-interval of half an hour uniformly on all the working days of the week; the number of hours of work per week was 45. In another unit workers of the general as well as other shifts had a 48-hour working week, but the daily hours of work were different for general shift workers and other shift workers. The former had a 8-hour working day uniformly on all the working days of the week, while the latter had to work for 7, 8 and 9 hours on different-days of the week. None of the shifts, including the general shift, observed any rest-interval. The workers working in the workshop in this unit, however, worked for 9 hours with a rest-interval of one hour on all days of the week. The fourth unit observed a general shift of 8½ hours' duration which included half an hour of rest-interval. The number of hours of work were 8 per day and 48 per week for those working in general shift. Workers of other shifts also had the same number of working hours, but they enjoyed no rest-interval during the shift which had a uniform length of 8 hours. In the remaining unit, the number of hours of work varied from 6½ to 8 per day and 39 to 48 per week with a rest-interval of ½ to 1½ hours in different departments.

Weekly-off.- All the 5 units allowed weekly-off either with or without wages to all their workers. In 2 units this was allowed without pay whereas in the remaining 3 units regular workers got paid weekly-off without any condition, but contingent/casual workers got it with pay provided they had worked for 6 continuous days in a week. The technical staff of these 3 units also got one paid holiday every second Saturday, in a month in addition to the paid weekly-off.

Casual Leave

Casual Leave.- In 2 units all the workers were allowed casual leave up to 7 days in a year subject to a maximum of 3 days at a time. In the remaining 3 units regular employees were allowed casual leave with pay as per the Government of India Rules while casual/contingent workers were not allowed any casual leave with pay.

Sick Leave.- In 2 units sick leave up to 90 days - 4 days with full pay and 86 days with half pay - in a year was granted to all workers. In the remaining 3 units hospital leave up to 3 months on average pay in any period of 3 years was granted to all workers except the regular employees who were governed by the Government of India Revised Leave Rules, 1933.

Earned Leave.- In 2 units earned leave to the extent of 42 days - 28 days with pay and 14 days without pay - in a year was granted to all workers. In the remaining 3 units regular employees got earned leave as casual per the Government of India Revised Leave Rules, 1933, while contingent/casual workers got such leave according to the provisions of the Mines/ Factories Act under which they were covered.

National and Festival Holidays.- Of the 5 units, 2 allowed 3 National and 9 Festival holidays with pay to all those workers who were present on the preceding and succeeding days to the holiday, whereas in the remaining 3 units national and festival holidays were given as per the Government of India Rules to all workers except the contingent or casual workers who got only national holidays with pay.

Medical Facilities.- All the units maintained a good number of first-aid boxes in various departments as well as in the fields. Dispensaries and/or hospitals were also run by all these units in order to provide free treatment to their workers. One of the five units had made very elaborate medical arrangements for its workers. It was running a 220-bed hospital with 18 qualified doctors, a large number of compounders, nurses, etc. In addition, it had provided 3 ambulance cars and 2 first-aid posts. Three of the other 4 units had also provided ambulance cars.

Housing Facilities.- All the five units had provided some pucca houses for their workers. Two of these had, in addition, provided some accommodation in the form of semi-pucca houses, tents and bashas with pucca or kutcha floor. Of the 10,322 workers employed directly by all the 5 units, 4,327 or 41.9 per cent. were provided some residential accommodation. Of these, 3,819 workers or 88.3 per cent. were housed in puccas houses; 32 workers or 0.7 per cent. in semi-pucca houses; 46 workers or 1.1 per cent. in tents and the remaining 480 workers or 9.9 per cent. in basha type houses. Sanitary arrangements were provided in all the quarters. As regards the question of charging rent for such accommodation, only 3 units charged 10 per cent. of the total emoluments, or of the basic pay plus drilling allowance, as rent from those workers who were in occupation of pucca houses only; other types of accommodation were, however, given free of rent. One of the units, in addition to its own programme of building houses for its workers, had introduced a Settlement Area Scheme according to which workers willing to have their own houses were given land on lease on normal rates and they were also granted loans for constructing the houses. Many workers were reported to have taken advantage of this scheme.

Transport Facilities.- Free conveyance was given to workers from the office to drilling sites in 3 units. In another unit free conveyance was provided to workers living in camps. In the remaining unit workers required to go to the fields were taken in Company's transport. No conveyance allowance was, however, given to workers by any of the units.

Educational Facilities.- Only 3 of the five units had provided some educational facilities for the benefit of the children of their workers. Of these, one unit had provided 10 day schools - 6 up to primary standard, 1 up to middle standard and 3 up to high school standard - and 2 night schools - one up to middle and the other up to matriculation standard. It had also provided a reading room for its workers. Another unit had opened one higher secondary school and had provided building, furniture and other equipment for a primary school run by the State Education Department. In both these units education was imparted free up to class VI. In the third unit the staff welfare committee had opened only a Kindergarten School for the children of its workers.

Drinking Water.- Drinking water was provided through taps in three of the units whereas in the remaining 2 units it was stored in earthen pitchers. Drinking water was also carried in water tanks to drilling sites. As regards the supply of cold drinking water to workers during the hot season only 4 of the five units had provided water coolers; three of them also supplied ice along with the water.

Latrines and Urinals.- These were provided by all the units in adequate number.

Canteens.- Of the five units, only 2 were running canteens on no-profit no-loss basis for the benefit of their workers. The over-head costs of these canteens were borne by the Companies themselves.

Creches.- Though 3 of the 5 units had employed women workers indirectly, none had provided any creche for the benefit of the children of such workers.

Rest Shelters.- No rest shelters were provided by any of the units. One unit, however, reported that canteen was being used by the workers for taking rest during the lunch-interval.

Community Baths and Washing Places.- These were provided by only one unit.

Recreational-Facilities.- All the units had arranged for in-door and out-door games for their workers. One of them had provided 4 playing grounds for out-door games like foot-ball, hockey, cricket, etc., and the Labour Welfare Department used to organise sports, tournaments, exhibition matches every year. Another unit also used to organise sports for its workers. In the remaining 3 units staff welfare committees/ employees' clubs were set up for conducting sports.

Grainshops.- Of the five units, one maintained 4 grainshops and another a ration-store on no-profit-no-loss basis.

Co-operative Societies.- In three units, Consumers Co-operative Societies were being run by the workers. In one of these units the Company also organised a Bazaar for the benefit of its workers.

Welfare Fund.- Of the 5 units, three had created Welfare Funds and kept the same at the disposal of the Staff Welfare Committees for meeting the expenses on welfare activities. Towards this Fund the management of each unit contributed Rs.2.00 per employee. In addition, they gave a matching grant of Re.1.00 per head in respect of those employees who were members of the Welfare Committees. The managements of these units also used to make yearly grants to these Welfare Committees for conducting welfare activities. In the remaining two units there was no such Fund for financing welfare activities, but the managements themselves used to meet the entire cost on such activities.

Accidents.- During the year ending on 31 March, 1963, 567 accidents were reported. Of these, only 3 were fatal. In two of these fatal cases compensation amounting to Rs. 11,961.79 was paid by the employers whereas in the third case the amount of compensation had not been settled during the year under reference. Of the 564 non-fatal accidents, 104 were serious and the remaining minor. Of these, only 18 serious and 68 minor accidents were compensated by employers. The amount of compensation paid in these serious and minor cases was Rs.4,552.75 and Rs. 2,199.79 respectively. Thus, the average compensation paid per compensated accident in case of serious and minor accidents was Rs.253.00 and Rs.32.00 respectively. According to the employers the major causes of accidents were negligence, lack of attention, rash driving, improper handling of materials, etc., which was due to lack of understanding and adequate experience on the part of the workers.

Accident Prevention Committees/Departmental Safety Committees had been set up in all the units to investigate into the causes of accidents and suggest ways and means of preventing the same. In some units posters were displayed to educate the workers in the methods of preventing accidents.

Occupational Diseases.- No occupational disease was reported to have occurred in any of the units.

Maternity Benefit.- Of the 5 units, 3 employed regular as well as casual/contingent women workers. Regular workers were given maternity benefit as per the Central Services Medical Attendance Rules whereas the contingent/casual workers were given free treatment in the dispensaries in addition to benefits accruing under the provisions of the Mines/Factories Act. During the year ending on 31 March 1963, maternity benefit was claimed in 3 cases and a sum of Rs.825.00 was paid in such cases.

Provident Fund Facilities.- All the 5 units had introduced either statutory or non-statutory provident fund schemes for the benefit of their workers - statutory in 3 units and non-statutory in two. In the case of non-statutory schemes all those workers who had completed 6 months' continuous service were eligible to become members of such schemes. The rate of contribution for the employee was $6\frac{1}{4}$ per cent., of his basic pay plus dearness allowance and the employer contributed an equal amount. Of the 5,023 workers employed directly in these two units on the specified date, i.e., 31 March 1963, 4,953 workers or 98.6 per cent. were members of the provident fund scheme. In the remaining 3 units having statutory provident fund schemes, all those regular employees who had completed one year's service were eligible to become members of the fund. The rate of contribution for the employees was $8\frac{1}{3}$ per cent. of basic pay. Employers also contributed an equal amount. The membership of these funds was 1,502 or 28.4 per cent. of the total workers employed directly by these units on the specified date, i.e., 31 March 1963.

Pension.- None of the five units had introduced any scheme of pension for its workers.

Gratuity.- Of the five units, only two paid gratuity to their workers on the occurrence of any of the events like retirement, death, physical or mental disability, termination of service, etc. In one unit the rate varied from 15 to 30 days' basic pay for each year of continuous service subject to a maximum based on 20 years' service, or of Rs.2,500.00 on retirement from the Company's Service on reaching the age of superannuation. In the other unit the rate was limited to 15 days' basic wages for each year of continuous service subject to a maximum of 10 months' basic salary.

Trade Unions.- As reported by the employers there were six registered trade unions of workers employed in this Industry. The managements of only two units had recognised 2 of these 6 registered unions. As regards affiliation of these unions to the All-India Federations, two were affiliated to INTUC and 3 to HMS whereas the remaining union was not affiliated to any of the All-India Federations. Information regarding the number of workers who were members of these unions could not be verified in respect of 1 union existing in 1 unit. In the remaining 4 units the union membership varied from 6 to 64 per cent. of the direct labour employed in these units.

Industrial Relations: Standing Orders.- All the 5 units had framed Standing Orders for regulating the conditions of service of their workers but only four had got them certified by the Certifying Officers.

Committees.- Of the 5 units, only 3 had set up works committees, composed of an equal number of workers' and managements' representatives, whose function was to promote harmonious relations between workers and managements and to resolve differences in the initial stage itself. The other two units had formed 'Joint Negotiation Committees' consisting of an equal number of representatives of workers and managements to discuss the grievances and complaints of workers and find out solutions.

Labour Welfare Officer, etc.- All the five units had appointed Labour Welfare Officers, etc., for looking after the welfare of their workers. One unit had set up a Labour Bureau headed by a Labour Superintendent and assisted by one Assistant Labour Superintendent, two Labour Welfare Officers and six Assistant Labour Officers/Welfare Officers, for dealing with all matters connected with labour welfare and industrial relations. Another unit had also set up a Labour Welfare Department, headed by a Labour Superintendent and assisted by a good number of

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Officers and staff, for advising management on such matters as interpretation and implementation of labour legislation, personnel practices and welfare provisions, etc. In the remaining 3 units also there were Labour Welfare Cells headed by a Labour Officer deputed by the Ministry of Labour and Employment, Government of India. The functions of these Labour Officers were as defined in the Labour Officers (Central Pool) Recruitment Rules of the Ministry of Labour and Employment, Government of India.

Grievance Procedure.- Of the five units, only 2 had some regular grievance procedure according to which any aggrieved employee could submit his complaint either verbally or in writing to his immediate superior officer. In case he was not satisfied with the action-taken by the officer he could submit his complaint through the ~~action taken by the officer~~ his officer to the Departmental Head (the Departmental Union Representative could also be approached to take up the case with the Departmental Head). In case the aggrieved employee was not satisfied with the decision of the Departmental Head, he could put up the grievance in writing to the Labour Superintendent, through the Departmental Head, and, if still not satisfied, he could put up the complaint to the Manager through Departmental Head. (Alternatively, these approaches to Labour Superintendent and the Manager could be made by the Union Executive if so recommended by the Departmental Union Representative mentioned above). If the same matter was still not settled at Manager's level, the grievance could be taken up with the Joint Negotiation Committee through the Union. In case this committee was not able to resolve the issue, the Union could, if it so wished, refer the complaint for conciliation. In any case, an aggrieved worker had a right of access to Labour Superintendent for advice and information. This procedure was described as the 'Open Door' grievance policy, in view of the free access of any worker to the Labour Superintendent. This procedure was reported to be working satisfactorily in both the units. In the remaining 3 units the regular grievance procedure was under various stages of preparation. Pending finalisation of the same, grievances of workers were dealt with by Section Heads, Labour Officers through Section Heads, and finally by the Managers.

Strikes, etc.- None of the five units reported any strike, lock-out or play-off during the year ending on 31 March 1963.

Annual Report on the Working of the Mica
Mines Labour Welfare Fund for the Year
ending 31 March 1963.

The following is brief review of the various activities financed from the Mica Mines Labour Welfare Fund during the year ending 31 March 1963.

Medical Facilities.- The bed strength of Central Hospital at Karma (Bihar) was raised from 70 to 100, while a 15-bed hospital at Tisra (Bihar) and a 14-bed hospital at Kalichedu (Andhra Pradesh) continued to cater to the medical needs of the mica miners. The construction of a 30-bed hospital at Gangapur (Rajasthan) was completed and the construction of a 50-bed T.B. Hospital as an adjunct to the Central Hospital, Karma was in progress. A T.B. Ward of 16-beds was to be added as an adjunct to the hospital at Kalichedu. The number of other medical institutions set up by the Fund is given in the following table:-

States.	Static Dispen- saries.	Mobile Dispen- saries.	Ayurvedic Dispen- saries.	Mater- nity and Child Welfare Centres.	Others.
Andhra Pradesh.	3	1	1	4	-
Bihar.	5	3	3	2	5*
Rajasthan.	9**	5	12	-	4***

* Community Centres.
 ** Dispensary-cum-maternity and Child Welfare Centres.
 *** Multipurpose Centres.

Establishment of a Health Promotion Centre in Mica fields of Bihar for periodical medical check up of Mica miners and their families was sanctioned. Ten beds in the T.B. Sanatorium at Ranchi and eleven beds in T.B. Hospital, Helleore were reserved for the exclusive use of the mica miners and their families. Arrangement was made for treatment of mica miners of Bihar suffering from Leprosy at the Tetulmari Leprosy Hospital.

A subsistence allowance at the rate of 50 rupees per month was continued to be paid to the dependents of mica miners, who were undergoing treatment in T.B. Ward attached to the Central Hospital, Karma or at the T.B. Sanatorium, Ranchi. The scheme of domiciliary treatment of T.B. and silicosis patients was also continued. Travelling allowance was granted to patients attending the out-door department of T.B. Hospital, Helleore. A Rehabilitation-cum-Convalescence Home was set up in Bihar for workers cured of T.B. The mica miners in Andhra Pradesh were being trained in first-aid.

Educational and Recreational Facilities.-

In Bihar, seven multi-purpose institutes, each with an Adult-Education Centre and a Women's Welfare Centre, provided educational and recreational facilities to the workers. Training in handicrafts like sewing and knitting was imparted to women attending the centres. Each institute served as a training-cum-production centre. Educational facilities for miners' children were provided in six primary schools, seven community centres and six feeder centres. Two boarding houses were run for the children of mica miners studying in schools and colleges. Scholarships were granted to the children of mica miners both for general and technical education. Milk and snacks were provided to the miners' children attending the multi-purpose-institutes. Two mobile cinema units and eighteen Radio sets provided at different centres entertained the mica miners and their families. Recreational facilities were provided at Multi-purpose Community and Feeder Centres. In Andhra Pradesh, male workers learnt carpentry during their leisure hours in one community centre functioning during the year. Girls and women workers were taught tailoring, stitching, etc., in two women's centres.

Educational facilities for miners' children were provided in six primary schools, one High School and one Middle School. In all schools, children were provided with facilities like free mid-day meals, milk, books, slates, clothing, bags and chappals. Two boarding houses were being run for the benefit of the children of mica miners studying in schools and colleges. Eighteen radio sets installed at different centres provided recreation to mica miners and their families. In Rajasthan, girls and women workers were taught tailoring, stitching, etc., in eight women's centres. Educational facilities to the children of mica miners were provided in two primary schools, one middle school and twenty five Adult Education Centres. Mid-day meals, books, slates and other stationery articles were supplied to the school-going children of mica miners. One mobile cinema unit and twentyfive radio sets provided at different centres entertained the mica miners and their families. Out-door and in-door recreational facilities were provided at centres and sub-centres. Recreational clubs and bhajan-parties were also set up in different mining areas.

Drinking Water Facilities.— Twentyfive wells in Bihar and four in Andhra Pradesh were constructed by the Fund. Under the Subsidy Scheme (according to the Scheme, the mine-owners who sink wells get a subsidy equal to Rs.7,500 or 75 per cent. of the cost of construction, whichever is less) three wells in Bihar and seven wells in Andhra Pradesh were sunk while construction work of four more wells in Andhra Pradesh was in progress. A dam was also constructed in Bihar.

Housing Facilities.— As there was no response to the earlier housing schemes introduced from 1953, a low-cost housing scheme for construction of 500 low cost houses for Bihar region costing about 1,300 rupees each was sanctioned. Under this scheme mine-owners besides being responsible for the maintenance of houses constructed at the cost of the Fund were to pay nominal rent of Re.1 to Rs.2 to the Fund per month per house and allot the houses free of rent to mica miners. Two departmental colonies in Bihar at Dhorakola and Jorasimar, of 50 houses each — each costing 2,500 rupees was nearing completion. Five more similar colonies were proposed to be built in Bihar.

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These houses would be let out on a nominal rent. A scheme known as 'build your own house' scheme was ~~also~~ under consideration.

Financial Help in Case of Accidents.- The Scheme for the grant of financial assistance from the Fund to the widows and children of miners who dies as a result of ~~accident~~ accidents was continued.

Finance.- The provisional expenditure during the year was about 451,384 rupees in Andhra Pradesh, 1,779,932 rupees in Bihar and 377,968 rupees in Rajasthan. The total provisional receipts during the year amounted to about 2,819,307 rupees.

(Indian Labour Journal,
Vol.V, No.1, January 1964,
pp. 15-17).

53. Women's Work.

India - January-February 1964.

All-India Women's Conference,
1 January, 1964.

The 32nd session of the All-India Women's Conference was held at New Delhi on 1 January 1964. The Conference was inaugurated by Shri Jawaharlal Nehru, the Prime Minister of India and presided over by Mrs. Masuma Begum. Among others, delegates from Britain, Indonesia, Ceylon, Nepal and the Philippines participated in the Conference.

In his address, Shri Jawaharlal Nehru praised the progress made by women in India in the post-independence years, but said that the "change" had largely been confined to the urban areas. The Prime Minister said that legislation and governmental action by itself was incapable of bringing about the necessary change among rural women.

In her presidential address, Mrs. Masuma Begum called for a spirit of service among women workers. Saying that there was need for greater voluntary effort, she said that the "task confronting our generation is all the more challenging and can only be performed in a spirit of service and sacrifice".

(The Statesman, 3 January 1964).

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.

INDIA - JANUARY-FEBRUARY 1964.

71. Employees and Salaried Intellectual Workers.

Increase in Dearness Allowance for Central Government Employees.

The Union Government decided on 7 February 1964 to increase the Dearness Allowance of its employees. Nearly two million civilian Central Government employees will benefit by this decision. The additional cost to the exchequer is expected to be of the order of 87.5 million rupees per year.

Government servants drawing a basic salary up to 399 rupees will get an increase in their dearness allowance ranging from 2 rupees to 10 rupees with retrospective effect from 1 July 1963.

The new rates of dearness allowance will be 17 rupees for pay upto 100 rupees, an increase of 2 rupees; Rs.20 for pay in the slab Rs.110-149, an increase of 5 rupees; Rs.35 for the slab Rs.150-209, an increase of Rs.5; Rs.40 for Rs.210-299, and Rs.20 for Rs.321-380 - with marginal adjustments for pay slabs Rs.300-320 and Rs.381-399, an increase of 10 rupees or less as the case may be.

The official announcement said that in terms of the Pay Commission's recommendations accepted by the Government, the rates of dearness allowance were to be reviewed if, during a period of 12 months, the consumer price index remained, on an average, ten points above 125 i.e., 135 or higher. Such a position has not been reached yet.

However, as a measure of extra relief to the employees, Government has decided to allow ad hoc increases ranging from 2 rupees to 10 rupees according to pay to the employees at present eligible for the allowance.

(The Hindustan Times, 8 February 1964).

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CHAPTER 8. MANPOWER PROBLEMS.INDIA - JANUARY-FEBRUARY 1964.81. Employment Situation.Employment Exchanges: Working during
November 1963.

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

Item.	October 1963.	November 1963.	Increase or Decrease (+) or (-)
Registrations.	311,516	273,046	- 38,470
Placings.	58,985	41,277	- 17,708
Live Register.	2,663,335	2,605,715	- 57,620
Vacancies Notified.	80,153	67,554	- 12,599
Employers using Exchanges.	12,527	11,068	- 1,459

Shortages and Surpluses.- Shortages were reported during the month under review in respect of engineers, doctors, compounders, overseers, fast typists, midwives, draughtsmen, Stenographers, electricians, accountants, and trained teachers. While surpluses were reported in respect of clerks, un-trained teachers, unskilled office workers and unskilled labourers.

Collection of Employment Market Information.- At the end of November, 1963, employment market studies were in progress in 233 areas in different States. During the month under review the following reports were issued.

- i) All India Report on Employment in the Public Sector;
- ii) Quarterly Employment Review ; and
- iii) Report on Shortage Occupations for the quarter ended June 1963.

Gorakhpur Labour Organisation.- During the month of November 1963, the Labour Depot, Gorakhpur, despatched only 956 workers to various worksites. The Nucleous Unit of the N.L.C. comprising of 300 workers was set up and arrangements made for the utilisation of the workers by Railways.

Deployment of surplus and retrenched personnel.- During the month under review, 24 persons were retrenched from the various river valley projects, 325 were registered and 439 were placed in employment. A detailed statement showing the number of retrenched persons, number registered, placed and the number of persons awaiting employment assistance is given below:-

Name of Project.	No. awaiting assistance at the end of September, 1963.	No. retrenched during the month.	No. of retrained persons (including those left voluntarily) registered during the month for employment assistance.	No. placed during the month.	No. left indicating no desire for assistance.	No. awaiting assistance at the end of the month.
1. Damodar Valley Corporation.	216	-	-	7	-	209
2. Bhakra Nangal Project.	10	20	20	-	3	27
3. Bhilai Steel Project.	2,815	-	301	420	-	2,696
4. Durgapur Steel Project.*	488	-	-	3	43	442
5. Special Cell of Ministry of Home Affairs.	1,202	4	4	9	774	423**
Total.	4,731	24	325	439	820	3,797

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* Figures of October 1963 repeated as the report for November, 1963 has not been received.

** Class II- 61, Class III & IV- 362 = 423.

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

Meeting of the Standing Committee of the Central Committee on Employment.- The first meeting of the Standing Committee of the Central Committee on Employment was held on 30 November 1963 under the Chairmanship of Dr. V.K.R.V. Rao, Member of the Planning Commission. The methods that could be devised for ensuring more effective ways of dealing with the unemployment problem and greater employment orientation of Plan Schemes were among the subjects discussed.

In all 372 Employment Exchanges were working in the country at the end of November 1963.

(Review on the Principal Activities of the Directorate-General of Employment and Training for the Month of November 1963: Issued by the (D.G.E.& T.) Ministry of Labour and Employment, Government of India, New Delhi).

Employment Exchange for the Physically Handicapped set up at Bangalore .

A special employment exchange for the physically handicapped has commenced functioning in Bangalore as part of the countrywide chain of such exchanges being established in the State capitals. In view of the magnitude of the problem involved and the present employment situation, the scheme of employment assistance is being limited to the blind, the deaf and dumb, and the orthopaedically-handicapped who come under the officially defined categories. The others who will be entitled to assistance are those recommended by a recognised institution for the handicapped or the Government Training Centre for the Adult Blind, Dehra Dun, and those who have studied in educational or training institutions, and others who have had industrial, commercial, or job experience.

The Bangalore Exchange has already registered about 110 applicants for employment assistance. Among the applicants were Science, Arts and Law graduates. Out of them, 39 are blind, six deaf and dumb, and 65 orthopaedics. There are 14 women among them. Five applicants have already been placed in employment. It will also collect data about the size of the problem to be tackled, give vocational guidance wherever necessary, identify occupations suitable for the handicapped, and establish liaison and co-ordination with other agencies engaged in the field of rehabilitating the physically handicapped.

A Medical Board and an advisory committee for the exchange are being constituted. The physically handicapped persons registered in the Exchange would have to be examined by the Medical Board for ascertaining the degree of disability, functional capacity, and the eligibility for registration in doubtful cases. The advisory committee will advise the State Director of Employment and the Employment Officer for the physically handicapped.

In order to facilitate the employment of qualified and suitable handicapped persons in the public sector services, the Union Home Ministry and the State Governments have asked all appointing authorities to consider with sympathy the claims of the physically handicapped.

(The Hindu, 11 January, 1964)

83. Vocational Training.

India - January-February 1964.

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

According to the Review, on the principal activities of the Directorate-General of Employment and Training for the month of November 1963, there were 284 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 81,514 and the total number of persons undergoing training was 73,588.

Craftsmen Training Schemes.- During the month of November 1963, 540 seats under the Craftsmen Training Scheme was sanctioned thus raising the total number of additional seats sanctioned during the Third Plan to 59,618 and 145 Industrial Training Institutes.

One hundred seats were sanctioned under the scheme for Part-time classes for ~~industrial~~ industrial workers thus bringing total of additional seats to 3,545.

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 Projects of the UNO except the one at Bombay which is being assisted by the AID Agency of the United States. The Progressive receipt position of equipment upto November 1963 is shown below:-

Name of Centre.	Value of equipment stipulated in the AIF (In million Rupees).	Value of equipment received upto 30.11.63 (In million Rs.)
Central Training Institute, Kanpur.	1.390	1.209
Central Training Institute, Madras.	1.390	1.307
Central Training Institute, Hyderabad.	1.390	0.537
Central Training Institute, Ludhiana.	1.390	0.570
Central Training Institute, Bombay.	1.704	1.426

The Central Training Institute, Calcutta had received all the equipment indented for. Out of the saving of previous Project Implementation Orders, two fresh Project Implementation Orders amounting to \$ 28,000 have been issued, for which orders have been placed by India Supply Mission, Washington.

(Review of the Principal Activities of the Directorate-General of Employment and Training for the Month of November 1963: Issued by the Ministry of Labour and Employment (D.G.E.& T.), Government of India, New Delhi).

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All-India Seminar on University Employment
Information and Guidance Bureau, Varanasi,
13 January 1964.

The first all-India Seminar on University Employment Information and Guidance Bureau was held at Varanasi on 13 January 1964. The Seminar was inaugurated by Shri Jaisukhlal Hathi, Minister of State of the Union Ministry of Labour and Employment. Shri Hathi said that the paradoxical situation in the country of shortage of skilled manpower and at the same time unemployment among the educated obtained because "there has been a lack of correlation between demand and supply". He said that many university students had either "no definite vocational aim when they entered the university or did not have adequate knowledge of the employment market they sought to enter on completion of their studies".

Dr. V.K.R.V. Rao, Member, Planning Commission who also addressed the Seminar underlined the need to guide students in choosing the courses of study which will have relation to employment opportunities in the country.

Dr. Rao said though the main function of University Employment Bureaux would be to obtain placements for graduates, an almost equally important part of their duty should be to get all available material on the graduate employment market and, by suitable analysis of the same, enable universities to go in for an effective system of vocational guidance. He suggested some legislative sanctions for ensuring that all employers recruiting fresh graduates intimated the fact to the universities concerned and returned a completed proforma.

"I think it is worthwhile to incur this extra trouble, because I see no other way by which a complete and integrated analysis can be made of the graduate employment market, and without such an analysis I do not see how we can solve the problem of graduate employment in a satisfactory manner," he added.

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Dr. Rao also suggested that the next session of the Seminar should discuss the organisations of employers, both private and public sectors, including the Public Service Commissions. For after all they were the consumers and it was important for the producers to know what the consumers wanted.

Dr. Rao said that there should be a close and intimate liaison between University Employment Bureaux and employers. The bureaux should have advisory committees of employers which would function actively for establishing communication between universities and employers.

The setting up of a new Directorate for Graduate Employment in the Union Ministry of Labour and Employment was also suggested by him. He said an automatic mechanism for registration of graduates for a minimum period of one year should be evolved.

(The Deccan Herald, 14 January 1964).

Chapter 9. Social Security

92. Legislation.

India - January-February 1964.

Annual Report on the Working of the Employees' Provident Funds Scheme for the year 1962-1963.

The Scheme of compulsory contributory provident fund framed under the Employees' Provident Funds Act, 1952 completed 10 years of its existence during 1962-63. According to the annual Report on the working of the Act for the year ending 31 March 1963, beginning with only 6 industries, the Act stood extended to 71 industries by the close of the year and now applies to 82 industries and classes of establishments.

Scope.- The Act extends to the whole of India except the State of Jammu and Kashmir (where the State Government has instituted with effect from 1 June 1961, a separate provident fund scheme for the workers on the lines of the Employees' Provident Funds Scheme. The year under report witnessed the coverage of 10 well-organised industries and classes of establishments, namely:- (1) Every trading and commercial establishment engaged in the purchase, sale or storage of any goods, including establishments of exporters, importers, advertisers, commission agents and brokers and commodity and stock exchanges but not including banks or warehouses established under any Central or State Act; (2) Fruit and vegetable preservation; (3) Cashewnuts; (4) Establishments engaged in the processing or treatment of wood including manufacture of hard-board or chip board, jute or textile, wooden accessories, cork products, wooden furniture, wooden sports goods, cane or bamboo products, wooden battery separators; (5) ~~Saw~~ mills;

(6) Wood seasoning kilns; (7) Wood preservation plants; (8) Wood workshops; (9) Bauxite mines; and (10) Confectionery.

After the close of the year, the Act has further covered the following:- (1) Laundry and laundry services; (2) Buttons; (3) Brushes; (4) Plastic and plastic products; (5) Stationery products; (6) Theatres where dramatic performances or other forms of entertainment are held and where payment is required to be made for admission as audience or spectators; (7) Societies, clubs or associations which provide board or lodging or both or facility for amusement or any other service to any of their members or to any of their guests on payment; (8) Companies, societies, associations, clubs or troupes which give any exhibition of acrobatic or other performances or both in any arena circular or otherwise, or perform or permit any other form of entertainment in any place, other than a theatre, and require payment for admission into such exhibition or entertainment as spectators or audience; (9) Canteens; (10) Aerated water, soft drinks or carbonated water; and (11) Distilling and rectifying of spirits (not falling under Industrial and Power alcohol) and blending of spirits.

Coverage.- The number of factories and other establishments covered under the Employees' Provident Funds Act at the end of March 1961, 1962 and 1963 is given below:-

Year ending.	No. of Establishments covered.	No. of Subscribers. (In Millions).
31-3-1961	12,133	2.929
31-3-1962	17,416	3.153
31-3-1963	22,413	3.517

The number of establishments covered on voluntary basis rose from last year's 152 to 301.

The number of subscribers at the close of the year stood at about 3.517 millions (as against about 3.2 millions last year).

Contributions.— The members of the Fund and the employers have each to contribute every month at 6½ per cent. of basic wages, retaining allowance (if any) and dearness allowance including cash value of any food concession.

Section 6 of the Employees' Provident Funds Act was amended towards the close of 1962 vesting the Central Government with general powers to apply and enhance the rate of contribution to 8 per cent. in any industry or class of establishments covered under the Act, by a notification after making such enquiry as it deems fit. Accordingly, the statutory rate of provident fund contribution in respect of factories employing 50 or more persons and engaged in any of the following industries, namely, Cigarettes, Electrical, mechanical or general engineering products, Iron and Steel, Paper other than hand-made paper, and Cement, were enhanced to 8 per cent.

Prosecutions.— Information regarding number of cases filed, disposed of, pending, etc., till the end of the year is given below:—

Launched.	Disposed of.	Pending in courts.	Pending with State Governments for sanction.
6,693	Convicted 2,852	2,144	2,020
	Acquitted 224		
	Withdrawn* 1,356		
	Dismissed/ Discharged 117		
6,693	4,549	2,144	2,020

* Withdrawn mainly on payment of dues along with incidental expenses in the cases of first offence of an employer or due to non-applicability of the Act in view of certain High Courts' decisions, etc.

Refunds and Claims.- During the year a sum of 65.7 million rupees was paid in respect of 0.134 millions of claims as against 52.9 million rupees in 0.113 millions of claims last year. Some of the important categories in which the claims paid during the year can be classified and the amounts involved therein are:-

(Rs. in Millions)		
	<u>Claims.</u>	
(i) Superannuation.	8,779	8.192
(ii) Retrenchment.	31,354	15.886
(iii) Dismissal.	2,679	1.072
(iv) Resignation and termination of service.	69,599	23.600
(v) Migration.	975	0.544
(vi) Permanent invalidation.	8,562	6.048
(vii) Death.	8,377	5.035

The volume of work involved in the settlement of claims may well be realised from the fact that in a little over 10 years a sum of about 264.6 million rupees has been paid out by way of total refunds to members on final payment involving about 0.676 millions of claims.

Forfeitures. Where the employer's contribution is not payable to the subscriber in full, the unpaid part together with interest is credited to the Reserve and Forfeiture Account of the Fund. A sum of 2.360 million rupees was forfeited during the year (as against 2.033 million rupees received in the Forfeiture Account last year). The total amount forfeited by the close of the year stood at 11.644 million rupees. Out of this, a sum of 3.155 million rupees had been utilised during the previous years for the creation of a Special Reserve Fund, payment of money order commission, and grant of financial assistance. At the close of the year the Reserve Fund and Forfeiture Account had a balance of 8.489 million rupees.

The Scheme is silent regarding the utilisation of this forfeited money as it cannot be utilised for the members whose claims have been settled, neither can it be spent on the running of the administration for which there is a separate levy. The Central Board of Trustees and the Government are considering how best this money can be utilised for the benefit of the existing members of the Fund.

Special Reserve Fund.- In consultation with the Central Board of Trustees, a Special Reserve Fund was created on 15 September 1960, and a sum of 2 million rupees was transferred to it from the Reserve and Forfeiture Account. The Fund was to be utilised for making payments to outgoing members or their nominees/heirs in cases where the employers had failed to deposit, wholly or part, their own contributions and the amount recovered from the workers.

During the period under review, a sum of 1.235 million rupees was paid to 10,507 members or their nominees/heirs out of the Special Reserve Fund. Since the inception of this Fund up to the end of March 1963, a total sum of 1.674 million rupees has been paid to 13,274 members or their nominees/heirs from this source.

Advances and Loans.- A member can get four kind of non-refundable advances under certain conditions:-

(a) Advance for Insurance Policy: If a worker has been a member of the Fund for three years, he can get an advance for payment of premium of his Life Insurance Policy, which may be either new or old. A total of 40,596 members (as against 38,241 members last year) availed themselves of this facility and a sum of 2.761 million rupees (as against 2.502 million rupees last year) was withdrawn by the members during the year.

(b) Advance for a house: If a worker has remained a member for seven years and has contributed at least 500 rupees as his share, he can get an advance for constructing a house, or purchasing a house or a plot of land for a house. He can also get an advance for purchasing a tenement constructed by any co-operative society or by the State Government, or for constructing a house under the "Low-income group housingscheme". Grant of these advances is restricted to only one kind of advance according to the worker's choice. A sum of about 6.4 million rupees was advanced during the year in 9,857 cases.

(c) Advance for purchasing shares of Consumer Co-operatives: An advance up to 50 rupees is also granted for purchasing shares of a consumers' cooperative society which aims at a minimum membership of 250.

(d) Special advance during temporary closing of an establishment: In case an establishment is locked up or closed for more than 30 days and the worker does not get any compensation during the unemployment period, he can get an advance up to his own contribution with interest thereon. In cases of mass retrenchment, the payment of provident fund dues is made immediately and in cases of individual retrenchment, payment of provident fund dues is made if the member has not been employed in a covered establishment for a continuous period of at least 6 months.

Exempted Establishments.- As a measure of decentralisation, establishments whose provident fund and other old age benefits, separately or jointly, are not less favourable than those under the statutory Scheme, may be granted exemption from the operation of the Scheme at the discretion of the appropriate Government. Employees in any establishment, individually or as a class, may also be permitted to opt out, subject to certain conditions.

The more important of the conditions imposed on exempted establishments, apart from the quantum of benefits, are as follows:-

- (1) moneys in their provident fund should be invested in Central Government securities only;
- (2) these should vest in boards of trustees with equal representation for workers and employers;
- (3) facilities for inspection should be given to Provident Fund Inspectors, and other officers of the Organisation, and instructions issued by them from time to time should be carried out;
- (4) inspection charges at the prescribed rate should be paid.

By the close of the year, the Act covered 22,413 factories and other establishments out of which 1,350 were exempted establishments. In all 3,517,158 workers employed in all these establishments were members of the Fund, out of whom 1,269,340 workers belonged to exempted establishments.

Inspections.- The Employees' Provident Fund Organisation relies largely on its Inspectors for the proper implementation and enforcement of the Act and the Scheme. Such matters as correct recovery of provident fund, calculation of periods of eligibility for membership of the Fund and speeding up of refunds to outgoing members or their dependants receive their special attention. They have, inter valia, to visit marginal units to ensure that there is no evasion of the provident fund law. They have also to take extra pains to educate the employers in the proper implementation of the Scheme. The Inspectors also meet local trade union leaders for matters connected with the smooth implementation of the Act. In accordance with the existing procedure every factory or other establishment covered under the Act has to be inspected as often and as thoroughly as necessary - the minimum requirements being one inspection every year of every exempted unit and one inspection every 4 months of every unexempted unit. In order to make Inspectors more efficient, a training scheme for them is being drawn up. An idea of the Inspectors' work can be had from the fact that during the year, 119 Inspectors carried out 45,066 inspections in unexempted establishments and 1,916 inspections in exempted establishments, in addition to their visits to thousands of uncovered units.

Income and Expenditure.- No part of the contributions of the employees and the employers, nor the interest from the investment of these amounts, is diverted towards the running of the administration.

The expenditure involved in administering the Act and the Scheme is met from a levy of administrative charges at a prescribed rate from the employers of unexempted establishments and of inspection charges at a prescribed rate from the employers of exempted establishments; the charges being worked out on the total monthly contributions (of members and employers) to the provident funds. In respect of establishments in which the rate of contributions is 6½ per cent. the rate of administrative charges is 3 per cent. and that of inspection charges is 0.75 per cent. The corresponding rates in respect of establishments in which the statutory rate of contributions is 8 per cent. are 2.4 and 0.6 per cent. respectively.

The total income from administrative and inspection charges and the expenditure for the year 1962-63 are given below:-

(A)	Income	(In Million of Rupees).
	(a) Administrative and Inspection Charges.	10.229
	(b) Interest on investment.	0.714
	(c) Damages realised on delayed remittances of Administrative and Inspection charges.	0.031
		<u>10.974</u>
(B)	Expenditure.	<u>7.709</u>

Recent Amendments.- Some of the amendments to the Scheme include amendment to allow the benefits of membership of the Fund to the employees drawing pay up to 1,000 rupees instead of 500 rupees, provision for grant of advance for purchasing a dwelling house on hire-purchase basis, provision for grant of advances in special cases, such as closure of an establishment for more than 30 days, etc., also for grant of advances for purchasing shares of consumers' co-operative societies.

The factories engaged in Fruit and Vegetable Preservation Industry, Rice Milling Industry, and Dal Milling Industry have been declared as 'seasonal factories' by amendment of para 2(kk) of the Scheme.

(Report on the Working of the
Employees' Provident Funds Scheme,
1962-1963: Government of India,
Ministry of Labour and Employment.).

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 26 January 1964, 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 Nagapattinam and Vellore-Katpadi in the State of Madras, namely:-

1. The area within the limits of the Nagapattinam revenue village in Nagapattinam taluk, in Thanjavur District.

2. The area within the limits of the revenue villages of:

- North Vellore;
- South Vellore;
- Allapuram;
- Thorpadi and
- Shenpakkam.

in Vellore Taluk and the areas within the limits of the revenue villages of:

- Darapadavedu;
- Kalinjur;
- Kangayanallore; and
- Virudampet

in Gudiyatham Taluk of NorthArcot District.

(Notification S.O. 309 dated 25 January 1964, the Gazette of India, Part II, Section 3, sub-sec.(ii), 25 January, 1964, page 341).

4½% Interest Recommended by Coal Mines
Provident Fund Board.

The board of trustees of the Coal Mines Provident Fund, which met in New Delhi on 25 January 1964, decided to recommend to the Central Government payment of interest at 4½ per cent. during 1964-65.

The actual number of subscribers to the Coal Mines Provident Fund was over 0.409 millions during 1962-63. The total accumulations of the fund invested in the Central Government securities amounted to about 380 million rupees and the total refunds made to the members amounted to over 51.2 million rupees at the end of September 1963.

(The Economic Times, 28 January, 1964).

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Andhra Pradesh: Comprehensive Social
Security Scheme to be Introduced.

The Andhra Pradesh Cabinet announced on 2 January 1964, a comprehensive social security programme costing over 10 million rupees for the lower strata of society. The scheme will benefit low-income groups, their school and college - going children, farmers, aged destitutes and rural women-folk.

Under the eight-point scheme, all the girls in municipal, Government and aided schools will receive free education up to SSLC. And all the boys whose parents earn less than 1,500 rupees annually will receive half-freeships.

The Government will increase merit scholarships in high schools from 246 to more than 7,500 bright boys in schools all over the State. This entails an additional expenditure of one million rupees. The provision for scholarships in polytechnics and technical colleges is also to be doubled from April.

The Government has decided to increase from 200,000 rupees to 800,000 rupees the loans it extends to poor students who are studying for medical, engineering and other technical courses.

The age limit for destitutes will be reduced from 70 to 65 in normal cases and to 60 for those physically handicapped. A sum of 2.5 million rupees has been kept apart. The liberalisation of the official routine has been announced for extending benefits to the old who are without near-relatives.

Interest-free tacavi loans will be given to farmers. Those owning less than two acres of wet land and less than five acres of dry land are eligible and 5 million rupees has been provided.

Under the programme, two maternity and child-welfare centres are proposed to be set up in every district in the State for the benefit of women in villages. This will mean the setting up of 15 more maternity and child-welfare centres in addition to the five already sanctioned in the 20 districts of the State.

The Government has decided to provide artificial limbs free to industrial workers maimed in industrial accidents.

(The Times of India, 3 January 1964).

93. Application.India - January-February 1964.VI. Compensation in Case of Employment
Injury or Occupational Disease.Employees' State Insurance Corporation
Annual Report for 1962-63.

The following review of the working of the Employees' State Insurance Scheme for the year 1962-63 is taken from the Annual Report of the Employees' State Insurance Corporation for 1962-63*.

General.- The Employees' State Insurance Scheme is in force in all States except Gujarat where the State Government proposes to implement the Scheme in Ahmedabad (covering over 200,000 employees) and in some other centres during 1963-64. The State Government prefers to start the Scheme in Ahmedabad only after appreciable progress has been made in capital construction. The Corporation had sanctioned 4.134 million rupees for the construction of a 200-bed T.B. Hospital in Ahmedabad and 7.208 million rupees for the construction of 24 Employees' State Insurance Dispensaries in the City. Plans and estimates for the construction of a 300-bed General Hospital are still awaited; proposals for the balance of 18 dispensaries are still due. The plan is to build in Ahmedabad a General and a T.B. Hospital for indoor care and 42 Employees' State Insurance Dispensaries in the 'service' area which will cover about three-fourths of the insurable population in Ahmedabad - the 'panel' system will serve the remainder.

* Employees' State Insurance Corporation Annual Report 1962-63: Issued by Director-General, Employees' State Insurance Corporation, New Delhi. pp. 91.

In West Bengal, the Employees' State Insurance Scheme continues to be in force only in Calcutta and Howrah. The State Government has not yet found it possible to extend the Scheme to the adjoining Districts of 24-Parganas and Hooghly. The State Government plans, however, to implement the Scheme in the Districts of 24-Parganas (covering about 267,000 employees) during 1963-64 and to extend restricted medical care to families after the statutory period of 13 weeks. In regard to Hooghly covering about 83,000 employees it does not appear likely that the Scheme will be implemented till 1964-65. During the year under review medical benefits were extended to members of families of about 370,000 insured persons in Calcutta and Howrah.

This has enabled about 1,080,000 additional persons to receive medical benefits. To begin with, only restricted medical care, of the out-door general practitioner variety, is being afforded to families. The Government of West Bengal have, however, plans to provide expanded medical care (i.e. with all facilities short of hospitalisation like pathological investigations, radiological examinations, specialist consultations, ambulance services) during 1963-64. The fulfilment of the final objective of the Corporation - i.e. full medical care including hospitalisation also to families - will naturally depend on the completion of several Employees' State Insurance Hospitals which are being planned in the area. It will be recalled that the Employees' State Insurance Scheme was introduced in Calcutta and Howrah in 1955 with benefits only to insured workers.

Conditions of Emergency consequent on the Chinese aggression in October caused considerable difficulties to State Governments both in the matter of reinforcing medical arrangements (through capital construction and addition to equipment and medical and para-medical personnel) in implemented areas and in regard to the extension of the Scheme to new centres. Despite the inevitable handicaps, however, the Scheme was extended during the year to 19 centres covering about 32,000 employees. Members of families were previously given only restricted medical care of the general practitioner variety.

During 1962-63, however, the Governments of Andhra Pradesh, Madras and the Corporation (in regard to Delhi) found it possible to arrange for expanded medical care to members of families. The lead was given earlier by the Governments of Bihar and Rajasthan.

The only new Employees' State Insurance Hospital started during the year was in Monghyr Mendhyr (Bihar) where the employers made a free gift of the building of a 30-bed General Hospital. The Corporation sanctioned further sums for improving the on the equipment. The Hospital began to work on 26 January 1963. There are therefore currently five Employees' State Insurance Hospitals (Bangalore, Kanpur, Bombay, Madras and Monghyr). The Mahatma Gandhi Memorial Hospital, Bombay increased its bed-strength from 300 to 600 during the year. Work on the increase in bed-strength of the Employees' State Insurance Hospitals (General) in Bangalore from 170 beds to 300 and in Madras from 175 beds to 363 beds is progressing satisfactorily.

The rate of Employer's Special Contribution in implemented areas was enhanced from 1½ per cent. to 2½ per cent. of the wage-bill with effect from 1 April 1962; the rate in non-implemented areas continued to be ¾ per cent.

Number of Factories and Employees covered.- The table below shows the number of Factories and employees covered under the Act during the year under review:-

(Please see table on the next page)

State	Implemented Area		Non-Implemented Area		All Areas	
	No. of Factor-ies.	No. of Employees (as on 31-3-63).	No. of Factor-ies.	No. of Employees (as on 31.3.63)	No. of Factor-ies.	No. of Employees (as on 31.3.63)
1	2	3	4	5	6	7
Andhra Pradesh.	335	70,550	80	6,000	415	76,550
Assam.	67	5,100	60	6,800	127	11,900
Bihar.	162	46,100	208	84,900	370	131,000
Delhi.	673	69,000	-	-	673	69,000
Gujarat.	-	-	1,193	352,100	1,193	352,100
Kerala.	579	77,350	98	41,600	677	118,950
Madhya Pradesh.	281	85,950	38	42,350	319	128,300
Madras.	1,083	239,100	228	24,600	1,311	263,700
Maharashtra.	2,629	653,100	580	100,350	3,209	753,450
Mysore.	381	95,300	103	36,900	484	132,200
Orissa.	62	21,300	21	11,750	83	33,050
Punjab.	944	79,450	106	10,050	1,050	89,500
Rajasthan.	123	32,850	11	1,650	134	34,500
Uttar Pradesh.	883	189,000	45	7,700	928	196,700
West Bengal.	1,835	320,000	749	410,850	2,584	730,850
All India.	10,037	1,984,150	3,520	1137,600	13,557	3,121,750

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

(Please see table on the next page)

State	Place	Coverage
Andhra Pradesh.	Renigunta, *Markapuram and *Guntakal.	For insured persons and families.
Bihar.	*Gaya, *Muzaffarpur and *Mokameh.	For insured persons and families.
Madras.	Kumbakonam, Pudukkottai, Namanasamudram, Erode, Pollachi (and Outskirts of Tiruppur).	For insured persons and families.
	Avadi and Pattabiram, Parvathipuram.	For insured persons only.
	Redhills, *Vaniyambadi, *Gudiyatham and Virudhunagar.	For insured persons and families (except Redhills).
Mysore.	*Belgaum.	For insured persons and families.
Orissa.	Narangarh (Tapang).	For insured persons and families.
Punjab.	Panipat, Patiala, Rajpura and Chandigarh.	For insured persons and families.
Uttar Pradesh.	*Dehradun, *Mathura, *Rampur and *Harangaon.	For insured persons and families.

The number of additional employees covered during the year was about 32,000 but after taking into account the variations in the number of insured employees in the areas already ~~implemanted~~ implemented, the total number of employees covered at the close of the year stood at 1.9842 millions. At the close of the year, the Scheme was in force in 151 centres in 13 States and the Union Territory of Delhi.

Medical care is being provided in all new areas covered during the year through service system except in Madras, Punjab and Mysore where service as well as ~~sys~~ panel system have been adopted.

*(Medical care extended to the families of insured persons at these places after the close of the year under report - 13 weeks after the date of implementation).

Extension of Medical Care to Members Families of Insured Persons.- During the year, medical care was extended to about 441,750 family units (insured persons) (i.e. about ~~32~~ 1.272 millions of additional family member beneficiaries) in the following nine States:-

Name of State	No. of family (Insured Persons) units.
Andhra Pradesh.	925 700 1,050 825
Kerala.	9,450
Madhya Pradesh.	1,400 1,100
Madras.	1,800 1,800 1,450 1,800 450
Mysore.	8,800 5,500
Orissa.	650
Punjab.	8,700 2,400 2,150 6,650 1,900 1,400 1,850 1,150
Uttar Pradesh.	1,800 1,200 850
West Bengal.	375,000
Total.	441,750

Provision of medical benefit.- The administration of medical care to insured persons and their families in Delhi area was taken over directly by the Employees' State Insurance Corporation from the Delhi Administration from 1 April 1962.

According to the statistics received for the year under report 6,011,697 new and 16,483,367 old cases were treated at the various State Insurance Dispensaries and clinics of panel practitioners as against 5,181,708 and 15,301,917 respectively in 1961-62; further 47,675 cases were referred for admission to hospitals and 510,259 cases for specialists investigations as against the corresponding figure of 48,864 and 421,491 in 1961-62. References to specialists investigations are becoming more and more popular, as they are bound to, in view of the expanded and improved facilities that are being made available under the Scheme.

During the year under report, the All-India rate of new attendance per 1000 insured persons rose from 3,124 in 1961-62 to 3,421; however, the number of old attendances per 1000 insured persons rose from 9,225 in 1961-62 to 9,379 only. The proportion of old attendances to new registered a slight decrease from 2.95 in 1961-62 to 2.74 in 1962-63. This may be presumed to indicate a slight shrinkage in the duration of certified sickness. A State-wise comparison of the rate of new and old attendances and the number of medical certificates ~~and~~ issued, also indicates the presence of wide variation in the pattern and practice of certification.

The over-all State-wise incidence of the combined 'new' and 'subsequent' attendances in dispensaries during the year and the corresponding figures for the preceeding year are given below. These figures reflect broadly the incidence-pattern of out-patient treatment in the respective States:-

(Please see table on the next page)

State.	Total number of visits to dispensaries per 1000 insured persons.	
	1961-62	1962-63
Andhra Pradesh.	23,349	23,294
Asgam.	12,229	10,985
Bihar.	11,512	11,094
Delhi.	13,907	13,331
Kerala.	12,697	13,455
Madhya Pradesh.	19,208	18,058
Madras.	14,216	13,522
Maharashtra:		
(i) Greater Bombay.	8,861	10,679
(ii) Nagpur Area.	15,775	15,753
Mysore.	17,571	14,903
Orissa.	8,525	8,802
Punjab.	11,658	18,272
Rajasthan.	14,179	13,583
Uttar Pradesh.	10,576	9,497
West Bengal.	11,639	11,958
ALL-INDIA.	12,349	12,800

Medical Referees.— At the end of the year there were 16 full time and 22 part-time medical referees in the service of the Corporation. The Medical Referees disposed of a total of 96,348 incapacity references. The number of cases actually examined was 49,122 (50.98 per cent.) out of which 10,055 (10.43 per cent.) were found fit to resume duty and 39,067 (40.55 per cent.) were found unfit to go to work. Of the remaining references, 20,482 (21.25 per cent.) cases were declared off (made fit to join duty by the Insurance Medical Officers/Insurance Medical Practitioners) and 26,744 (27.75 per cent.) cases did not report for examination before the Medical Referees.

Cash benefits.— The total number of cash payments made in each State during the year 1961-62 and 1962-63 is shown in in all States was about 2.413 millions during 1962-63 which is about 0.224 millions over that for the preceding year. On an average, over 0.201 millions payments are effected every month.

Sickness Benefit.- As a result of the implementation of the Scheme in new areas between 1 July, 1961 and 30 June, 1962, about 34,750 more employees became eligible for sickness cash benefit during the year under report. The total number of employees entitled to claim sickness cash benefit during 1962-63 is estimated at 1.880 millions as against 1.660 millions last year.

During the year, an amount of 34.2 million rupees was paid as Sickness Cash Benefit as against 30.2 million rupees in 1961-62. This rise is primarily due to the increase in the coverage of workers and to a small extent, to the increasing trend in wages.

There was a small decrease in the average number of fresh spells per insured employee from .97 in 1961-62 to .95 in 1962-63. The average number of benefit days per annum per employee also registered a slight fall from 7.9 to 7.7. The average amount of daily benefit rate per insured employee, however, registered a small rise from Rs.2.3 to Rs.2.4. A study of the corresponding figures for the three preceding years suggests that the incidence of sickness claims has not yet stabilized.

As in the preceding years, this year also indicated wide variation in the rate of incidence and the duration of sickness benefit claims among the State inter-se. A continuous watch has, however, been kept over the duration of sickness claims at the various centres. The relevant statistics received at the Headquarters every month are analysed periodically and if any centre shows abnormal incidence or trend, the Regional Directors and the Administrative Medical Officers are informed periodically so as to enable them to take suitable and prompt remedial measures, wherever necessary.

Extended sickness benefit.- Insured Persons suffering from (a) tuberculosis, (b) leprosy, mental and other malignant diseases, (c) fractures of the lower extremity and (d) disability arising from the administration of drugs/injections, are now eligible for extended sickness cash benefits at 50 per cent. of sickness benefit rate, for a period of 309 days in addition to the 56 days of full sickness cash benefit. For the year 1962-63 a sum of 1.315 million rupees was paid to insured persons on this account as against 1.138 million rupees in the previous year.

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This increase is mainly accounted for by the increasing number of claims due to the growing coverage and also the increasing duration of claims.

Maternity Benefit.- The number of women employees eligible for maternity benefit has increased slightly from 114,850 in 1961-62 to 116,350. The total amount paid as maternity benefit claims was 2.007 million rupees as against 1.871 million rupees in 1961-62. The average amount of cash benefit paid per maternity claim increased from 267 rupees in 1961-62 to 275 rupees and this is possibly due in part at least to the rise in wages. The number of claims per 1000 insured women employees exposed has also increased slightly from 60.9 in 1961-62 to 62.6 in 1962-63.

Temporary Disablement Benefit.- During the year 1962-63, the total number of employees covered for Disablement and Dependents' benefits was 1.916 millions. A sum of 3.449 million rupees was paid as Temporary Disablement Benefit as against 3.063 million rupees in 1961-62. The average number of fresh spells and the number of benefit days per annum per employee and the average daily benefit rate are .05, .82 and Rs.2.21 respectively as against the corresponding figures of .05, .83 and Rs.2.17 in 1961-62. This year also recorded marked variations in the incidence and duration of these claims in different States. The incidence was comparatively higher in Orissa and West Bengal. However, the duration of claims has been significantly higher in Andhra Pradesh, Madhya Pradesh and West Bengal.

Permanent Disablement Benefit.- The number of fresh cases admitted during the year 1962-63 was 2,808 as against 2,630 during the previous year. The incidence rate per thousand insured employees was 1.47 as against 1.55 in 1961-62, thus registering a decrease. The States of Delhi, West Bengal and Orissa experienced a comparatively very high incidence rate.

The number of claimants on the Fund has increased from 10,946 at the beginning of the year to 12,711 at the end thereof. The actual amount disbursed as benefit also went up from 1.123 million rupees in 1961-62 to 1.443 million rupees in 1962-63.

The capitalised value of the Permanent Disablement Benefit claims in respect of fresh cases admitted during the year was 4.531 million rupees as against 4.507 million rupees in 1961-62. The Permanent Disablement Benefit Reserve Fund stood at 23.489 million rupees at the close of the year.

The number of claimants for Permanent Disablement Benefit who had opted out for receipt of commuted lump-sum value in lieu of periodic payments had increased from 93 in 1961-62 to 201 in 1962-63. This increase is principally due to the liberalisation by the Corporation during the 1962-63 of the conditions for eligibility for commutation.

Permanent Disablement Claims.- An analysis of the 2,808 cases of permanent disablement admitted during the year was made according to (a) main groups of industry and (b) the incidence of claims per 1000 employees exposed industry-wise. The highest number of accidents was recorded in the Textile industry followed at a distance by the Metallic Minerals and the Engineering industries. The incidence rate is the highest in Metallic Industry with 2.51 cases per 1000 employees, with the Engineering Industry experiencing a rate of 1.87 per 1000 employees coming next. The lowest experience continues to be in the non-Metallic Minerals industry. For purposes of comparison, the corresponding incidence for the year 1961-62 is also indicated.

The average degree of permanent disability experienced was 13.82 per cent. as against 15.80 per cent. in the last year. The largest number of accidents occurred this year in the sixth wage group i.e. between the daily wages of Rs.4 and Rs.6. The number of permanent disability cases that arose among women employees was only 38 which is fewer compared to the 2,770 cases which occurred among male employees.

Dependants' Benefit.- The number of fresh claims admitted for dependants' benefit during the year under review increased slightly from 143 in 1961-62 to 179.

Contributions and Enforcements.- With effect from the beginning of the year under report, i.e. 1-4-62, the rate of Employer's Special Contribution in the implemented areas was raised to 2½ per cent. of wages from 1½ per cent. in the previous year. The rates of the other contributions continued to be same as in the previous year viz. ½ per cent. of wages for the non-implemented areas as the Employers' Special Contribution and approximately 2½ per cent. of the wages as Employees' Contributions. The total amount collected was 65,366,265.00 rupees as Employers' Special Contribution and 60,168,840.00 rupees as Employees' Contribution as against 40,153,612.00 rupees and 54,320,024.00 rupees received respectively during the last year.

The mode of collection of contributions - Employer's Special Contribution and Employees' Contribution - remained unchanged. During the year under report, 11 new licences were issued for the use of Franking Machines for franking contribution cards, bringing the total number of licences issued till the end of the year to 432.

Inspections.- During the year under report, the progress of the inspection work continued to be under the close watch of the Headquarters Office. As a result, there has been improvement in the number of inspections carried out during the year. The Inspectors continued to provide guidance to employers and training to their staff in maintaining records and various formalities and procedures necessary under the Employees' Estate Insurance Act and Regulations. At the end of the year, there were in all 105 Insurance Inspectors.

The total number of inspections carried out during the year 1962-63 was 14,475 as against 14,371 for the year 1961-62.

Income and Expenditure.- According to the income and expenditure account of the Corporation for the year ended 31-3-1963, the total income was 134,105,764 rupees and the total expenditure on revenue account was 113,414,803 rupees. The excess of income over expenditure was 20,690,961 rupees.

Relative Cost of Administration.- The statement below shows the comparative cost of administration per insured employee during the year last four years from 1959-60 to 1962-63:-

1959-60	--	Rs. 6.12 per insured employee.
1960-61	--	Rs. 6.11 per insured employee.
1961-62	--	Rs. 6.23 per insured employee.
1962-63	--	Rs. 6.33 per insured employee.

The figure for the year 1962-63 would, however, be reduced to Rs.6.59 per insured employee, if an element of arrear adjustment on account of the Pension Fund, is excluded.

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CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - JANUARY-FEBRUARY 1964.

111. General.

Recommendations of Railway Accidents
Committee: Need for better qualified
Staff stressed.

Shri H.C. Dasappa, Union Minister for Railways, laid on the table of Lok Sabha the report of the Railway Accidents Committee, popularly known as the Kunizru Committee. The report has expressed the view that the majority of the accidents on the Indian Railways was the direct result of the failure of the railway staff.

In order to deal with the problem of how the staff can be prevented from committing errors, which either directly lead to accidents or created conditions which resulted in accidents in the long run, the Committee has suggested the provision of sufficient staff and their being posted in time, in imparting adequate training and intensifying of periodical refresher courses.

It has also suggested that the present method of selection of supervisors should be radically altered to provide chances for persons with initiative and ability to come up to the supervisors level and a larger intake of better qualified men to the intermediate grades of class III staff.

The Committee has suggested the establishment of a railway level-crossing fund, somewhat on the pattern in Canada, in order to expedite the provision of adequate protection including the construction of overbridges and underbridges at level-crossings. The fund should receive contributions from the Ministries of Railways and Transport and from the State Governments, according to an agreed basis. It has also suggested the setting up of a man-power committee on each railway for assessing in advance the staff requirements. The creation of some supernumerary posts to meet unforeseen shortages of staff, has also been recommended by the Committee.

The Railway Board has accepted the recommendations for setting up of a man-power committees. The question of creation of supernumerary posts is being examined says the Board.

The Railway Board has accepted the recommendation of the Committee that great importance should be attached to training throughout the service of an employee and that expenditure on training should be considered as necessary for increasing the safety in train travel and efficiency in the working of railways. It has accepted the recommendation that training facilities for class IV staff on the divisions and in the zonal school of the Southern Railway need be developed.

The Board has accepted the finding of the Committee that the present machinery for dealing with safety at the headquarters of each zone inadequate in the context of the increased functions proposed by the Committee and the suggestion of the Committee that it should be strengthened. The Board has accepted the suggestion of the Committee to form "safety committee" on every railway consisting of heads of departments with the Deputy Chief Operating Superintendent (Safety) as ex-officio secretary to review the accidents and the measures for their prevention.

(The Hindu, 11 February, 1964).

LIST OF THE PRINCIPAL LAWS PROMULGATED
DURING THE PERIOD COVERED BY THE REPORT
FOR JANUARY-FEBRUARY 1964.

INDIA - JANUARY-FEBRUARY 1964.

CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN
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