

**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR**

**INDUSTRIAL COMMITTEE  
ON  
CEMENT**

***FIRST SESSION***

*Held at Ranchi on the 10th and 11th September, 1948*

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### **PREFACE.**

The present publication is a brief summary of the proceedings of the first meeting of the Industrial Committee on Cement held at Ranchi on the 10th and 11th September, 1948. Copies of the memoranda prepared for the meeting will be found in the appendices. Any suggestion for improving the printing of these proceedings will be gratefully appreciated.

MINISTRY OF LABOUR;  
*New Delhi, the 8th February, 1949.*

SADASHIVA PRASAD,  
Deputy Secretary to the Government of India.

**GOVERNMENT OF INDIA**

**MINISTRY OF LABOUR**

**Summary of the proceedings of the first session of the  
Committee on Cement held at Ranchi,  
on the 10th and 11th September, 1948.**

**PRESENT**

1. The Hon'ble Shri Jagjivan Ram, Labour Minister, Government of India  
(in the Chair).

*Central Government*

2. Mr. S. Lall, I.C.S., Secretary, Ministry of Labour.
3. Mr. Sadashiva Prasad, M.A., B.L., Deputy Secretary, Ministry of  
Labour.

*Provincial Governments*

4. The Hon'ble Dr. Syed Mahmud, Development and Transport Minister,  
Bihar.
5. Mr. C. G. Reddy, Commissioner of Labour, Madras.
6. Shri P. K. Sen, Labour Commissioner, C. P. & Berar.

*States Governments*

7. Sardar K. L. Budhiraja, Secretary, Industries & Commerce, Patiala  
and East Punjab States Union.
8. Mr. Naginlal Sadasukhi, Acting Labour Commissioner, United States  
of Rajasthan.
9. Mr. K. Narayanaswami, Mysore State.
10. Mr. S. N. Shukla (Observer, Jaipur State).
11. Mr. R. C. Malhotra, Director, Industries, Vindhya Pradesh.

**EMPLOYERS**

*The Associated Cement Cos. Ltd.*

12. Mr. J. H. Patel.
13. Mr. S. Moolgaokar.
14. Mr. Haridas Gopaldas.

*The Portland Cement Co. Ltd.*

15. Mr. C. W. Harvey.—Delegate.
16. Mr. Poole—Adviser.

*Dalmia Group.*

17. Mr. J. Dalmia.—Delegate.
18. Mr. N. C. Roy. }
19. Mr. M. L. Burman. }      Advisers.

## WORKERS

*The Indian National Trade Union Congress*

- 20. Mr. Sam Joseph, Secretary, Madukkarai Cement Employees Association, Madukkarai (South India).
- 21. Mr. Martandrao Farse, Dwarka.
- 22. Mr. Shivdutta Sharma, Secretary, the Lakheri Cement Workers' Union, Lakheri (Bundi State).

*The All India Trade Union Congress*

- 23. Mr. M. Matheesan, Vice-President, the Coimbatore Cement Workers' Union, Madukkarai, Coimbatore.
- 24. Mr. Mapek Gandhi, (Adviser).

*The Hind Mazdoor Panchayat*

- 25. Mr. Basawan Singh.

## SUMMARY OF PROCEEDINGS

The Hon'ble Dr. Syed Mahmud, Minister of Development and Transport, Bihar Government, on behalf of the Province of Bihar, welcomed the representatives of employers, labour and Government, especially the Chairman and Mr. Lall who belonged to the Province of Bihar. He pointed out that the main problem before the Committee was to maximise the production of cement in the country. He hoped that the Committee would take some useful decisions. Referring to the technical difficulties of cement factories, he said that only persons with technical knowledge could find out the causes for the fall in production and suggest remedies. He, however, stressed that unless the grievances of labour were removed, work could not go on smoothly. He hoped that the presence of the Hon'ble the Labour Minister of the Government of India would solve the problem.

**Chairman's Speech**

GENTLEMEN,

It is a great pleasure to me to welcome you to the first session of the Industrial Committee on Cement and it is an added pleasure for me to do so in my own Province. I must also express my gratitude to the Government of Bihar for the facilities provided for this meeting. I should like to express my thanks to the Hon'ble Shri V. P. Verma, the Speaker of the Bihar Legislative Assembly, who has very kindly placed at our disposal his own Reporters to record our proceedings.

It may be useful if I were to recapitulate in brief the circumstances leading to the creation of this Committee. Sometime ago the Government of India appointed a Committee under the Chairmanship of Mr. D. V. Rege to investigate the conditions of labour in Indian industries. This was a fact-finding Committee, which, in addition to its main report, submitted a series of reports on individual industries of which cement was one. It was our intention to set up small tripartite committees for each industry where the inquiry disclosed a *prima facie* case for urgent improvement in working conditions. As often happens with Government, there is a long time-lag between planning and fulfilment. The Committee submitted its report in January, 1946, and we are now meeting in September, 1948. I hope no one will accuse me of undue haste.

This is not the first Committee to be set up in accordance with our original plan. We have had Textiles, Coal and Plantations Committees. In fact, I am proceeding direct from here to participate in the second session of the Coal Mining Committee in Dhanbad. We are also contemplating to set up Committees on Jute and Leather Tanning Industries.

As these Committees were at first taken up on an individual basis but they have to be fitted and adjusted to a new scheme consequent on the adoption of the Resolution on Industrial Truce in December last by a special Conference convened by the Prime Minister. This scheme is based on the fundamental principle of the partnership of labour in industry, but this partnership must be real and not merely nominal. It presupposes humane and satisfactory conditions of employment as well as a profit sharing scheme which will enable labour to share with capital and management in the fruits of their joint enterprise. The implications of the Industrial Truce Resolution are far-reaching. Labour must undertake to do all it can to increase the output and in return it will be guaranteed better treatment and better terms. I need not stress here the importance of production particularly in the case of the cement industry on which depends all our hopes for the construction of new factories and for the construction of new homes for workers which are so badly needed. Although our cement factories can produce about 2 million tons cement every year, the

production during the year 1947 was only 1½ million tons. As a matter of fact there has been a steady decline in the production of cement during the last few years, and unless we devise immediate measures for stepping up production, we will not be able to attain our targets in the execution of the manifold projects which the Central and Provincial Governments have undertaken. It is not only necessary that our cement factories should produce cement according to their full capacity but it may also be necessary to increase their production capacity so that the required quantity of cement may be available to us for pushing on our projects.

To give effect to the terms of the Industrial Truce Resolution we are proposing to set up a Central Advisory Council, tripartite in composition and in keeping with the usual I.L.O. pattern. This will deal with the problem of industrial relations as a whole. Under this will come the Provincial Advisory Councils and the Industrial Committees for the various industries. The work of the Industrial Committees will be co-ordinated by the Central Advisory Council and I mention this fact because in subsequent meetings our procedure may need modification in the light of the decisions of the Central Advisory Council. Under the Industrial Committees are the Works Committees and the Production Committees which are to be set up in each industrial establishment. I hope that by this means not only shall we have healthy industrial relations within the industry but also increased production to the need for which I have already referred. It will thus be seen that the Industrial Committee which we are setting up today will not only examine the specialised problems of the industry but will suggest ways and means of improving the same. In fact it will secure, promote and guarantee such agreements between the employers and workers as will usher in a period of orderly achievement towards a Co-operative Commonwealth.

I realise that many of you have put yourself to very great trouble and inconvenience in attending this meeting and you must all be anxious that you should go through the agenda in time so as to be able to revert to your normal duties as early as possible. I wish you God Speed in your deliberations and I hope that the country will derive considerable benefit therefrom. As this is the first meeting, much time will necessarily be taken in preliminary discussions but I hope you will also be able to arrive at definite conclusions and put forward constructive suggestions for the future of an industry of the country.

#### Item I—Constitution of the Committee

The Chairman invited suggestions on the provisional constitution of the Committee.

**Mr. J. Dalmia** suggested that such Provinces and States which already had or were going to have cement factories should have seats on the Committee. He further said that even small units in the industry which were not members of any group should also be allowed representation.

**Mr. K. Narayanaswamy** pointed out that the Mysore State had a cement concern completely owned and run by Government. With a view to implementing the Industrial Truce Resolution of the Government of India, the Mysore State had set up a Works Committee which has been functioning satisfactorily. The machinery required for the expansion of this factory was expected to be received in October or November, 1948. He pleaded that as cement industry in the Mysore State was a completely nationalised industry and there were various development schemes, the State should be allowed an independent seat on the Committee instead of an alternative representation with Saurashtra, as suggested in the memorandum circulated by the Ministry of Labour.

**Mr. Shukla** stated that though Jaipur had no cement factory at present it had vast resources which were going to be developed. The Government of

India had already approved of their development plans. The State was going to produce 150,000 tons of cement a year. He, therefore, urged that the Jaipur State should be allowed representation on the Committee. He further agreed with Mr. Dalmia that all the States and Provinces which had been permitted by Government to start the cement industry should be represented.

Mr. Manek Gandhi suggested that representation on the Committee should be allowed after taking into consideration the strength of different labour organisations and wanted to know the basis on which the Government had allocated the present seats.

The Chairman said that the basis was the same as had been suggested by Mr. Gandhi.

Mr. Manek Gandhi asked for statistics relating to the membership of labour organisations represented on the Committee. Quoting some figures, he pointed out that the All India Trade Union Congress had five unions in the industry. He urged that on the basis of these figures the All India Trade Union Congress should be given more seats on the Committee. He further suggested that since the Industrial Committees were technical committees and the workers in general were uneducated it was necessary that each representative of workers and employers should have the right to take at least an adviser to the meeting of the Committee. If that was not possible, Government should at least permit each central labour organisation to send an adviser with full facilities and privileges for participation in its work.

Mr. P. K. Sen suggested that with regard to workers' delegation, it might be better to get representation from the workers direct. He was of the opinion that either of the following two courses should be followed:—

- (i) representatives of labour on Works Committees could form an electoral college and a proportionate number could be fixed according to the total number of workers in each group,
- (ii) if the recognised trade unions were given some sort of combined representation, they could also form an electoral college and elect workers for the membership of the Committee.

The Chairman agreed that the representation of those Provinces and States in which new cement factories may be established deserved consideration. As soon as such units were started, representation would have to be allowed to them. He, however, pointed out that it would be necessary to take the capacity of the units into consideration in determining if they deserved independent representation.

Mr. J. Dalmia enquired if individual manufacturers were proposed to be allowed representation.

The Chairman replied that the fact was brought to his notice very late and he would have considered the desirability of having a representative from among those units which were not related to the two main groups. He made it clear that the Committee should not become unwieldy and that the smaller units could have observers who could come and express their opinion on points affecting them. Quoting some figures, he pointed out that the workers' representation had been allowed on the basis of the numerical strength of their organisations.

Mr. C. G. Reddi pointed that Mr. Gandhi had included in his statement even defunct unions.

Mr. Manek Gandhi challenged Mr. Reddi's remarks and asked Government to check up the information furnished by the Provincial Governments.

The Chairman remarked that the correct information may not be exactly what Mr. Gandhi had supplied.



**Mr. J. Dalmia** suggested that the existing unions should be given adequate representation and that employers' groups with a common Board of Directors and common principles and policies should have only two seats instead of three, as proposed in the memorandum on the subject.

**Mr. S. Moolgaokar** did not agree with Mr. Dalmia and urged that in allocating seats the capacity as well as the number of workers employed by units should be taken into consideration.

**The Chairman** pointed out that the Government had allocated seats on the same basis as suggested by Mr. Moolgaokar. He said that he would examine the various suggestions while deciding the future set-up of the Committee.

#### Item II—Standardisation of wages and conditions of work in the Cement Industry

**The Chairman** drew attention to paragraph 12 of the memorandum and said that it would facilitate decisions if the points specified in that paragraph were taken up one by one.

**Mr. Dalmia** pointed out that basic wages obtaining in the cement industry should not be compared to those in the textile and steel industries which were earning more on their investments. He argued that the capacity of the industry to bear the burden of basic wages should also be considered.

**Mr. Moolgaokar** agreed that there should be standardised basic wages. He pointed out that the Associated Group of Cement Companies had a uniform basic wage of 12 annas a day. He argued that while the industry was anxious to pay more to the workers, the production of cement would also have to be considered by Government. He pointed out that while the Indian workers were paid one tenth of what the American workers got, their producing capacity was one twentieth. He argued that if the workers were going to be paid more, the industry must be mechanised to get rid of surplus labour.

**Mr. Narayanaswamy** agreed with Messrs. Dalmia and Moolgaokar. He was of the opinion that in standardising basic wages, cost of living indices, wholesale prices and the local condition of each cement producing unit should be taken into account and a decision on these points could be taken only after a detailed study of these aspects had been made. He suggested that a tripartite Sub-Committee should be appointed to go into the question and that the Sub-Committee should submit its report to the Committee. He pointed out that an incremental scale of pay was already in force in Mysore.

**Mr. Malhotra** said that in all places labour was divided into several categories on the basis of psychological tests and pleaded that every man should be given the benefit of his health and brain.

**Mr. Manek Gandhi** urged that wages in the cement industry should be standardised and felt happy that the employers agreed with that view. Referring to the argument put forward by Mr. Moolgaokar that the American workers produced more, he pointed out that given the same conditions of work, wages and everything else, the Indian worker would produce more than the American worker. Contradicting Mr. Moolgaokar's statement that the Associated Cement Company workers were paid 12 annas a day, he said that the workers in the Khelari Cement Works were paid only 10 annas a day as minimum wage.

**Mr. Moolgaokar** pointed out that the matter was under adjudication, but the minimum wage had been raised to 12 annas a day since February, 1948.

**Mr. Gandhi** suggested that the basic wage paid to a worker must enable him to live a decent human life. Referring to the Prime Minister's observations in his broadcast speech of the 15th August, 1947, that he was assuming power to raise the standard of living of the people, he enquired whether it was possible

for a worker to live a decent life on a basic wage of only annas ten or twelve a day. He pointed out that the Bombay Textile Enquiry Committee recommended, in 1939, that the minimum wage should be Rs. 55 p.m. and that Rs. 30-15-3, Rs. 40, Rs. 30, and Rs. 30 were recommended as the basic minimum wage by Dr. Radhakamal Mookerjee, Professor P. C. Mahalanobis, the Central Pay Commission and the U. P. Labour Enquiry Committee, respectively. He further said that the All-India Trade Union Congress had been demanding Rs. 35 as the minimum wage and urged that this should be the first charge on the industry. He strongly suggested that a decision should be taken by the Committee immediately. Drawing attention to the fact that most of the cement workers were daily-rated and that even after 10 or 12 years' service they remained so, he urged that all workers, after they had put in about 12 months' service must be treated as permanent. Referring to the case of clerks who were daily-rated, he said that those workers who were not casual workers should be turned into monthly-rated workers and put on a permanent footing.

**Mr. P. K. Sen** pointed out that the Central Provinces had taken up the question of implementation of the Minimum Wages Act, 1948, and had decided to notify what the minimum wages should be in the cement works in the Province. The question of standardisation of wages in the cement industry would automatically follow once the minimum wages were fixed. He wanted to know the reasons for standardising wages and conditions of work alone when everything else was not standardised. Since prices varied from place to place the cost of living could not be the same in all centres and standardisation of wages can only be regional. He pointed out that standardisation of wages in the textile industry had given rise to considerable discontent. He was of the opinion that instead of raising the wages, it would be better to raise the standard of living of the cement workers by providing them with facilities which would improve their social and living conditions, and thereby check the inflationary spiral of wages chasing prices.

**Mr. Dalmia** said that total earnings should be taken into consideration in judging if the workers were receiving proper wages. Referring to Mr. Gandhi's remarks, he said that monthly or weekly wages did not make any difference.

**Mr. Gandhi** pointed out that daily-rated workers were not entitled to provident fund.

**Mr. Dalmia** was of the opinion that except in a few cases, all the occupational nomenclature could be standardised. Further, it was not possible to have a uniform minimum wage throughout the country as some factories were located at places where the standard of living was comparatively higher. He agreed that living conditions should be raised everywhere.

**Mr. Gandhi** re-iterated that standardisation of wages was essential, as otherwise there would be discontent among workers in different factories. Referring to variations in the cost of living in different places, he suggested that a formula evolved by labour experts may be adopted, but it must have a direct relationship with the standard minimum wages.

**The Chairman** enquired as to why it was not possible to standardise nomenclatures. On being told by Mr. Sen that while the fitters had to do certain jobs in some factories, they had to do some other jobs in other factories, he said that those who were called fitters in one factory, were called by some other name in others.

**Mr. Moolgaokar** enquired whether it would not be desirable for the Employment Exchanges to carry out the work of standardisation of nomenclatures.

**The Hon'ble Dr. Syed Mahmud** pointed out that in Bihar the cement factories were paying much less to their workers than the sugar factories.

**Mr. Moolgaokar** stressed that wages should be related to output and it should be remembered that decrease in individual output led to employment of more labourers for increasing output. In reply to the Chairman's query, he stated that output at the quarries had considerably deteriorated. Quoting some figures he pointed out that the overall earnings per worker per month (including dearness allowance, bonus, medical benefits, rent-free housing, education benefit, grain compensation, etc.), would come to about Rs. 49-2-0 a month. He pleaded that there should be a limit to increase in wages since directly or indirectly it affected the consumers.

**Mr. Lall** felt that standardisation of nomenclatures in the industry was absolutely essential and that occupational nomenclatures should be standardised first and thereafter the wages. He said that the experience of the Employment Exchanges had shown that the standardisation of occupational nomenclatures was a task which could be easily undertaken by them. He agreed with Mr. Moolgaokar that the task had better be left to the Employment Exchange organisation. He said that labour should be made efficient and that in return higher wages must be paid. Referring to the suggestion that a Sub-Committee should be set up, he pointed out that the Works Committees should consider how the standard of living of workers could be improved and the Production Committees should see how production could be improved. He agreed with the employers that some sort of rationalisation should be attempted and hoped that labour would also agree to it.

**Mr. Manek Gandhi** remarked that unless alternative employment was given to the workers, all attempts at rationalisation would be resisted.

**Mr. Lall** agreed with Mr. Gandhi that the workers should not be put to strain which they could not bear.

**Mr. Manek Gandhi** pointed out that the efficiency of the workers could be improved only if better housing facilities, good medical aid and better working conditions were provided. He urged that if as a result of improving the machinery some workers were surplus, they should be provided with alternative employment; otherwise the State would have to face the danger of unemployment.

**Mr. Lall** said that improvement in industry could be achieved only through the cooperation of employers and employees. He pointed out that due to varying local conditions it might not be possible to fix absolutely one wage for every centre but standardisation should be based on the principle that equal pay should be given for equal work as far as possible.

**Mr. Manek Gandhi** pointed out that in spite of the fact that the Government of India held the view that men and women should have equal wages for equal work, women coolies were being paid less than men coolies in the cement industry.

**Mr. Budhiraja** suggested that an effort should be made to reduce prices by making machinery more efficient. Further, that while the interests of employers and labour were being taken into consideration, the interest of the consumer on whom the industry depended should also be considered. Referring to the fact that the cost of cement in India was much higher than in any other country in the world, he urged that efforts should be made to reduce the cost of production by greater mechanisation.

**Mr. Manek Gandhi** suggested that since some time would elapse before a standardised minimum wage could be fixed, some interim relief should be given to the workers to avoid discontent.

**Mr. Dalmia** suggested that each factory should be asked to propose minimum wages for the various types of workers employed and that thereafter a Committee should be appointed to decide the question.

**Mr. Budhiraja** suggested that the proposed Committee should be directed to see to it that increase in wages did not raise the cost of cement.

**Mr. J. H. Patel** explained that although the industry always tried to keep the prices of cement low, the general rise in prices after the war compelled the industry to approach Government for raising the price of cement.

**Mr. Manek Gandhi** said that he could not agree that even when prices of cement were raised, the workers should not be paid higher wages.

**Mr. Budhiraja** suggested that while labour should be paid legitimate wages and their interests should be safeguarded, surplus labour must be removed.

**Mr. Manek Gandhi** said that it should be the responsibility of the State to find alternative employment for surplus labour.

**The Chairman** drew attention to the Annexure to the memorandum and pointed out that there was no justification for so much disparity in wages in different units and felt that a total remuneration of about Rs. 34 or Rs. 35 a month inclusive of dearness allowance could not be justified.

**Mr. Moolgaokar** said that other amenities provided to the workers should also be taken into consideration in calculating wages paid to the cement workers.

**The Chairman** remarked that even if those amenities were taken into account, the remuneration paid to cement workers could not be considered as adequate. He suggested that the delegates should arrive at some agreement among themselves on the minimum increases in wages which could be allowed immediately. He felt that no discussion was necessary on the desirability of extending the scope of the existing Provident Fund Scheme in the industry since he hoped that the principle would be acceptable to all.

**Mr. Gandhi** suggested that the linking up of the dearness allowance with the cost of living index should be done in such a way that the workers would be compensated for the increased cost of living over 1939 as far as possible.

**The Chairman** explained that the intention had been correctly explained by Mr. Gandhi.

**Mr. Narayanaswamy** pointed out that the dearness allowance for workers in the cement industry in Mysore would have to be paid on the scales prescribed by the State Government.

**The Chairman** suggested that the question of rest days should be taken up.

**Mr. Moolgaokar** explained that the position regarding rest days for continuous process workers in the industry was not uniform and that there were some objections from the labour side. Pointing out that the 1946 amendment to the Factories Act, 1934, while reducing the weekly hours of work for general duty workers from 54 to 48, had retained the 56 hour limit for shift workers in continuous process industries, he explained that at Madukkarai and Khelari works where surplus labour was available, a fourth shift was provided and that at other works the existing three shifts were being continued to enable the workers to earn more wages.

**Mr. Manek Gandhi** pointed out that he had had complaints to the effect that the workers were made to work every day for 3 to 4 hours more and that they were being threatened to be discharged in case they refused to do so. He urged that some way should be found out by amending the Factories Act, if necessary, by which the workers would get sufficient rest. On being told by the Chairman that necessary provision had been made in the new Factories Act which would come into effect from the 1st April 1949, he suggested that since the Act had already been passed, effect should be given to it immediately.

**Mr. Moolgaokar** suggested that since the Government has appointed a Wages Sub-Committee, its recommendations should be awaited.

**Mr. Manek Gandhi** suggested that some decision should be taken by the Committee.

**The Chairman** said that his feeling was that wages were not adequate and some *ad hoc* increase might be allowed voluntarily.

**Mr. Dalmia** said that when wages were high, the Ministry of Industry and Supply accused them of inefficiency in managing their business. He further pointed out that since he was not getting raw materials in Bihar, the production of his group had fallen to 5,000 tons as against the producing capacity of 15,000 tons and as such he could not be expected to increase wages. His application for stone quarries had been pending with the Government of Bihar for a very long time. Still he was paying wages at the rate of Rs. 45 a month to each worker, which he considered to be quite adequate.

**Mr. Lall** suggested that although the Provincial Governments would set up, in due course, Wage Boards under the Minimum Wages Act, 1948, it might be desirable to give some indication to those Boards regarding the defects in the existing wage structure and the lines of improvement to help them in discharging their duties under the aforesaid Act.

**Mr. Dalmia** suggested that interim relief wages up to Rs. 45 a month inclusive of all allowances might be allowed. Since in some centres the dearness allowance was low and basic wages high and in others *vice versa*, the total amount to be allowed should be determined by the Committee.

**Mr. Manek Gandhi** suggested that pending final decision, a basic wage of Rs. 30 per mensem should be given and that if the employers did not agree, the Government should come out with their proposals. As regards Mr. Dalmia's suggestion of paying a minimum wage of Rs. 45 inclusive of dearness allowance, he pointed out that in some cases workers were already getting Rs. 50 a month and Mr. Dalmia's suggestion did not solve the difficulty of the workers.

**The Chairman** suggested at this stage that the question of linking up dearness allowance or cost of living allowance with the cost of living index should be taken up.

**Mr. Manek Gandhi** pointed out that although the employers were agreeable on principle, they did not seem willing to agree to any decision which may raise the workers' wages or improve their conditions of work. He wanted an assurance from Government that an Ordinance implementing the decision of the Committee would be promulgated. If such an assurance were given, the workers would feel that the Industrial Truce Resolution was being implemented by the Government. He also suggested that the Committee should pass a unanimous Resolution that dearness allowance should be linked up with the cost of living index with effect from a date to be specified later on.

**Mr. Patol** pointed out that when it was agreed, in principle there was no need for a resolution on the subject.

**Mr. Gandhi** quoted some statistics regarding dearness allowances and stressed that there should be cent. per cent. compensation for any rise in the cost of living. He argued that if the employers accepted the principle, they must implement it.

**Mr. Sadashiva Prasad** explained that the employers agreed that dearness allowance should be linked with the cost of living indices. They would supply to Government the names of the centres where the cement factories were located and Government would supply to them the cost of living indices of those or nearest places.

**Mr. Gandhi**, however, urged that the rise in the cost of living should be compensated fully.

**Mr. Lall** explained that it was agreed that dearness allowance should be linked with the variation in the cost of living indices, that the rise in the cost

of living indices should be compensated fully and that the date of the last revision of the dearness allowance should be taken as the basis.

**Mr. Sadashiva Prasad** read out the following proposal of Mr. Gandhi:—

“The dearness allowance should be linked with the cost of living index. It should be paid at such rate as may compensate fully the rise in the cost of living after 1939”.

**Messrs. Patel and Moolgaokar** remarked that it would not work.

**Mr. Moolgaokar** said that the date of the last revision of the cost of living allowance must be taken as the basis.

**The Chairman** invited Mr. Gandhi's remarks on the desirability of fixing a uniform practice in regard to rest days for continuous process workers in the industry and on the determination of the best method of protecting workers from dust nuisance—points (vi) and (vii) of paragraph 12 of the Memorandum on item II.

**Mr. Gandhi** suggested that in respect of rest day the employers should not wait for the new Factories Act to come into force but should go ahead with its implementation immediately. As regards dust nuisance, he suggested that all workers must be provided with masks, the mask used by one worker should not be used by another and all workers should be provided with cooling gloves. He further suggested that doctors should be more sympathetic to the workers and that workers in the packing department should be supplied with uniforms as their clothes got dirty very soon.

**Messrs. Patel and Moolgaokar** agreed to supply the things suggested by Mr. Gandhi.

**Mr. Harvey** pointed out that although masks were being supplied, the workers threw them away.

**Mr. P. K. Sen** said that dust nuisance being a technical question required careful study. He felt that, since the Factories Act contained sufficient provisions for protection against dust nuisance, it was up to the Factory Inspector to enforce the provision. He suggested that since the Chief Inspectors of Factories were meeting at Delhi next week, the question might be referred to them.

**The Chairman** suggested that the question of Provident Fund Scheme might be taken up.

**Mr. Manek Gandhi** pointed out that the existing Provident Fund Schemes were defective in the sense that they covered only monthly-paid workers although the vast majority of the workers in the industry was daily-rated. He did not feel that it was necessary to wait and study the effect of the Coal Mines Provident Fund Scheme and urged that a Provident Fund Scheme applicable to all workers of the cement industry should be started immediately. He suggested that both the daily-rated and monthly-rated workers should be eligible to contribute to the Fund and to get the employers' share. He thought that the best thing would be to provide for old age pension and unemployment insurance but a beginning might be made with the Provident Fund Scheme.

**Mr. Dalmia** pointed out that their Provident Fund Scheme was applicable to all permanent workers irrespective of the fact whether they were monthly-paid or daily-rated. In reply to Mr. Sadashiva Prasad's query, he said that if a worker held a permanent post even for 15 days, he was allowed to contribute and that the usual period of probation was six months. He informed the Chairman that the rate of employers' contribution was one anna per rupee of the workers' wages.

**Mr. Moolgaokar** pointed out that the Associated Cement Companies had a gratuity scheme for all monthly-rated and daily-rated workers, which he felt was more liberal than the Provident Fund Scheme. If it was found that it would be more beneficial to the workers, he had no objection to the institution of Provident Fund Schemes.

**Mr. Shivdutta Sharma** pointed out that there were instances when workers had not been allowed any gratuity even though they had put in several years' service.

**Mr. Manek Gandhi** said that a worker was retrenched even after putting in 15 years' service and that no gratuity was paid to him because he took part in a strike. He was not in favour of the Provident Fund Scheme being operated by the employers alone.

**The Chairman** remarked that the Provident Fund Scheme would not be administered by the employers alone but by statutory provision.

**Mr. Patel** said that the industry would have no objection if the Provident Fund Scheme was administered on a reasonable and fair basis.

**Mr. Manek Gandhi** suggested that the bonus should be equal to three months' average wages including dearness allowance and there should be no condition for the payment of bonus. In support of his suggestions, he cited one of the Madras Awards given in 1947. He pleaded that the Committee would not be doing justice to the workers if no concrete decisions were taken by it. He wanted to know what relief Government proposed for the workers.

**The Chairman** remarked that the Government heard both sides first and then took the necessary action.

**Mr. Gandhi** wanted some indication of the time-limit within which action would be taken.

**The Chairman** replied that it was not possible to indicate the time-limit.

**Mr. Dalmia** pointed out that in pre-war days, wages were in the neighbourhood of annas 2/4/- a day and that even if the cost of living index was 440 at present, the total wage was much more than four times. Referring to the fact that the prices of all ingredients had risen six or seven times, he suggested that the Ministry of Industry and Supply should be consulted before taking any decision. He argued that if the Government considered that labour should be compensated in all circumstances whether the industry was able to bear the burden or not, then the Government had better run the industry themselves.

**The Chairman** made it quite clear that the Government were fully aware of their responsibility and it was no use reminding them of the Ministry of Industry and Supply, since Government moved as a whole.

**Mr. Gandhi** said he was sure that people would get cement at a cheaper rate, should the industry be nationalised.

**Mr. Lal** enquired of the rate of bonus paid by Mr. Dalmia.

**Mr. Dalmia** replied that leaving aside the Independence bonus and special bonus for people recruited from Pakistan, production bonus was also given at Dalmiapuram Factory in South India at the following rates:—

1943	. . . . .	1 month's salary.
1944	. . . . .	2½ months' ..
1945	. . . . .	2 .. ..
1946	. . . . .	1 month's ..
1947	. . . . .	1½ .. ..

**Mr. Lall** further enquired as to how the bonus was determined.

**Mr. Dalmia** replied that it was determined on a *pro-rata* basis. A certain margin of production was fixed according to the capacity of the machinery and reasonable efficiency was expected from the workers. Any production made jointly by the workers beyond that limit was valued at a certain rate and the amount was distributed as production bonus to workers jointly.

**Mr. Sadashiva Prasad** enquired of the system in Japla.

**Mr. Harvey** replied that from 1938 to 1947, they offered bonus equivalent to one month's wages which represented 33½ per cent. of the net profits. He, however, pointed out that since that had not been accepted, the matter was under arbitration. He added that contract labour was also eligible for the payment of bonus.

**Mr. Narayanaswamy** said that in Mysore bonus equal to two months' wages was paid.

**Mr. Lall** enquired whether there should be a uniform system of bonus.

**Mr. Patel** remarked that that would not be practicable.

**Mr. Lall**, said that as long as there was profit, bonus must be the first charge on profit.

**The Chairman** said that he would like bonus to be linked with dividends so that the industry may not declare only the dividends and pay no bonus.

**Mr. Patel** pointed out that inspite of adverse circumstances, bonus equal to two months' wages had been paid and suggested that the matter might be left at that.

**Mr. Lall** suggested that it would be in the interest of the industry if uncertainties were removed from the minds of the workers so that they might know that bonus would be paid on a fixed principle.

**Mr. Patel** agreed to abide by any formula which the Government might evolve.

**Mr. Dalmia** suggested that bonus should be linked with production.

**Mr. Narayanaswamy** suggested that since the Government of India had already received the report of the Profit-Sharing Committee and as that report had been referred to an Advisory Committee, it would be better to await their decision and apply the same to the cement industry.

**Mr. Gandhi** did not agree with the above suggestion and urged that every worker should be entitled to bonus, without any condition regarding number of days worked, but bonus should be given *pro-rata* so that the employers might not say that because they dismissed a man, he was not entitled to any bonus after dismissal.

**Mr. Dalmia** felt that for the purpose of maintaining harmonious industrial relations Government must arrive at a decision quickly either in consultation with the employers or even arbitrarily but they should see to it that the industry was able to bear the burden placed on it.

**Mr. Lall** enquired if the industry would be prepared to surrender to a decision given by a tribunal.

**Mr. Dalmia** reiterated that the workers' bonus should be a production bonus, since profit-sharing bonus would complicate the maintenance of accounts.

**Mr. Gandhi** felt that if production bonus was linked with individual efficiency, it would not help the workers in increasing their efficiency. He urged that bonus must be paid for three months, casual workers should also be entitled to it and it must be regarded as a part of the wages.



**Mr. Harvey** remarked that that would not be practicable.

**Mr. Gandhi** emphasised that as long as workers were not given a living wage, bonus must be considered a deferred wage and that no industry had a right to exist if it did not give a living wage.

**Mr. Shukla** expressed the opinion that so long as living wage was not allowed, bonus must be paid on a uniform scale of three months' wages.

**Mr. Gandhi** agreed with Mr. Shukla.

**Mr. Moolgaokar** stated that they were paying two months' bonus and hoped to continue it.

**Mr. Gandhi** said that in that case there would be a general strike.

### ITEM III—Promotion of harmonious industrial relations.

**Mr. Narayanaswamy** pointed out that the Works Committee set up by the Mysore Government was working satisfactorily, having two seats for labour and two seats for employers, with the Labour Commissioner as the Chairman.

**Mr. Gandhi** felt that since under the Government of India's Scheme, the employers' representative would be the Chairman of the Works Committee which would give the employers a preponderating vote, it would be better to follow the example of Mysore and appoint a Government representative as the Chairman of each Works Committee.

**The Chairman** remarked that since Mysore had only one unit it was possible to have the Labour Commissioner as the Chairman but that would not be practicable for the Indian Union.

**Mr. Gandhi** made the alternative suggestion that there should be two Chairmen, one from the employers' side and the other from the workers' side, presiding alternatively. He further suggested that if that was not accepted, the Secretary of the Works Committee should be a worker, and that either a Government official or an impartial person should be present during the elections. He complained that Works Committees at Khelari and Madukkarai had been formed without consultation with and election by the workers.

**Mr. Moolgaokar** said that except at Khelari and Kheri, in all other units they had Works Committees which were working satisfactorily.

**Mr. Joseph** outlined in detail the activities of Works Committees and requested that a decision regarding a living wage should be reached.

**Mr. Gandhi** suggested that Government should hold an enquiry to find out if the Works Committees had been properly set up and in the light of the Government's findings, the Committees should be reconstituted, if necessary.

**Mr. Lal** enquired as to how far the Works Committees were formed.

**Mr. Dalmia** pointed out that in Dalmianagar, they permitted the workers to have their own elections.

**Mr. Raman** stated that the Bihar rules did not provide for nomination by the unions but an amendment of the rules was under consideration.

**Mr. Farse** said that the workers' demand was that the Chairman and also the Secretary of the Works Committee should come alternatively from the employers and the employees. He failed to see the reason why the workers at Dwarika were divided by the employers into five groups for electing five members instead of leaving the matter to the Union. He said that since no agreement could be reached on the above points there was no Works Committee at Dwarika.

**Mr. Shivdutta Sharma** pointed out that at Lakheri all the workers were illiterate and as such were of no use to the Works Committee. He suggested that if a Union claimed more than 50 per cent. of the workers as their members, the Union should be permitted to nominate at least one member.

**Mr. P. K. Sen** pointed out that in the Central Provinces there was no recognised Union but the Works Committees were working more or less satisfactorily.

The Chairman wanted to have an idea of the working of Production Committees.

**Mr. Moolgaokar** replied that since the Associated Cement Companies group produced far more than they had sold, they felt that it was too early to express a final opinion on the real utility of Production Committees which had been set up by them in only two or three of their works so far.

The Chairman enquired if Mr. Gandhi had any further suggestions to make about the promotion of harmonious industrial relations.

**Mr. Gandhi** suggested that since the Works Committees were functioning no workers should be dismissed without the dismissal being approved of by a Welfare Officer. He further suggested that those workers who were in the wrong should be first given a warning and if even after that they did not improve then alone should action be taken against them. He said that harmonious industrial relations could be maintained only if workers felt that they were being treated well and urged that the employers should feel that the profits made by them were on account of the labourers. He also suggested that the employers should not take a partisan attitude towards the unions.

#### ITEM IV—Measures for Increasing Production

**Mr. Moolgaokar** pointed out that so far as the Associated Cement Companies group was concerned, production had gone up instead of going down and that right from 1945 they were producing more than they could send out, 3 lakhs of tons of cement being still in stock. He said that the main difficulty was transport and suggested that the time had come when the industry should be permitted to load 10 per cent. extra in each wagon. He showed a chart to the Chairman and in reply to his query stated that wages accounted for about 32 per cent. of the total cost of production of cement. He added that they had spent about Rs. 69 lakhs for construction of staff quarters and other amenity buildings and that 950 houses were already completed and that in the course of the next 12 months another 900 would be constructed, the houses being rent free and fitted with electric light, sanitary latrines and septic tanks. He invited the Chairman to come and see what they had done for the welfare of the workers and hoped that he would be satisfied.

**Mr. Shivdutta Sharma** pointed out that the houses which were being built by the Associated Cement Companies consisted of only a room and a verandah, the floor space of the room being 8 ft. x 7 ft.

**Mr. Patel** contradicting Mr. Sharma said that the houses consisted of two rooms of 10 ft. x 8 ft. each, a kitchen and a verandah, the total area being 160 sq. ft. He said that he would send the plan to the Chairman.

**Mr. Naginlal Sadasukhi** pointed out that the quarters were being built by the labourers themselves and only the raw materials were being supplied by the management and that except for some pole lights, there were no arrangements for lighting.

**Mr. Patel** remarked that that applied to old quarters only.

**Mr. Dalmia** pointed out that apart from the transport bottleneck, one of the main difficulties of Dalmianagar was the non-availability of raw materials.

He urged that the Government of Bihar should be requested to expedite that orders in respect of raw materials.

**Mr. P. K. Sen** said that so far as the Central Provinces was concerned, the real bottleneck was transport and nothing else. He suggested that production could be stepped up if necessary arrangements were made for adequate distribution from the production centres. Train loads of cement instead of individual wagons could be brought to the distribution points. He further suggested that if some distribution centres could be set up and wagons could be diverted to these centres, the traffic jam could be relieved.

**Mr. Dalmia** pointed out that the distribution system was very faulty on account of overlapping transport which created unnecessary transport bottlenecks.

**Mr. Manek Gandhi** quoting certain production statistics and making reference to page 2 of Mr. S. R. Deshpande's Report on Cement, said that the figures of production given by Government were not quite correct. He refuted the charge that production had fallen because of workers. The fact was that although production had actually increased, the employers had furnished wrong figures for selling cement in the blackmarket. He pressed upon the Government of India to take suitable action against those who indulged in black-marketing.

**Mr. Fanse** said that one of the causes of the fall in production was that the machinery was old and no repairs were being undertaken. The contract system of work also slowed down production.

**Mr. Baswan Singh** pointed out that at Dalmianagar the production of 12,000 tons as against the potential producing capacity of 15,000 tons of cement was due both to the lack of raw materials as well as the attitude of the employers towards labour. He argued that in the face of insecurity of employment and frequent retrenchment, labour could not be expected to put heart and soul into the work. He felt that there was some lack of co-ordination in regard to the policy of production of cement as between the Provincial and the Central Governments. He said that increase in production could be effected only if labour got a fair deal, namely, fair wages, dearness allowance and bonus etc. He concluded by drawing attention to the fact that as against the controlled rate of Rs. 82 per ton, cement was being sold at Rs. 180 per ton in the black-market at Calcutta.

**Mr. Dalmia** agreed that cement was not available at controlled rate to consumers generally but pointed out that the factory owners issued cement to anybody who brought authorisation slips which, however, were being openly sold. He said that the management could not be held responsible for black-market sales. He was of the opinion that the controlled price should be so fixed that consumers would get cement at much below the blackmarket rates. He stressed that the controlled rate should fully take into account the fair wages and all other amenities given to the workers.

**Mr. Budhiraja** thought that the remedy for eradicating the black market did not lie in increasing the price of cement but in effective control over its distribution which was the responsibility of the Provincial Governments. He further said that the sale of permits with the connivance of the producers and others could also be stopped by effective control over distribution. He added that more cement must be made available to the consumers at suitable distribution centres and suggested that the Committee should very strongly recommend the proper allocation of cement to the provinces and for assisting in transport facilities.

Mr. Shivdutta Sharma regretted that the Committee had not arrived at any decision whatsoever. He said that the representatives of labour had come to the Committee with high hopes for some increase in wages and that if they had to go back achieving nothing they would cut a very sorry figure before the people who had sent them to the Committee.

Mr. Budhiraja thanked the Chairman for very patiently presiding over the deliberations and also others who had participated in the meeting. Referring to Mr. Sharma's remarks that nothing had been achieved, he said that the feelings had been gauged and proper valuation made. He hoped that the Government had realised the desirability of the revision of basic wages and dearness allowance and of promoting harmonious industrial relations. Necessary work had been done, but for arriving at decisions more careful consideration from all aspects was essential. He requested labour not to distrust the Government or the employers but to be patient and to give a fair trial to the tripartite committee.

Mr. Manek Gandhi thanking the Chairman and the members of the Committee expressed the hope that the Government would give due and sympathetic consideration to the suggestions made by all sides and that in the near future some decisions might be taken so that labour might get some relief. He urged that if it were not possible to arrive at decisions in the tripartite committees, the Government should take decisions themselves in the light of discussions at the Committee.

The Chairman thanked all concerned for having come to Ranchi from distant parts of the country. Referring to the feelings expressed by some that nothing had been achieved, he pointed out that generally no concrete decisions were reached at meetings of tripartite committees. Both the sides were heard and frank discussions removed misunderstandings. He was convinced that as a result of the discussions at the meeting, the Government had ample material on the basis of which it would proceed in the matter of ensuring a fair deal to the thousands of workers employed in the Cement industry.

## APPENDIX

## ITEM—I—CONSTITUTION OF THE COMMITTEE

(The Government of India are not committed to the proposals contained in these notes. They are only intended to serve as a basis for discussion.)

The provisional constitution of the Committee is indicated below:—

*Government:*

Central Government . . . . .	2 seats
Provincial Governments of Bihar, Madras and Central Provinces & Berar (one seat each) . . . . .	3 seats
Hyderabad State . . . . .	1 seat (in abeyance)
United States of Rajasthan & Patiala & East Punjab States Union—one seat each . . . . .	2 seats
Gwalior—Indore—Malwa Union and Baroda—by rotation for each alternate meeting . . . . .	1 seat
Sourashtra & Mysore State—by rota- tion for each alternate meeting . . . . .	1 seat
	<hr/> 10 seats <hr/>

Note:—The Union or State not entitled to a seat for a particular meeting by the process of rotation may send an observer without voting rights.

*Employers:*

Associated Cement Company group . . . . .	3 seats
Dalmia group . . . . .	1 seat
Portland group . . . . .	1 seat
	<hr/> 5 seats <hr/>

*Workers:*

Indian National Trade Union Congress . . . . .	3 seats
All-India Trade Union Congress . . . . .	1 seat
Hind Mazdoor Panchayat . . . . .	1 seat
	<hr/> 5 seats <hr/>

Total . . . . . 20 seats.

The Committee is requested to agree to this constitution.

## APPENDIX II

## ITEM II—STANDARDISATION OF WAGES AND CONDITIONS OF WORK IN THE CEMENT INDUSTRY.

*A—Wages.*

The 'remuneration' of workers in the Cement industry may be considered under three broad heads:—

- (i) basic wages;
- (ii) dearness or cost of living allowance; and
- (iii) bonus.

2. Recent investigations conducted by the Labour Bureau of the Ministry of Labour in 9 factories located in Patiala, Bundi, Baroda, Bihar, Madras and

the Central Provinces and Berar show that the basic minimum wage for the least skilled male worker ranges from Re. 0-10-0 to Re. 0-18-0 per day or Rs. 18-4-0 to Rs. 21 per month of 26 working days. In addition, some factories provide free residential accommodation to a certain percentage of their workers and also supply fuel, either free of charge or at concessional rates, to them. The Annexure compares the minimum basic wages in the Cement industry with the minimum basic wages allowed in a few other important industries. It will be seen that the basic minimum wage in the Cement industry is very low.

3. There is no uniformity either in the policy or in the scale of payment of dearness or cost of living allowance as between the different factories. According to the latest available information it appears that dearness allowance is linked to the cost of living index in the factories in Madras, in the factory in Baroda State and in the Portland Cement Works in Japla in Bihar. The rate of dearness allowance paid varies from factory to factory and centre to centre from Re. 0-10-0 per day to Re. 0-14-6 per day for the least skilled male worker. In the factory at Lakheri the rate of the allowance is Re. 0-10-0 per day while at Surajpur it is Re. 0-12-0 per day. In Kymore, daily rated workers are paid Re. 0-10-0 to Re. 0-11-0 per day while there is a graded scale for the monthly paid staff. At Dalmianagar, the minimum dearness allowance paid is Rs. 20 per month. In the factory at Dwarka, in Baroda State, the rate of dearness allowance is Re. 0-14-6 per day. In addition, some factories supply foodgrains at concessional rates, the money value of which is estimated to be in the neighbourhood of Rs. 2 per month. It is clear, therefore, that as in the case of basic wages, the dearness allowance paid by Cement factories is much lower than the rate paid by other industries.

4. There is no uniformity in the payment of bonus to workers in Cement factories. During the year 1947, out of the 9 factories for which latest information is available, all excepting the one at Bezwada, are reported to have paid a bonus to their workers. The factories at Dwarka and Mungalagiri paid bonus equal to one-eighth of the basic wages earned during the year as annual bonus and, in addition, 1/24th of the annual basic wage as 'Independence Day Bonus'. The factory at Kymore paid 1½ months' wages as annual bonus and half a month's wages as 'Independence Day Bonus'. The factories at Lakheri and Surajpur paid two months' wages as annual bonus and the one at Madukkarai at the rate of 1½ months' wages. At Dalmianagar a bonus of 2½ months' wages was given while at Japla bonus equivalent to only one month's wages was given.

5. The report of the Labour Investigation Committee on the Cement industry showed that there were large variations in wages and earnings from unit to unit and that this was the case even as between units belonging to the same Company in the different regions. The report also drew attention to considerable variations in the occupational nomenclatures adopted by different units of the industry.

6. The bulk of production and sales of cement are controlled by a single Combine and the two main groups forming this Combine have several factories in different regions. Besides, since the prices of cement are controlled, the factories are selling their product at more or less the same rates all over the country. The variations in the cost of living at the different centres where cement factories are situated have considerably narrowed down. Moreover, labour employed in these factories is mostly of the unskilled type. All these circumstances would facilitate the fixation of basic wages on a more uniform basis than is the case at present.

7. The adoption of uniform rates of dearness or cost of living allowance, with local variations, is for consideration. The Committee may also consider whether it is necessary or possible to link dearness allowance with the cost of

living index of the locality or, in its absence, with that of the nearest place. The question of merging at least a part of the dearness allowance in basic wages merits consideration in this connection.

8. The payment of bonus has so far been made on an *ad hoc* basis. The Committee may consider whether it would be desirable to adopt some general formula for the payment of bonus.

#### B—Conditions of work.

9. The practice followed in regard to the grant of a rest day for workers in continuous processes shows some variation as between factories. In most of the factories such workers are generally given a weekly day of rest. In the factory at Bezwada no regular weekly rest is given but compensatory holidays are granted instead. At Kymore continuous process workers are allowed a weekly rest for a continuous spell of 32 hours and the same is the practice at Mangalagiri in the case of some of the workers engaged in continuous processes. It is for consideration whether a greater measure of uniformity is not practicable.

10. There appears to be some controversy regarding protective measures against dust nuisance in certain departments, particularly in the packing department of a cement factory. While the employers are of the opinion that they have made necessary arrangements for protecting workers against dust by supplying them with goggles, masks, etc., the representatives of workers appear to think that these arrangements are not suitable. The Committee may consider what further measures, if any, are necessary for protection from dust.

11. Another point for consideration is the introduction of Provident Fund Schemes for workers. Such schemes exist in all cement works belonging to the Associated Cement Companies and Dalmia concerns but the membership is restricted to those getting Rs. 25 or more per month and workers are not entitled to the employers' contribution in full unless they have completed 15 years' satisfactory service. As the bulk of the labour employed in cement factories is unskilled, it does not always attain the stipulated income limit with the result that many employees cannot come within the purview of the schemes. It is, therefore, for consideration whether the schemes should be modified and if so, in what respects.

12. To sum up, the points for consideration are:—

- (i) the desirability of standardising basic wages and the necessity standardising occupational nomenclatures;
- (ii) the adoption of uniform basic wages throughout the country;
- (iii) the linking up of dearness or cost of living allowance of the area concerned with the cost of living index;
- (iv) the absorption of a part of the dearness allowance in basic wages;
- (v) the desirability of evolving a formula for the payment of bonus;
- (vi) the desirability of fixing a uniform practice in regard to rest days for continuous process workers in the industry;
- (vii) the determination of the best method of protecting workers from the dust nuisance; and
- (viii) the desirability of extending the scope of the existing Provident Fund Scheme in the industry.

## ANNEXURE

Statement showing basic wage, dearness allowance and monthly earnings of least skilled workers in certain industries and in some units of the cement industry.

Industries (1)	Monthly basic wages (2)	Dearness allowance (3)	Minimum total monthly earnings (4)
<i>Cotton Textiles :</i>			
Bombay	30	47-13-8	77-13-8
Ahmedabad	28	58-14-0	86-14-0
Madras	26	37-11-0	63-11-0
Indore	28	39-9-0	65-9-0
Baroda	26	53-0-3	79-0-3
Nagpur	26	31-2-4 <sup>1</sup>	57-2-4
The United Provinces (As recommended by the United Provinces Labour Enquiry Committee)	30	53-5-0	83-5-0
<i>Engineering</i>			
Bengal	30	25-0-0	55-0-0
Four concerns in Bombay	30	47-13-8	77-13-8
The Indian Foundries, Bombay.	26	35-14-6	61-14-6
The United Provinces (As recommended by United Provinces Labour Enquiry Committee)	30	53-5-0	83-5-0
<i>Paper :</i>			
Titaghur	30-0-0	30-0-0	60-0-0
Calcutta	30-0-0	30-0-0	60-0-0
Ahmedabad	15-7-0	25-0-0	40-7-0
Dalmianagar	21-0-0	20-0-0	41-0-0
<i>Others:</i>			
(18) Saw Mills, Central Provinces & Berar.	..	..	45-0-0
Smith Stanistreet Co., Calcutta.	25	37	62-0-0
<i>Cement:</i>			
Kymore, the Central Provinces & Berar	17-14-0	16-4-0	34-2-0
Japla, Bihar	21-0-0	19-14-8	40-14-8
Dalmianagar, Bihar	21-0-0	20-0-0	41-0-0
Lakheri, Bundi	19-8-0	16-4-0	35-12-0
Surajpur, Patiala	16-4-0	19-8-0	35-12-0
Dwarka, Baroda	19-8-0	23-9-0	43-1-0
Mangalagiri, Madras	16-4-0	33-14-0	50-2-0

\* Figures relate to May, 1948, except where otherwise stated.

<sup>1</sup> Amount of dearness allowance paid in Feb., 1948, in the Empress and Model Mills Nagpur.

## APPENDIX III

## ITEM III—PROMOTION OF HARMONIOUS INDUSTRIAL RELATIONS

In December, 1947, the Industries Conference at which the Central, Provincial and States Governments and Employers and Workers were duly represented, unanimously adopted a Resolution on Industrial Truce.



2. The Conference considered that it was not possible to increase production without the fullest co-operation between labour and management and recommended *inter alia*—

(i) that the fullest use should be made of statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner and where such machinery does not exist, it should be created without delay, and

(ii) that in each industrial undertaking, Works Committees consisting of representatives of management and duly elected representatives of labour should be constituted for the settlement of day to day disputes, if any.

3. During 1947 there were four strikes in the cement factories located in the Indian Dominion. These strikes involved 2,193 workers and resulted in a time-loss of 28,039 man-days. The position between January and May, 1948, of the current year is even worse in that during that period there were as many as seven strikes, involving 11,892 workers and causing a time-loss of 122,055 man-days. It would thus appear that in spite of the Industrial Truce Resolution, harmonious relations have not been maintained for one reason or the other.

4. Section 3 of the Industrial Disputes Act, 1947, provides that in the case of any industrial establishment in which one hundred or more workmen are employed or have been employed on any day in the preceding twelve months, the appropriate Government may by general or special order require the employer to constitute a Works Committee consisting of an equal number of representatives of employers and workmen. The main duty of the Works Committee is to promote measures for securing and preserving amity and good relations between the employers and workmen. Under Section 38 of the Act, the appropriate Government may make rules providing for the constitution and functions of the Works Committees and the procedure to be followed by such Committees in the discharge of their duties. From the latest available information for eight factories, it appears that only four have constituted Works Committees. It would thus appear that immediate steps should be taken by the appropriate Governments to set up Works Committees in those units where they have not been set up so far.

5. The Committee may consider what other measures should be taken for promotion of harmonious industrial relations between labour and management.

#### APPENDIX IV

##### ITEM IV—MEASURES FOR INCREASING PRODUCTION

There is acute shortage of cement. In fact, production has gone down considerably in recent years as the following figures will indicate.

Year	Annual Production in tons
1943 . . . . .	1,898,815
1944 . . . . .	1,659,446
1945 . . . . .	1,655,750
1946 . . . . .	1,537,472
1947 . . . . .	1,441,335
1948 (January to June)	750,285

It would appear that actual production is much below the production capacity of cement factories which is estimated at about 2 million tons per year. The fall in production may be due to a number of causes. In the year 1947,

There were in the cement factories located in the Indian Dominion, four strikes involving 2,198 workers and resulting in a time-loss of 28,039 man-days. The position between January to May, 1948, as compared to last year, was even worse.

Another reason for the sharp fall in production appears to be inadequate transport facilities for the movement of raw materials like coal and gypsum to the factories and of finished cement from the factories to marketing centres.

The Committee may consider:—

- (i) What specific measures should be taken to avoid strikes and lockouts?
- (ii) How best to overcome the transport difficulties? and
- (iii) What steps should be taken to work up to the target production figure of 200,000 to 250,000 tons per month?