

DL 192
500

GOVERNMENT OF INDIA
MINISTRY OF LABOUR

INDUSTRIAL COMMITTEE
ON COTTON TEXTILES

First Session
(Held at New Delhi on the 12th, 13th and
14th January 1948)

SUMMARY OF PROCEEDINGS



JAIN BOOK AGENCY
Govt. Book Sellers
Connaught Place, New Delhi

X9M71.2.N48t
H8
30099

X9M71.2.N48t
H8
030099

BY THE MANAGER GOVERNMENT OF INDIA PUBLICATION
THE MANAGER GOVERNMENT OF INDIA PRESS SIMLA 1948

Price : Rs. 2|2|- or 3sh. 6d.

1259

GOVERNMENT OF INDIA
MINISTRY OF LABOUR

SUMMARY OF PROCEEDINGS OF THE MEETING OF THE
INDUSTRIAL COMMITTEE ON COTTON TEXTILES—FIRST SESSION

Held at New Delhi on the 12th, 13th and 14th January, 1948.

AGENDA	PAGES.
I. Standardisation of Wages and the rationalisation of the dearness allowances structure. (Memorandum—Appendix I)	3
II. Measures for increasing production. (Memorandum—Appendix II)	12
III. Training of workers with a view to increasing their efficiency. (Memorandum—Appendix III)	19
IV. Provision for old-age institution of provident fund and insurance schemes (Memorandum—Appendix IV)	20
V. Resolutions passed at the first session of the Textile Committee of the I. L. O. held at Brussels, November 1946, and the action taken by the Government of India (Appendix V)	46

LIST OF REPRESENTATIVES, ADVISERS, ETC. PRESENT.

Chairman—

The Hon'ble Shri Jagjivan Ram, Labour Minister, Government of India.

Government of India—

- Mr. V. K. R. Menon, I.C.S., Secretary, Ministry of Labour.
- Mr. M. P. Pai, I.C.S., Joint Secretary, Ministry of Industry and Supply.
- Mr. N. O. H. O'Neill, Deputy Secretary, Ministry of Industry and Supply.
- Mr. S. C. Joshi, Chief Labour Commissioner (Central).
- Dr. N. Das, I.C.S., Director General, Resettlement and Employment.
- Mr. S. N. Roy, Director, Technical Training, Directorate General of Resettlement and Employment.
- Mr. S. P. Saksena, Director, Labour Conferences.

Provincial Governments—

- Mr. S. K. Chatterjee, Secretary, Labour Department, West Bengal Government, Calcutta.
- Mr. S. R. Bose, B. Sc. (London), Deputy Commissioner of Labour and Employment, Bihar.
- Mr. A. S. Iyengar, Director of Labour Welfare, Bombay.
- Mr. P. K. Sen, Deputy Director of Industries and Labour Commissioner, C. P. & Berar.
- Mr. K. G. Menon, M.B.E., I.C.S., Joint Secretary, Government of Madras, Madras.
- Mr. T. Swaminathan, Secretary, Industries Department, Government of U. P., Lucknow.
- Mr. H. B. Shroff, Textile Expert, U. P., Lucknow.

States—

- Mr. N. B. Cama, B.Sc., State Labour Officer, Baroda.
 Mr. M. G. Savant, Textile Commissioner, Gwalior.
 Mr. A. L. Razvi, Labour Commissioner, Hyderabad.
 Mr. Ramachandra Rao Bhombore, Commissioner of Labour, Mysore.
 Muntazim Bahadur R. S. Date, Director of Labour, Indore.

*Employers—**All-India Organisation of Industrial Employers, New Delhi—*

- Mr. Bharat Ram (in place of Sir Sri Ram).

Employers' Federation of India, Bombay—

- Mr. Dharamsay Mulraj Khatau.

The Millowners' Association, Bombay—

- Mr. Bhagvandas C. Mehta.

Mr. N. H. Tata.

Mr. N. S. V. Aiyar.

The Millowners' Association, Ahmedabad—

- Mr. Shantilal Mangaldas.

Mr. Madan Mohan Mangaldas.

Bengal Millowners' Association, Calcutta—

- Mr. S. C. Roy.

Mr. S. K. Sen (Secretary and Adviser).

Southern India Millowners' Association, Coimbatore—

- Mr. C. M. Kothari.

Employers' Association of Northern India, Kanpur—

- Mr. Sital Prasad.

Khan Bahadur A. Sakur (Adviser).

The Central Provinces Millowners' Association, Nagpur—

- Mr. R. V. Deshmukh.

Indore Millowners' Association, Indore—

- Mr. R. C. Jall.

Federation of Baroda State Mills and Industries, Baroda—

- Mr. Chaturbhujdas Chimanlal.

*Workers—**All-India Trade Union Congress—*

- Mr. S. G. Patkar.

Mr. Sonelal.

Mr. N. R. Neswaskar.

Mr. V. G. Balwaik.

Mr. G. D. Sano.

Mr. P. Ramamurti.

Mr. Venkatkrishnan.

Com. S. Krishnaswami.

Mr. Manek Gandhi.

Mr. P. B. Vaidya.

Mr. Ram Singh.

} (Advisers).

*Indian National Trade Union Congress—*

Shri Hariharnath Shastri.
Shri S. R. Vasavada.
Shri G. D. Ambekar.
Shri S. G. Athavali.
Shri Phani Ghose.
Shri R. Kuppuswamy.

Socialist Party—

Mr. H. K. Sohoni.
Mr. Chinnadurai.
Shri Parshottamdas Tricumdas (Adviser).

Indian Federation of Labour—

Mr. V. S. Mathur.

Observers—

Sri G. Puari, Textile Expert to the Government of Orissa.

THE FOLLOWING IS THE TEXT OF THE OPENING SPEECH OF THE CHAIRMAN.

Gentlemen, I have great pleasure in welcoming you to this Committee, the first meeting of the Industrial Committee on Cotton Textiles. This is the first important tripartite meeting to be held after the Industrial Conference in December last. The purpose of this Committee, if I may borrow the words of the resolution passed at the December Conference, will be "to secure, promote and guarantee such agreements between the employers and workers as will usher in a period of contented and orderly advancement towards a co-operative commonwealth". The cotton textile industry is our premier industry. It is only right that it should set an example to other industries in the matter of organising a machinery for the study and determination of fair wages and conditions for workers, for increasing efficiency in methods of production and for promoting healthy industrial relations. I have every hope that this Committee will give a lead in these matters.

During the last year, for one reason or another, there has been a marked decline in the production of yarn and cloth. Against a monthly production of 125 million lbs. of yarn and 401 million yards of cloth in 1944, production in 1947 was only 108 million lbs. of yarn and 315 million yards of cloth a month. If the production of 1944 were taken as the standard there has been an appreciable drop in production. This is admitted by all. You all realise the extreme importance of increasing production. I am aware that employers and workers hold different views both in regard to the causes for the decline in production and the measures necessary for increasing the output. There can be no more suitable opportunity for the discussion of differing viewpoints than at a tripartite committee of this type. Let us not forget that it is the poor man who suffers most by a scarcity. If we were sincere in our desire to do all that we can to raise the standard of living of the common man in this country, our first task should be to devise ways and means of ensuring an adequate supply of those essential commodities and services without which life becomes a burden. It is because of the supreme importance of increasing production that we have placed a paper on the subject for your consideration. Increased production would be of little benefit, if it is to be secured, even assuming that it can be, without the workers in the industry feeling that they are real partners in a great endeavour and that they take a fair share of the resulting profit. Every one of us fully realises that there is a considerable leeway to be made up in the matter of improving the working and living conditions of workers. There are many problems which we shall have to consider in this connection. As our time is short we have necessarily to make a choice of the subjects.

After giving very careful consideration to the suggestions received from the workers as well as from the employers we feel that this Committee should give immediate consideration to questions relating to wages, training and the institution of a provident fund. I know that nothing exercises the minds of the workers, and very rightly too, more than the question of fair wages. Wages have either been or are about to be standardised in many important centres.

We have still some problems to consider. We have therefore, placed this question as the first item on the agenda. On an important and complicated question like this we can only come to general conclusions, leaving the details to be worked out by appropriate committees. We have endeavoured to assist the Committee by putting forward some suggestions for its consideration. These, I must emphasise, constitute only a basis for discussion. They are not being put forward as proposals from Government, because conclusions on the subject can only be reached after a full and frank discussion with the workers and employers.

Another important subject which is uppermost in the minds of all is that of social security. As you are aware, we are arranging health insurance. We have not so far taken up the question of provision for old age on any large scale. Last year, as a result of the recommendations of the Conciliation Board in the coal industry, a decision was taken to institute a scheme of compulsory provident fund for all coalmine workers. This is a sound decision. I would suggest for the consideration of this Committee that a similar scheme should be introduced for the cotton textile industry as well. A scheme of old age pension would naturally be the right solution; but we have difficulties in adopting it. It is because of the recognition of those difficulties that the Asian Regional Labour Conference which met in this city a little over two months back, recommended that as a first step towards provision for old age, measures should be taken for instituting a compulsory provident fund scheme for workers in the major industries. A provident fund scheme will not cover cases of people who die prematurely. The proposals put forward for your consideration include a scheme of insurance as well. Increased benefit must be sustained by increased efficiency. Indeed it is the only sound and enduring basis on which a higher standard of living can be built. Every possible effort should be made to increase the efficiency of the worker. The question of training facilities for workers in the textile industry therefore deserves serious consideration. It is one of the items on the agenda and I hope the members of the committee will be able to make definite and concrete suggestions as regards the nature and duration of the training, the type of institution that should be set up and the ways and means of financing the training schemes.

There is yet one other subject of very great importance, namely housing. The necessity to seek an urgent solution of this problem is recognised by all of us, both at the Centre and in the Provinces. I have had discussions with the provincial Labour Ministers on this question and as a result the Ministry of Labour is now examining this problem in the light of suggestions made during these discussions. The resolutions passed at the Industries Conference on this subject are also before us. I hope it will be possible for Government to announce their policy before long. We have a heavy agenda to go through. I have every hope that we shall be able to reach not only definite conclusions on the various questions but also promote a spirit of understanding and mutual respect so essential in the efficient working of the industry.

We have achieved independence, that is political independence: but that political independence will have no value or have very little value if we are not in a position to raise the standard of living of the common man. And for that

Purpose we will have to increase the production of essential commodities as far as we can and I am sure, given the co-operation between the workers and the employers and the necessary intervention by Government as suitable opportunities arise, we can go a long way in producing to the utmost capacity of the existing resources of the country and I am sure that this Committee will give a lead in this direction.

GENERAL

THE CHAIRMAN wanted to know whether the House would like to consider the whole agenda in the plenary session itself or would prefer to break into sub-committees.

In view of the important questions on the agenda the consensus of opinion was in favour of the discussions in the plenary session.

MR. G. D. SANE (Workers' group) wanted to include one more item viz., 'handloom production' in the agenda.

THE CHAIRMAN while appreciating the importance of the subject pointed out that the Committee was convened to discuss industrial production and the proper place for the consideration of that subject would be the Cottage Industries Committee.

ITEM I. —STANDARDISATION OF WAGES AND RATIONALISATION OF DEARNESS ALLOWANCE STRUCTURE. [For Memorandum please see Appendix I].

MR. S. R. VASAVADA (Workers' group) expressed the view that any attempt to standardize wages should take into consideration what the workers' plight was in 1939, that standardized wages must bring the worker to a fair living wage level in 1939 and that standardization should be so effected that the wage level in all centres should be practically the same although there might be some small differences in the wages in some *moffusil* centres due to varying local conditions. He said that although minimum wage had already been fixed in some of the major centres of the industry he was not satisfied with the manner of fixation of the minimum wage which, according to him, should be the living wage for the smallest wage-earner. He suggested that the Government of India should appoint a competent committee consisting of representatives of Government, employers and employees to supervise and bring about standardization during a limited period. The Standardization Committee should help the Provincial Governments, employers' and employees' organisation and the guiding principle for the standardization of wages should be the fair level basis of the pre-war period. As regards standardization of occupational nomenclature, he stated that a standardized list of the various occupations and sub-occupations should be prepared as had been done in Bombay under the Bombay Industrial Relations Act. So far as rationalisation of dearness allowance was concerned, he saw no reason for not compensating the worker for 100 per cent. rise in the cost of living. So long as he did not get his living wage in

the pre-war years a reduced rate of compensation was a double punishment to him. He was of the opinion that first of all wages should be standardized on the 1939 level and after that is done the time would come to decide how far the workers should be compensated for the rise in the cost of living. He admitted that a stage would be reached when the dearness allowance would have to be split up into two parts—one part would go to the basic wage as part of the earning and the other part would have to be linked up with the cost of living. The question as to how that part of the dearness allowance which would be linked up with the cost of living should be distributed as between the different categories of workers, would require detailed consideration. He conceded that a worker getting the highest pay might not be fully compensated while a worker who was in the lower stratum had to be compensated fully. As regards payment of bonus to the workers, he said that the workers should have a share in the net profits of the industry to improve their standard of life. In arriving at the net profits, he agreed that due allowance should be made for depreciation and the agent's commission, the scales for which had already been suggested in the Textile Enquiry Committee Report ten years ago though those scales should now be reduced due to changed conditions in the country. As for the shareholders, he thought that they should not be paid anything more than what a Bank would pay to its clients as there was hardly any risk in the investment. He also pointed out that after the workers had attained the living wage, the next step should be to reduce prices.

Mr. P. B. VAIDYA (Workers' group) said that it was his experience that the standardisation of wages was often mixed up with the question of fixing the minimum wage and a living wage and that often advantage was taken of standardization of wages to delay or obstruct the demand for a living wage. He cited the instances of Central Provinces, Kanpur and Madras. He suggested that the Committee should first come to an understanding about what was a minimum of living wage and after that the question of fixing the differentials should be gone into. Referring to the argument of the capacity of the industry to pay, he drew attention to the Chairman's remarks (in some other connection) to the effect that no industry had a right to survive if it was not able to provide a living wage to the workers. He went on to say that if it was urged that the industry did not have the capacity, the answer should be that the State would be prepared to take it over. He pointed out that the question of wages brooked no delay and as such a certain time limit, say a period of 3 months, for the fixation of wages should be laid down, otherwise the Unions would not be in a position to restore confidence among the workers. In this connection he stressed the need for rationalisation of cost of living index numbers as the present indices did not truly reflect the rise in the Cost of Living. As regards bonus, he expressed the opinion that it should not be treated as an *ex-gratia* payment but it was the inalienable right of workers to receive bonus. He pointed out that many of the disputes took place over the question of bonus. Bonus should, therefore, be treated as a permanent right of the worker to receive and there should not be any delay in the declaration of the bonus. He stated that musters, working conditions and the living conditions of the workers should also be standardized. He concluded by saying that a living wage,

recognition of the unions, restoration of civil liberties, trade union rights, old age benefits etc. should be guaranteed immediately as these were the prerequisites to any industrial truce.

MR. D. M. KHATAU (Employers' group) felt that questions like minimum wage, bonus, dearness allowance etc. were not peculiar to the Cotton industry alone but would need an all-India consideration. They would perhaps be taken up by Committees and Sub-Committees which might have been set up to consider the various questions discussed at the Industries Conference held in December last. As such he was of the opinion that it would be premature to deal with them in that Committee.

THE CHAIRMAN pointed out that the resolution about industrial truce was adopted at the Industries Conference in December last and that the Industrial Committee on Cotton Textiles was one of the steps towards implementation of the December resolution.

MR. V. K. R. MENON explained that at the December Conference there was an unanimous desire not to rest merely with passing a resolution but to set up the necessary machinery. He thought that it was the desire of that Conference too, that the Central Government would have to set up for co-ordinating the activities of all the Provincial Governments and Industrial Committees on each of the major industries. He pointed out that even if there was a Central Body for fixing the wage for all industries it would have to break up into separate committees for each industry.

MR. D. M. KHATAU wanted to know whether the decisions arrived at this Committee would be of any use in view of the fact that a body was going to consider them from the All-India point of view. The decisions arrived at this Committee might be prejudicial to other industries which might not be in the same position. He also raised the question whether it was worthwhile settling things industry-wise or it would be better first to take them up as general questions, lay down the general principles and then examine the application of those principles industry-wise.

THE CHAIRMAN again intervened and pointed out that he saw no conflict between the work of the Industrial Committees and the Central Labour Council and explained that minimum wages would have to be fixed first for each industry and thereafter the question of co-ordination of the divergent recommendations of different committees would be placed before the Central Labour Council, which would take into consideration all the factors that were necessary in the interests of the industry and the industrial development of the country as a whole.

MR. D. M. KHATAU still maintained that in his view the Central Committee should take decisions first. Proceeding to Cotton Textiles, he suggested that standardization of wages at different centres should be fixed on a regional basis taking into consideration the prevailing level of wages in other industries including agriculture. The question of fixing a basic minimum for the industry on an all India basis was likely to present considerable difficulty. As a basic minimum for the whole country would upset the entire wage level in the country, the question would have to be gone into very elaborately which

might not be possible in this Committee. The question of setting up a Central Wage Board or Wage Boards for different provinces should also be considered. As regards dearness allowance, he was of the opinion that it was dependent on the amount of basic wage and a competent body should investigate the matter and then fix a fair figure. With regard to bonus, he expressed the view that no decision could be taken industry-wise. If it was a question of profits being shared then the general basis should be settled first. He wanted to know if some consideration would also be given to the question of sharing losses when they occurred.

MR. C. M. KOTHARI pointed out the difficulties of the industry in the South and expressed the opinion that standardisation of wages should be linked with standard efficiency and work load throughout the country. He pointed out that the working of three shifts in the mills would result in greater depreciation. As regards bonus, he stated that the mills in the South were running into debts till 1946 and it was only just then that they had been able to clear their debts. He agreed with the Bombay representative that a Wage Board should be set up as early as possible to look into all questions relating to Wages.

MR. S. C. ROY (BENGAL) said that since industrial conditions as also the output of workers varied from Province to Province, standardisation of wages on an All-India basis, though desirable, was absolutely impossible in practice. He suggested that the question of standardisation of wages should be left to the Provinces who should do the needful with the help of Tribunals formed on a Tripartite basis. There may, however, be an All-India Organisation set up for purposes of co-ordinating the decisions arrived at by the Provincial Tribunals. As regards living wage, he was of the view that conditions should be created so that the employers might be in a position to pay it and in this connection he referred to the need for rationalisation. With regard to dearness allowance, he expressed the view that the existing system should be continued and the question of absorption of dearness allowance in the basic wage might be taken up at a later stage. Since bonus was an *ex-gratia* payment, the payment of bonus should be left to the industry.

MR. VENKATAKRISHNAN stated that the Tribunals, referred to by the previous speaker, were not competent to state what the living wage, the dearness allowance etc. should be as these were not questions requiring any legal interpretation. It was for the Government to lay down the policy with regard to wages, living conditions, working conditions etc. If standardisation was to take place effectively and usefully it could be done by a Conference of employers and workers. He suggested that before standardizing wages and work, profits should be standardized, for which the maximum should be the rate of Reserve Bank dividends. Referring to bonus he pointed out that if the profits were limited, the entire benefit thereof would go to the consumer and then there would be no need for bonus at all. He had no objection to the fixation of work load in principle but he objected to the fixation of work loads to counteract the increased wages against which the mills had been protesting even by closing down. He felt that the Government had succumbed to the pressure from mills and had fixed work loads in Madras which would result in drastic

retrenchment of workers and might compel them to give up their demand for increased wages. He stressed that the question of living wage did not depend on the capacity of the industry but it depended on the individual as he had to live.

MR. B. C. MEHTA (BOMBAY) was of the opinion that standardisation of basic wages was desirable provided it was done scientifically and satisfactorily, that different sets of basic wages should be fixed for different centres or areas, that in the case of the textile industry it was not possible to adopt incremental scales of pay and that standardisation of occupational nomenclatures should be done by an expert Committee. He asked for due representation of employers and labour on the expert Committees which might be set up and desired that sufficient weightage might also be given to the remarks of the employers. As regards dearness allowance, he was of the opinion that it would continue to be linked with the local cost of living indices which for all centres should be worked out on rational, scientific and a uniform system, of course taking into consideration the conditions in each province and at each Centre. He was opposed to the absorption of a part of dearness allowance in the basic wages. As to the payment of bonus, he referred to the remarks of Mr. Khatau and urged that the fundamental principles concerning profit sharing bonus, basic minimum wages etc. should be laid down by an all-India Committee. Those conclusions might then be applied to individual industries. He thought it unfair and discriminatory to arrive at conclusions with regard to the textile industry which the other industries might not agree to. He pleaded for uniformity for all industries and Centres in India. He did not agree that wages in 1939 should be taken as the basis as he thought that that year could not be taken to represent the normal year. He still maintained that bonus was an *ex-gratia* payment though the decisions of the industrial courts or the tribunals had been against that view.

SHRI PHANI GHOSE (BENGAL) expressed the view that the question of standardisation of wages and occupational nomenclatures should not left to be determined by the Provinces but a principle should be laid down by this Conference. He was of the opinion that there should be some kind of legislation to the effect that employers should not have unfettered right to discharge or dismiss workers without reference to Courts or Tribunals. As regards bonus, he demanded that the workers should have their shares of the past profits and assets of the industry which had been built up during the war years. He agreed with the view that bonus should be given to workers as a matter of right every year.

MR. P. K. SEN (CENTRAL PROVINCES) compared the case of the industry in Central Provinces with that in Bombay and quoting certain facts and figures expressed the view that if the intention was to maintain uniform standards of wages throughout the country then standardisation of wages on an All-India basis was not feasible and it should be done on a regional basis. He contended that it was not possible to lay down time-scales of wages in view of the uncertainty of the position of the industry in the future. He refuted the suggestion that the work of industrial tribunals had been delayed and that the Government or the industry was responsible for the delay. He stated that a 20% to 25% interim increase in basic wages had already been allowed by the tribunals

He pointed out that so far as the payment of dearness allowance was concerned, it was done on a scientific basis in Central Provinces and that the payment of bonus was on a profit sharing basis. The Labour Advisory Committee in Central Provinces had already appointed several sub-committees to go into the question of Wage Boards, Housing, Labour Welfare and also an all-industry minimum wage if possible and on that basis to fix up occupational minima in different industries and the standardisation of wages in important industries. He referred to the recommendations of Divatia Committee on a basic wage of Rs. 30/- for Bombay where the living wage was estimated to be between Rs. 50/- and Rs. 55/- and pleaded that since the living cost in Central Provinces was worked out to be about Rs. 30/- to Rs. 35/-, the basic wage for Central Provinces should be proportionately less and differentials should again be correspondingly fixed up according to the work load that was being given for the special type of production.

SHRI AMBEKAR said that the textile industry should take a lead in standardizing basic wages. He pointed out that standardisation of wages meant the fixation of certain minimum requirements. He expressed the view that every work and every occupation in the industry should be standardised and different wage levels for different work loads may be assigned. That procedure had already been adopted in Bombay and other Centres. He said that the factor of efficiency was outside the scope of standardisation of wages. Where piece rates are standardised, efficiency is paid for automatically. It was thus only in the case of time workers that efficiency had to be taken into consideration but that should not be a consideration for fixing low wages. As regards dearness allowance, he was of the opinion that wages should first be standardized and after that the procedure recommended by the Pay Commission may be followed or in other words the workers may be classified into three slabs of incomes, those in the lowest slab being compensated to the full extent of the rise on cost of living, the next higher slightly less and so on. He, however, pointed out the defects of the existing Cost of Living Indices and suggested that a proper Committee should be appointed by Government to supervise the working of the Cost of Living index numbers. As regards bonus, he pointed out that the Industrial Tribunals have given the verdict that bonus is an industrial claim and expressed his surprise at the views of the employers to the effect that bonus should be taken as an *ex-gratia* payment. He stated that after making due allowances for agent's commission, shareholder's dividend and other charges of the industry, the whole of the net profits should be utilised for raising the level of wages to the living wage standards.

Mr. NESWASKAR referred to the conditions obtaining in the industry in the States where wages were ridiculously low. He said that in coming to an agreement on the general principles of standardisation no exemption should be given to the States. He was of the opinion that uniform standards should be laid down and that a flat rate of dearness allowance should be introduced all over India and that bonus should form a part and parcel of worker's earnings.

Mr. SANE expressed the view that the standardisation of wages should be based on the living wage standard. He said that the Textile industry should be the first to be nationalised and that the standard of living wage and full

compensation for the rise in the cost of living should be the basis on which a resolution should be passed.

MR. SOHONI said that the accounts of the Companies should be audited by Government auditors and referred to the French Works Councils Act which provides for the auditing of the accounts of the Companies by an auditor appointed by the workers themselves.

MR. SWAMINATHAN (UNITED PROVINCES) said that uniform basic wages for all occupations all over the country may not be a feasible proposition. But there should be a uniform minimum wage particularly on the basis of real wage. The wages should be standardised first and then the question of dearness allowance should be tackled. He expressed the view that the standardisation of occupational nomenclature was very essential. Bonus should not be held any longer as an *ex-gratia* payment, and should be taken into account in calculating the basic minimum or higher basic wages. He further suggested that it was for consideration whether it would not be a good thing to split bonus into two parts and link one part with the output of the industry. He considered the time scales of pay desirable but suggested that periodic trade tests might be held before sanctioning the increments. He was of the opinion that unless it was possible to find alternative employment for textile workers, the consequences of retrenchment, if any, would be serious.

MR. SHANTILAL MANGALDAS said that minimum wages would have to be fixed at different levels for different centres and that the standardisation of basic wages could also not be uniform throughout the country. He suggested the appointment of an expert Committee to examine the question of work load scientifically as working hours in India have been reduced in accordance with the International Standard. Referring to the profit made during the War, he pointed out that the accumulated reserve fund is not enough to meet the costs of replacement of machinery. He expressed the view that the linking of bonus with profits was an all-India question which should be dealt with by the Central Committee and not by any Industrial Committee. He suggested a scientific investigation into work load for standardisation of musters too.

MR. M. M. MANGALDAS was of the opinion that the standardisation of basic wages was desirable but there should be an agreed scientific and satisfactory method of calculating minimum wages in various centres and thereafter the various centres should adopt their own standard of differentials because the efficiency of the workers as also the cost of living varied from centre to centre. He was in agreement with the proposed standardisation of occupational nomenclature. He suggested the linking of dearness allowance with efficiency of individual workers and was opposed to absorption of a part of the dearness allowance in the basic wages since times were not normal. The payment of bonus should also be on an *ad hoc* basis every year. He generally agreed with Mr. Mehta.

MR. S. K. CHATTERJEE (WEST BENGAL GOVERNMENT) was of the opinion that it was not practicable to fix a uniform minimum living wage throughout the country and suggested that it should be fixed on a regional

basis and that the work of standardisation of wages should be taken up regional-ly by Wage Boards or similar bodies. In fixing the minimum wage, care should be taken to find out whether the pre-war figure really represented the living wage. As regards dearness allowance, he pointed out that as there was a general shortage of goods and the entire community had to make sacrifices it would not be feasible to compensate fully only one section of the community, *viz.*, the workers, for the rise in the Cost of Living and as such a certain percentage for covering the rise would have to be fixed. Occupations should also be standardised by the Wage Boards and thereafter the differentials may be worked out to arrive at the wage structure. As regards uneconomic units of the industry, the question whether they should pool their resources together would have to be considered. With regard to bonus, he suggested that the profits of the industry should be standardised and after deducting the standard profits from the total profits, the residue should be apportioned equitably between the workers and the employers keeping in view the fact that the workers should share only the profits and not the losses.

MR. RAMAMURTI asserted that the textile industry had not been built by the Capitalists but by the working class which had been sweated all along. He suggested that the Committee should immediately draft a resolution which would call upon the Government to constitute a Committee for laying down basic wages on the principle of a living wage in terms of current prices (and not on the prices before war). He agreed that wages should be standardised on an All-India basis and the benefit of a lower cost of living in certain regions should go to the workers rather than to the employers and said that the comparative work load of the workers in different centres should not be taken into account since it depended largely on the efficiency of the managements. As regards payment of dearness allowance, principles should be worked out which would compensate the workers fully for any rise in the present cost of living. With regard to bonus, the workers should get a substantial portion of the profits calculated, not on the capital inflated by the addition of bonus shares but on original subscribed share capital. Finally, he supported the suggestion that the workers should be placed on a time-scale.

MR. JALL (INDORE) was of the opinion that standardisation of wages was very desirable but both the minimum wages as also the basic wage for different occupations should be different for different centres in the country. He pleaded for healthy co-operation between labour and management. As regards payment of dearness allowance, he stated that it should be based on production instead of being paid at a flat rate. He was of the view that bonus should be linked with profits.

MR. N. H. TATA pleaded for co-operation between capital and labour and said that all factors such as wages, efficiency, profits, capitalisation and nationalisation of Industries, should be considered together.

MR. R. RAO (MYSORE) informed that standardisation of wages on an all-India basis might not be workable for the reasons that there were conditions peculiar to the Mysore State. The Government of Mysore proposed to appoint a Committee for standardisation of wages according to the particular type of

industry. The recommendations of that Committee would be forwarded to the Central Government for approval and after that had been obtained those principles would be laid down for the guidance of the State. In that way there could be uniformity all over the country though actual standard may differ according to local conditions. The same principle applied to the payment of dearness allowance. He stated that in Mysore, the employers had been found to be very considerate in the grant of bonus. He also pointed out that the time-scale of pay was being experimented in Mysore.

MR. AYYANGAR (BOMBAY GOVERNMENT) expressed the view that the standardisation of basic wages was desirable and that although there might be a basic wage for India as a whole, differentials should be worked out allowing for differences in local conditions. He said that the minimum wage should of course be the living wage but if that standard could not be attained immediately, an approach should be made towards it. As regards time-scale of pay, he said that although it might not be possible to introduce it immediately, it should be recognised as desirable. He advocated the immediate standardisation of occupational nomenclature and expressed the view that the question of work load, etc., should be entrusted to an Expert Committee. As regards dearness allowance, he was of the opinion that it should be rationalised and paid on a sliding scale basis but the defects of the local cost of living indices should be removed. He suggested that the level at which the cost of living index was likely to stabilise should be found out and a part of the dearness allowance might be absorbed in the basic wages to attain that level. He said that bonus should be claimed by the workers as matter of right and provided the mills made profits beyond a particular limit, it should be possible to share those profits with the workers. He pointed out that the Tata Iron and Steel Co. had evolved a system of profit sharing and thought that it should be possible to evolve a similar system in the case of the Textile industry so that it might not be necessary to go to the Industrial Court every year.

While winding up the lay's proceedings, the Chairman stated that the Industries Conference held in December last adopted the Resolution about the industrial truce and the Ministry of Labour had a responsibility for setting up the machinery required for implementing that Resolution. He made it clear that the machinery would have to be set up both in the Central and Provincial spheres and that the Committee would act as the Central Co-ordination Committee in regard to textiles. There would be similar Committees for other major industries. All Committees would work under a Central Labour Advisory Council which would be set up soon. In the same way, there would be Committees in the Provinces, and the Centre would arrange co-ordination with a view to ensuring the application of uniform principles as far as possible. He then summarised the results of discussion on each point as follows:

- (i) The desirability of standardising basic wages throughout the country was accepted. It was also accepted by all that identical principles should be adopted in connection with the standardisation measures.
- (ii) It appeared from the discussions that the employers' and Government representatives and I.N.T.U.C. representatives agreed that minimum wages should be fixed on a regional basis. All workers' representatives agreed that the basic wages should be fixed on the

living wage standards. The view of the A.I.T.U.C. representatives was that basic wages should be uniform throughout the Country. (iii) Some of the delegates agreed that there should be a time-scale while others opposed it.

A drafting sub-committee was appointed to draft resolutions on the basis of the above conclusions.

ITEM II—MEASURES FOR INCREASING PRODUCTION. [For memorandum please see appendix II].

In opening discussions on the subject, THE CHAIRMAN pointed out that it was necessary in the interest of the country to increase production. It was for the Committee to decide how to do that. He made it clear that Government would be glad to render such help in the matter as might be necessary.

Mr. SHASTRI condemned the recent token strikes in spite of the agreement on 3 years' industrial truce and dissociated the Indian National Trade Union Congress from such strikes. He enquired what action Government had taken in regard to the conclusions reached at the Industries Conference relating to the formation of Production Committees, Works Committees, Housing amenities and the institution of a suitable machinery for resolving industrial disputes. He expressed pleasure that Government had taken a decision with regard to the standardisation of yarn and cloth. He pointed out that the Indian National Trade Union Congress had all along been of the view that every yard of yarn spun should be directed to the weaving shed and not sold. He felt that with proper checking and control of leakage and maladjustments there could be a further increase in the output of cloth, at least another 10 per cent. If three shifts were necessary in the interest of production, he suggested that the third shift should not exceed 6½ hours, there should be no change-over and the workers in the third shift should get the same remuneration as was given to the workers in the other two shifts. If after examining every other possibility of increasing production, it was found that nine hours working was necessary, the Indian National Trade Union Congress would advise workers to accept even that but on the condition that it would be an emergency measure for a limited period, the workers would be given overtime based not only on their basic wages but also including dearness allowance, and the extra profits, if any, would be shared by the workers along with the industry. He was not opposed to rationalisation in principle but he felt that, without modernisation, under the existing conditions it would mean greater intensification of work. He was not willing to leave this question to employers alone but wanted a joint machinery which should include representatives of workers and employers to go into the question.

Mr. MEHTA referred to HARTALS and communal animosities and the go slow tactics of the workers also as factors which were responsible for fall in production of cloth. He was in agreement with the proposed three shift working but pointed out that in a Press Communique the Bombay Government had stated that the workers were opposed to three-shift work. He was not prepared to give 8 hours' wage for 6½ hours' work in the third shift as suggested by a workers' representative. As regards 9 hour shifts, he said he had no objection provided the workers agreed to that. He also made it clear that although under the Factories Act, the mills would be called upon to pay double wages for

overtime, they would not be prepared to pay double dearness allowance for the ninth hour. As regards the suggestion of 7½ hours shift in a three shift working, he felt that enquiries from each factory about its practicability were necessary before deciding the question. He said that for night shift workers, the wage rates should be the same and that no monetary adjustments were necessary. He expressed the hope that the workers would agree to a regular change-over of shifts as continuous night shift for some workers only might be detrimental to their health. With regard to housing, he stressed that it was the responsibility of the State but the employers were agreeable to make a reasonable contribution. He said that some rationalisation had already taken place in the industry and steps should be taken to introduce further rationalisation after expert advice, as far as possible and reasonable.

MR. KOTHARI (SOUTHERN INDIA MILLOWNERS' ASSOCIATION) stated that the Central and Provincial Governments should see to it that the Unions did not quarrel between themselves and thereby impede production. He pointed out that according to the Award given by the Tribunal set up by the Madras Government, any worker working after midnight would have to be paid 25% extra wages and as such three shift working in Madras would not be possible. He cited instances where the Awards of the Industrial Courts were not accepted by labour. He pleaded for active co-operation of labour in increasing production.

MR. VAIDYA expressed the view that the fall in production was not due to any fault of the workers and that efficiency of the workers had gone down due to wearing down of machinery, malnutrition, bad housing, bad materials, etc. He agreed that the entire responsibility for every strike was of the Millowners and of the Government who had failed to intervene on the side of the workers and protect them. Referring to the lock out in the mills in Amalner for 8 to 9 months, he pointed out that it was revealed after an enquiry that the Millowners were guilty. He did not subscribe to the view that the fall in production was due to reduction of working hours to 8. He pointed out that by rationalisation, production was not going to increase. It was aimed at reducing the cost of production. The workers would resist rationalisation. He was of the opinion that a 9 hour shift would be resisted by the workers. As regards three shifts, he stated that the workers would agree to three shifts only if it was made clear to them that it would not be preceded or followed by rationalisation, retrenchment and unemployment. The system of change-over should be introduced only after the workers in all the three shifts had agreed to it. According to him, workers would agree to three shift working, if they were granted an extra allowance of 25%, and in case the shift was to be terminated notice should be given sufficiently in advance, say 6 months.

He stressed that if Government was serious about increasing production, the workers' demand for a living wage, full dearness allowance, bonus, recognition of unions, old age amenities etc. should be granted within certain time limits.

MR. MATHUR (INDIAN FEDERATION OF LABOUR) did not agree that a fall in production was due to strikes alone. He pointed out that the loss of man-days was only 2% while production had fallen by 16%. Referring to the causes of strikes he pointed out that about 50% of them were for minor causes.

which were easily avoidable. He favoured rationalisation as it was likely to result in higher and better form of production, but pointed out that it should not be followed by unemployment and other hardships to the workers. He did not generally favour night shift but if it became absolutely necessary for stepping up production he suggested that the workers should be properly compensated, the hours of work should be less and some refreshment etc., should be served free of cost. He was in favour of the system of changeover, in cases of night shift working.

MR. SWAMINATHAN (U. P.) pointed out that so far as the U. P. were concerned, the system of 3 shift working might not be possible since an enquiry in August, 1946 revealed that not more than three or four mills in the U.P. could be worked on three shifts without a complete break down. He was of the opinion that unless efficiency had gone down considerably, a 9 hour working day was sure to step up production, provided the workers were properly remunerated. He pointed out that in the U. P. the double overtime included, since August, 1946, basic pay, dearness allowance and every other allowance payable to labour. He drew attention to the pressing necessity of re-equipment of cotton mills in country as also the frictional unemployment that was likely to be caused during the period when the old machinery would be replaced by new machinery. He also stressed the importance of making arrangements for necessary transport facilities for carrying the finished goods.

MR. P. TRICUMDAS pointed out that the figures of production supplied by millowners might be wrong to a certain extent because of leakage etc. and as such before the question of increasing production was discussed, the Government should investigate the working of the industry all over the country and find out the method alleged to have been used for showing less production. He stated that in Bombay one of the responsible officers of the Bombay Millowners' Association was asking the mills not to show increased production unless the Government gave increased prices.

MR. MEHTA (BOMBAY MILLOWNERS' ASSOCIATION) refuted the allegation.

MR. TRICUMDAS continuing said that the question of giving to the workers some incentive such as, good housing, better food etc., was important for increasing production. As regards three shift working, he was of the opinion that it could be introduced, provided housing accommodation could be arranged for workers in the third shift. In this connection he pointed out that in Bombay several military camps were lying vacant which could be utilized for the purpose. He further wanted that when the three shift would be discarded, alternative employment should be found for the displaced workers. He said that the Bombay workers would oppose nine-hour shifts. If, however, it could be proved that that was the only possible measure for increasing production, the workers should be compensated not only for the extra one hour of work but also by dearness allowance which was related to the wage. He pointed out that unless some basic demands of the workers were met it was futile to talk of industrial truce. He wanted to reform, with a view to avoiding delay in disposal of cases, the adjudication machinery set up by the Government of Bombay. He suggested that since the workers were strongly opposed to rationalisation, it would be better not to discuss that question at the Conference.

•MR. ROY (BENGAL MILLOWNERS' ASSOCIATION) said that one of the methods for increasing production should be the linking of a part of the workers' remuneration to production. The question as to what percentage of basic wages should be linked to production should be left to be decided by a Sub-Committee. He pointed out that the Prime Minister of England had said that the workers must think of increased remuneration in terms of production. He favoured the system of three-shift working but opposed nine hour working as the Bengal Millowners' Association was not prepared to pay double wages for the extra one-hour of work.

SHRI PHANI GHOSE refuted the allegation that indiscipline on the part of the workers was responsible for the fall in production. He felt that as lot of trouble would follow the introduction of rationalisation it should not be introduced before some plan was settled for absorbing the displaced labour. He was of the view that unless suitable housing accommodation could be found for the nightshift workers it should not be introduced.

Mr. KHATAU pointed out the difficulties of introducing a three shift working and thought that it might not be possible to introduce it in Bombay. He drew attention particularly to the difficulties of getting trained workers and of finding houses for additional workers. He felt that unless the feeling that an eight hour day was enough for the workers could be got over, it would not be possible to introduce the nine hour shift. If it was possible to rationalize work in a manner whereby out of the existing complement trained men could be spared for the third shift and to pay a higher wage to the workers due to increased work, the industry as well as the workers would be satisfied. He suggested that if night shift was introduced in the textile industry, the workers should be paid on the same basis as was adopted in other industries in the country which were working night shifts.

THE CHAIRMAN pointed out that was exactly the point where there was disagreement.

MR. KHATAU assured that the Textile Industry would certainly follow other industries in this respect.

MR. V. S. BALWAIK pointed out that although the prices of cloth and yarn had increased five or ten times during the War and Government failed to keep a check on them, the workers' wages remained the same and that the strikes were due mainly to victimisation of workers by the employers, non-implementation of awards and non-redress of their grievances. He urged that the Government should fix a ceiling to the mounting profits of the capitalists and a bottom to the wages of labour so as to retard strikes and accelerate production. He suggested that if the Government were prepared to give certain facilities including medical help and 25 per cent. higher wages, they should discuss the question of increasing the hours of work with the representatives of Textile Trade Unions and arrive at a decision after complete agreement. He expressed the opinion that the training of workers should be started immediately but that must be accompanied by immediate and proposals for provident fund schemes, old age pensions, housing arrangements and medical relief. He felt that the rationalisation of the industry would be the best course to follow.

MR. RAMAMURTI pointed out that the figures regarding looms and spindles given by the employers would be much more if, as compared to 1939, the number of shifts worked in the mills were taken into account. According to his method of calculation, the increase in loomage and spindlage in 1945 over 1939 would be 55 and 90 percent, respectively. He further contended that some 5 to 6 million yards of cloth were being smuggled out of the country every year. The problem of increasing production would not be tackled properly, unless a complete survey of the number and types of looms and spindles, types and quantities of yarn and cloth which could be produced and machinery installed etc. in each factory was conducted. Referring to the Resolution regarding Industrial Truce passed in December last at the Industries Conference, he said that unless the employers and the Government changed their attitude, cooperation was not possible. He pointed out that labour would not accept a nine hour shift. With regard to rationalisation and three-shift working, he wanted to know whether all the mills were going to work three shifts so as to absorb the displaced skilled labour in the third shift or whether the employers were going to create difficulties by saying that they had not got enough coal, electricity, bobbins, shuttles etc. and as such it was not possible for them to work three-shifts. He objected to the introduction of rationalisation. He pointed out that no comparison could be made of the efficiency and output of the Indian and foreign workers, because wages and working conditions were not similar. According to him, production could be increased only by trusting the worker and by seeking his co-operation on terms of equality. Citing the case of an adjudication in Mewar where it was held that wages could be reduced by 12½% consequent upon the reduction of working hours from nine to eight, he said, that all talk of adjudication was unreal so long as the worker was not assured of a living wage. He pleaded for production according to a plan in the preparation of which the workers and the people should be associated.

Mr. VASAVADA drew attention to the Resolution passed last year by the International Labour Organisation Industrial Committee on Textiles to the effect that Governments, employers and employees should co-operate, combine and make all possible efforts to step up production so as to tide over the world emergency of cloth and regretfully pointed out that nothing in that direction appeared to have been done. He stated that the Minister for Commerce and the Minister for Industry and Supply had suggested to him in Bombay two measures, viz., the third shift and nine hours' work, for increasing production and that he had pointed out to them that the production figure was not actually so low as was suggested by the employers. He was satisfied with the Government's decision regarding standardisation of production of yarn and cloth. He stressed the urgency of setting up Production Committees in which the workers who had experience of handling the machines, could have a chance of pointing out the defects etc. in the working of the factories. The feeling that workers also had some responsibility towards the Industry would help in increasing production. He was opposed to the working of the third shift after midnight on humanitarian grounds because working after midnight was unnatural and unhealthy. He was not so sure whether it was necessary to work a nine-hour shift but he wanted the question to be left for decision by the Production Committees. He suggested that before the question of working the third shift was raised it should be

found out whether all the 400 odd mills in the country had been working two shifts a day. If that was not so, there was no point in asking only a section of workers to go to the third shift. Similarly, if it was proved beyond doubt that a nine-hour working was the only means to step up production, the workers should work for nine hours, provided that they were paid the extra wages and dearness allowance, as allowed by the Factories Act. He referred to the system of a change over of three shifts at Ahmedabad and said that the workers had an inherent aversion to working in the third shift and as such he felt that it might not step up production at all. If, however, due to certain reasons the third shift became necessary then it should be introduced with the consent of the workers, there should be no change over and the shift should be only for 6½ hours. While concluding he again pressed for setting up the Production Committees immediately.

MR. SINGHANIA pointed out that the correct measure for finding out the index of production would be to compare the production of yarn and not the yardage of cloth as durable cloth consumed more yarn and gave small yardage. He welcomed the suggestion of a Government enquiry to ascertain the leakage in production. According to his experience of Ahmedabad, the reduction in working hours had actually resulted in reduced production. He suggested the following four remedies for increasing production :—

- (i) Installation of new machinery by way of putting up new mills.
- (ii) Extension of existing mills.
- (iii) Working nine hours a day by giving overtime wages.
- and (iv) Resorting to three shift working.

He ruled out the first two possibilities since new machinery would not be available till 1953 and new mills would take about 3 to 4 years before they could start working. They were then left with the last two alternatives. It might not be possible for all mills either to introduce three shifts or to work nine hour shifts. He, therefore, felt that the two alternative courses might be left to the employers and workers in different areas. He pleaded for temporary rationalisation as in that case it would be possible to work three shifts with the same complement of workers who were running the double shifts. The workers under the proposed arrangement would get higher wages and the country would get more and cheaper cloth. As soon as the emergency was over, the same worker would again revert to two shift working. Thus, instead of 16 hours' production, the mills would get a production of 22½ hours in three shifts and where the 9-hour shift would be introduced the production would be for 18 hours instead of 16 hours. He thought that the flat rate of dearness allowance irrespective of output was one of the reasons responsible for slackening the workers' effort towards production. Referring to rates of wages for overtime working, he pointed out that a cent. per cent. increase in rates was too high and the mills would not be able to pay the basic wages and dearness allowance at double the rate if nine hour working was to be adopted as a regular feature for sometime.

MR. SONE LAL, who had himself been an industrial worker for about ten years referred to certain mal-practices which he alleged were resorted to by the supervisors in the factories with a view to restrict production. He

argued that the present management had failed to run the industry successfully and pleaded that, even though as an experimental measure, the management of the factories should be handed over to workers for 3 months. He assured that without the interference of the employers, production would increase. He opposed the proposals for a nine-hour day or three shift working generally.

MR. SITAL PRASAD (KANPUR) pointed out that wages in Kanpur were higher than those in Bombay and Sholapur though they were slightly lower than those at Ahmedabad. He referred to the indiscipline among the workers and pleaded for co-operation between the workers and employers in order to increase production.

MR. IYENGAR (BOMBAY GOVERNMENT) suggested the appointment of a small sub-committee to check the accuracy of the statistics of production. The appointment of Production Committees was a step in the right direction. The Production Committees should find out the reasons of low production in the inefficient mills. The Bombay Government supported the third shift only under certain safeguards which were embodied in their Resolution on the subject. As regards nine hours' work, he expressed the view that it might not be introduced until other possibilities of increasing production had been explored. Although rationalisation might not be so objectionable, he thought that it need not be mixed up with the question of increasing production since labour objected to rationalisation. In case three shift working was started, the duration of the shifts should be 7 hours without any reduction of existing remuneration for the time-workers and with some compensation for piece workers. Transport facilities should be provided by the Government and the Canteens by the employers. For night shifts, higher rates of wages were desirable and that change over of shifts should be introduced only with the consent of the workers and not in spite of their refusal. The question of absorbing the surplus labour if and when the working of the third shift was stopped, should also be taken into consideration.

MR. N. S. V. AIYER refuted the allegations made by Mr. Vaidya that employers were responsible for the large number of strikes in Bombay. Inviting reference to the records of the Industrial Court, he pointed out that every strike had been declared illegal. Referring to Mr. Vaidya's statement that in East Khandesh though the workers were willing to work, the employers were keeping the factory closed, he said that it was the Girni Kamgar Union and their terrorist tactics which were responsible for the closure of the mills and that if any evidence was required, the District Magistrate concerned or the Government of Bombay could be referred to. He expressed grave doubts about Government's wisdom in raising the question of including dear food allowance in overtime. He pointed out that the matter was *subjudice* before the Bombay High Court and that the logical conclusion of Government's proposition would mean that mills would be entitled to make a cut in the dear food allowance for reducing the hours of work from 9 to 8 or $7\frac{1}{2}$ per day. He felt that it was ridiculous to suggest that for working an hour more an employee required increased dearness allowance.

Mr. P. K. SEN (CENTRAL PROVINCES) thought that it was an accepted fact that production had gone down. As regards three-shifts, he pointed out that unless the Government of India assured his Government of the supply of coal and mill stores, it would be difficult to introduce the three shift working in Central Provinces. In this connection he referred to an award of an adjudicator ordering the payment of full wages to workers for enforced or compulsory idleness when a certain mill in the C. P. had to close down for considerable period for non-supply of coal. He felt that if the above principle was laid down it would be difficult to find a solution for running the third shift. He further pointed out that enquiries made in the Central Provinces revealed that fall in production due to reduction in working hours was 7 and 5 per cent. respectively, in spinning and weaving and that these figures had been accepted both by the employers and the workers. Thus, the workers had made up a part of the fall by increased efficiency. In accordance with the December Resolution, the Central Provinces Government had gone for the appointment of Production Committees and Works Committees. A Committee had been appointed under the Labour Advisory Board to work out the schemes of Production and Works Committees and that Committee was examining the question of increasing production with the help of technical experts. He pleaded that the Centre should not do anything which would cut across the arrangements made by the Provincial Governments. As regards the third shift, he said that in the Central Provinces according to an alternative scheme there could be 20 hours' working with 25 per cent. extra hands, since in his province there was the question of absorbing the surplus labour and there was no attempt at retrenchment.

ITEM III—TRAINING OF WORKERS WITH A VIEW TO INCREASING THEIR EFFICIENCY. [For Memorandum please see Appendix III].

THE CHAIRMAN suggested that if the need for training the workers was accepted by the House, Government could prepare a scheme in consultation with the Employers' and Workers' organisations. He pointed out that the Directorate of Resettlement and Employment had training schemes.

MR. TRICUMDAS said that the industry should contribute towards the scheme substantially.

THE CHAIRMAN said that in the scheme for training in the coalmines there was a suggestion that the employers being a beneficiary should be made to pay.

MR. MEHTA wanted to know whether the Chairman was suggesting that the principle, namely, that the employers would have to pay had been accepted.

THE CHAIRMAN replied in the negative.

MR. MEHTA asked whether Government were satisfied that the existing schemes were being fully utilized.

THE CHAIRMAN said that the desirability of training the workers would be considered.

ITEM IV—PROVISION FOR OLD AGE INSTITUTION OF PROVIDENT FUND AND INSURANCE SCHEMES [For Memorandum please see Appendix IV].

THE CHAIRMAN then took up the item on the above subject and said that a similar scheme for coal mines was ready which would become law by the end of the month. He suggested that on the basis of that scheme a similar scheme for textile workers might be prepared and kept ready for the next meeting.

MR. TRICUMDAS said that the provident fund should be a contribution not only on the basic wages but on wages as defined under the Payment of Wages Act.

THE CHAIRMAN agreed that there was considerable force in what he said and assured him that the point would be kept in mind.

MR. KHATAU said that since the question related to all industries it should be considered by the other Committee.

THE CHAIRMAN asked whether the principle was accepted.

MR. SINGHANIA replied that if it was to apply to all industrial workers they had no objection.

THE CHAIRMAN stated that if a legislation was going to be enacted it would not be restricted to textiles only but it would be an enabling legislation.

[Attempts were made to arrive at agreed Resolutions on the various items on the Agenda but no agreement could be reached.]

THE CHAIRMAN thanked the members for the frank discussions which had taken place on the various items on the Agenda. He pointed out that in the Tripartite Conferences the practice so far had been to hear the view points of the employers and workers. The Government thereafter took such action as was thought to be necessary. On the present occasion discussions had taken place not only in the Plenary Session but also in the Drafting Committees and an attempt was made to have some agreed resolutions which was an innovation in Tripartite Conferences. Although no resolutions could be adopted the Government would take the necessary legislative or executive action on the various items on the basis of the discussions held. He stressed the need for increasing production and improving the conditions of the working classes in the country and appealed to the employers and employees to try to raise the standard of living in the country.

MR. RAMAMURTI thanked the Government of India and the Chairman for the excellent way in which the Conference was conducted. As regards heat and animosity, he pointed out that that was due to no other motive than the anxiety of the workers' group to place before the House as correctly as possible what exactly the working classes had been thinking and what exactly they expected the Government of India to do for them. He concluded by saying that it was only by co-operation and not by coercive orders that production could be increased.

MR. SHASTRI while thanking Government expressed the hope that Government would take the earliest possible steps to implement the conclusions that had been arrived at though not unanimously but in the course of the observations and the speeches, so that justice might be done to labour and to the country.

MESSES. MEHTA AND IYENGAR also thanked the Chairman.

APPENDIX I.

ITEM I.—STANDARDISATION OF WAGES AND RATIONALISATION OF THE DEARNESS ALLOWANCE STRUCTURE

[NOTE :—The details set out in this note are those readily available in the Ministry of Labour. Members of the Committee are requested to correct or complete the information.]

2. Government are not committed to the proposals in this note. They are intended to serve as a basis of discussion].

The remunerations of workers in the cotton textile industry may be considered under three broad heads :—

- (a) basic wages,
- (b) dearness or cost of living allowance, and
- (c) bonus.

In addition, in some units of the industry workers are paid production and attendance bonuses, but this practice is not universal.

2. Basic wages upto the end of 1946 were generally low. Since then efforts have been made and are being made to raise the basic wages. The position today in so far as information is available in the Ministry of Labour is summarised below :—

(i) *Bombay City and Island.*

Basic wages have been standardized with effect from 1st January 1947, as a result of an award of the Bombay Industrial Court. The scheme has been worked out on the basis that in the city of Bombay "no worker should get a basic wage of less than Rs. 30/- a month of 26 working day." Taking this amount as the minimum basic wage of any employee, differentials have been worked out in the light of the skill, strain and other conditions involved in the different processes. As a result of the standardization it is estimated that the average wage of the Bombay textile workers rise from Rs. 32/8/- to Rs. 41/- per month.

(ii) *Ahmedabad.*

Wages in the cotton mills in Ahmedabad were standardized even before the war. Although at the time of standardization, the rates were higher than those obtaining at other centres, they are now lower as compared with Bombay. The revision of these rates is now before the Bombay Industrial Court.

(iii) *Sholapur.*

The standardization of basic wage rates in the Sholapur mills is also before the Bombay Industrial Court.

(iv) *United Provinces.*

The rates in force during the war period were recently increased by 12½ per cent. at the instance of the United Provinces Government. But there is no standardized scale of wages. An expert Committee appointed by the United Provinces Government sometime ago is examining this question.

(v) *Madras.*

The Industrial Tribunal appointed by the Government of Madras in April, 1947, gave an award that no worker in a textile mill in the Province should get a basic wage less than Rs. 26 a month. The Tribunal also recommended that a Wage and Standardization Committee should be set up for determining the wage structure for different categories of workers in Textile Mills, starting with a basic wage of Rs. 26/- p.m. for an unskilled worker and for preparing a standardized occupational nomenclature for all the Textile Mills. The Government of Madras have appointed the Wage Board in August, 1947. The Southern India Millowners' Association is now paying a basic wage of Rs. 26/- per month to all categories of workers, deferring the payment of the wage differentials until the Wage Board has submitted its report.

(vi) *Central Provinces and Berar.*

The Central Provinces and Berar Government have referred to an Industrial Tribunal the following questions :—

- (a) what should be the minimum basic wage to be paid to unskilled employes of the lowest class of the cotton textile mills in the Central Provinces and Berar ?
- (b) should the wages of employes in cotton textile mills in the Central Provinces and Berar be standardized, and if so, what scheme of standardisation of wages and work should be adopted for textile mills in Central Provinces and Berar on the basis of the above minimum ? and
- (c) having regard to the surplus labour employed in the mills in this Province and the consequent additional labour costs incurred, what steps should be taken in regard to surplus labour and for rationalising the processes, particularly on finer counts, so as to enable the mills to fall in line with mills in other important textile centres.

(vii) *Bengal.*

Government of West Bengal have set up a Board of Conciliation with a Judge as Chairman and four non-official members, two nominated by the Industry and the other two by Workers' organisations, to examine the question of standardization of wages in the cotton mills of West Bengal.

(viii) *Bihar.*

It is stated that there are only two mills and both the wage rates and scale of dearness allowances are low. The question to what extent dearness allowances need revision so as to compensate the worker for the rise in the cost of living on a scale similar to that adopted in the main centres of the textile industry would need examination.

(ix) *Baroda.*

The Baroda Government have set up a tripartite Committee to consider the question of standardization of wages and it is understood that the Committee will complete its deliberations by February or March, 1948.

(x) *Mysore.*

The Mysore Government, it is stated, have the question of standardization of wages under their examination.

(xi) *Gwalior.*

The Gwalior Government state that the views of a tripartite Committee are being invited on this matter.

(xii) *Indore.*

Wages were standardized in 1942, but the rates would require revision in the light of the rates adopted elsewhere.

No information is available as regards the action taken by the Hyderabad Government or other State Governments or in areas other than those mentioned above in regard to the standardization of basic wages.

3. With the exception of one or two centres, workers have been compensated for the increase in the cost of living by the grant of dearness allowance, but there is no uniformity in the scale of allowances. The available information is summarised below :—

(i) *Bombay City and Island.*

The workers in Bombay city are in receipt of a dearness allowance calculated at the rate of 1.75 pies per point per day over the index figure of August, 1939, viz. 105. This rate compensated the workers on an average, to the extent of 75 per cent of the increase in the cost of living. As a result of the increase in basic wages, the percentage of compensation will drop to 59 per cent.

(ii) Ahmedabad.

The workers are in receipt of a dearness allowance calculated according to the following formula :—

$$\text{Dearness allowance} = \text{Rs. } 4/11 (X-73)$$

Where x = the index number for the preceding last but one month, and
73 = the index number for August 1939.

It works out to 2.68 pies per day per point of rise. This, it is stated, will compensate the workers to the extent of 76 per cent. of the rise in the cost of living over August, 1939. As in the case of Bombay, the percentage of compensation will drop, if the basic wages are scaled up as a result of the industrial Court's investigations of that question.

(iii) Sholapur

In Sholapur, the workers are in receipt of a dearness allowance linked with the Sholapur cost of living index. In addition, they get a grain allowance of Rs. 7/- a month. The cost of living allowance in Sholapur is calculated in a series of irregular slabs as will be seen from the following :—

Index Number	Rate of dearness allowance per day (excluding grain concession). (Rs.)
185—196	0 12 3
197—203	0 13 9
209—220	0 15 4
221—232	1 0 3
233—244	1 1 6
245—256	1 3 6
257—268	1 4 0

In July, 1947, the index stood at 248. The compensation payable for this period, taking the grain compensation allowance into account, works out to 1.15 pies per point per day.

(iv) Kanpur

Dearness allowance to workers with basic wage not exceeding Rs. 150 p.m. in cotton mills in the membership of the Employers' Association of Northern India is linked with the Kanpur cost of living index. On a basic average wage of Rs. 24/14/- the dearness allowance affords compensation to the extent of 42.5 per cent. in respect of the first 100 points of rise and 59.3 per cent. in respect of subsequent rises. The compensation is at the rate of .78 pies per point per day in respect of the first 100 points of rise and 1.4 pies thereafter.

(v) Madras Presidency

Dearness allowance is paid, in accordance with the decision of the Industrial Tribunal, on the following basis :—

- For mills situated in Coimbatore, Madura and Madras Districts 3 annas per month (1.38 pies per day) per point of rise in the Madras cost of living index above 100.
- Elsewhere at the rate of 2½ annas per month (.96 pies per day) per point of rise in the Madras cost of living index above 100.

On a wage of Rs. 26/-, it affords compensation to the extent of 72.1 per cent. for the workers in Madras, Madura and Coimbatore and 60.1 per cent. for others. The figure for other centres is lower because of the calculation of the dearness allowance with reference to the index number of a comparatively costly place. The percentage of compensation will be lower when the Wage Board's decision regarding the basic wage for other than unskilled workers is announced.

(vi) Centra Provinces.

In the Central Provinces and Berar, dearness allowance is paid to workers getting Rs. 100 and below at the rate of one pie per day for every point of rise in the three monthly moving average of the Nagpur cost of living index based on the average of prices of 12 months ending August, 1939.

(vii) Indore.

In Indore, dearness allowance is paid on the basis of the three monthly average of the cost of living index numbers in Bombay, Ahmedabad and Sholapur and the scale of payment is at the rate of -3/6 per month (1.6 pies per day) per point of rise in the index upto 130 and -3/- per month (1.4 pies per day) per point thereafter.

(viii) Baroda.

In Baroda most of the mills pay dearness allowance at the rate of 90 per cent. of the rate paid to workers in Ahmedabad mills.

4. An indication of the earnings, basic wage as well as dearness allowance for 5 categories of workers in the principal centres of industry, namely, Bombay, Ahmedabad, Sholapur, South India, Kanpur, Nagpur, Delhi, Baroda etc. are given in Annexure 'A'. In Annexure 'B' will be found a comparative statement of the rates at which dearness allowance are calculated. The appendices will give an indication of the variations both in basic wages and the rates of dearness allowances now obtaining even in the principal centres of industry.

5. Wages have been or would shortly be standardized in all the principal centres of the industry, namely, Bombay city and Island, Sholapur and Ahmedabad in the Bombay Presidency, the United Provinces, Madras Presidency, Central Provinces and Berar, West Bengal, Indore, Baroda and Gwalior. The case for extending the principle to other centres is, therefore, very strong, especially in view of the arguments set out in paragraph 7 below.

6. The next question is whether there should be a uniform set of basic wages throughout the country or whether different centres and regions should have different sets of rates. To put it in another way, should mills elsewhere than in Bombay and Ahmedabad also adopt the Bombay scale? It is urged that mills elsewhere are disadvantageously placed in regard to cotton costs, prices of mill stores, cost of fuel, that many mills are working with old machinery, and that labour efficiency is lower than in the big centres. These reasons, it is claimed, justify disparity in rates.

7. The arguments for prescribing a uniform set of basic wages throughout the country are as follows:—

(a) In pursuance of the recommendations of the Central Pay Commission, basic wages have been fixed at uniform rates throughout the country for employees in Railways, Posts, Telegraphs and Telephone Services and the industrial undertakings managed by the Central Government. The Cotton Textile industry, just like the Railways, is spread all over the country and should be in a position to adopt a uniform national policy in regard to wages.

(b) As a result of cloth control, mills all over the country are selling their production at virtually the same rates. There is consequently no reason why wages should not be fixed on a uniform basis throughout the country.

(c) It is true that certain costs vary from area to area. Roughly speaking, about 40 to 50 per cent. of the price of cloth is accounted for by cotton, about 25 per cent. by wages and the rest by fuel, mill stores, overheads, etc. Bombay Mills have a slight advantage over Ahmedabad and South India mills in regard to imported varieties of cotton, but the consumption of imported cotton by mills other than in Bombay and Ahmedabad is small. On the other hand, Indian cotton, which is mostly used by the up-country mills should cost less, as they save at least a part of the transport and other charges from the places of growth to Bombay. Even in the few cases where up-country mills have to buy their cotton from a distant source, they save the freight on manufactured goods. The advantage enjoyed by the Bombay mills in respect of mill stores is more than off-set by the lower overheads, especially in rent, rates, staff salaries, etc. enjoyed by up-country mills. The adoption of a uniform wage rate policy throughout the country should not, therefore, seriously hamper the working of the mill industry.

(d) As a result of war-time scarcities, the appreciable variations in costs of living, which existed prewar between big centres like Bombay and Calcutta and inland towns, has narrowed down considerably. Such variations as exist can be taken care of in fixing the cost of living or compensatory allowances, as has been done in the case of Railway employees.

(e) Variations in efficiency and the age of the machinery have nothing to do with the geographical distribution of the cotton mill industry. Cooperative efficiency varies considerably between one mill and another in Bombay itself and some of the mills are working with machinery which should in the normal course of events, have been scrapped. If mills with these varying conditions in Bombay can work on a uniform scale of basic wages, there should be no difficulty in mills elsewhere also adopting a similar scale.

8. The case for a rationalisation of the dearness allowance structure and the adoption of uniform rates, with variations for big cities and towns, on a scale similar to that recommended by the Central Pay Commission and adopted in the case of employees in Central Government industrial undertakings like Railways, Posts, Telegraphs, Telephones, etc. (vide Annexure C) is for consideration. If however the consensus of opinion is in favour of retaining the link with the local cost of living index, the question whether the time has not come to introduce some measure of uniformity in the basis for calculating the dearness allowances requires consideration.

9. Another question that has been raised in this connection is the absorption of at least a part of the dearness allowance in the basic wage. This has been done in the case of Government industrial employees. The question what part of the dearness allowance should be absorbed in the basic wage is closely bound up with questions relating to the levels at which basic wages should be pitched and the basis to be adopted for fixing the scale of dearness allowances. For fixing uniform basic wages it is necessary to iron out the differences in occupational nomenclatures, type of work done, etc. now existing in the country.

10. Another question requiring consideration is the introduction of time scales. As a result of the Pay Commission's recommendations, time scales of pay extending over a period of 10 years in the case of unskilled workers and 15 years in the case of semi-skilled and skilled workers have been introduced. In the Cotton Textile Industry, a few mills namely, the Buckingham & Carnatic Mills, Madras, and the Bangalore Woollen, Cotton and Silk Mills have placed their operatives on an incremental scale. The adoption of an incremental scale, wherever possible is also one of the items in the Five Year Programme which was generally accepted by Provincial and State Governments, Employers' and Workers' Organisations. It would be appropriate for the Committee representing the premier Indian industry to consider this question and give a lead to other industries.

11. Since the war period, workers have been receiving, in addition to their basic wage and dearness allowances, an annual bonus varying between 2 to 5 months basic wages. In respect of 1946, according to the decision of the Bombay Industrial Court, workers in Bombay and Ahmedabad received a bonus equivalent to 20% of their basic wages. The Employers' Federation of Northern India, Kanpur, paid for 1946 a bonus calculated at the rate of 4/- per rupee of the basic wage. The Coimbatore Mills paid a bonus equivalent to 5 months' basic wages for the year 1946. In the Madras City and Madura, workers received a bonus related to the rate of dividend declared by the companies.

12. Bonus has, in the past, amounted to a substantial amount of the earnings, being as much as 10% in 1946. As wages have been scaled up since then, the percentage will, hereafter, be less. Although the declaration of bonus is dependent on the profits made by the industry, workers have now come to regard it as more or less a regular part of their earnings, particularly so because mills in the membership of the Bombay Millowners' Association, the Ahmedabad Millowners' Association and the Employers' Federation of Northern India and the Coimbatore Mills have been paying bonus on an *ad hoc* basis and not related to the profits made or dividends declared by the individual mills. The Committee may consider whether some general formula could be evolved for the payment of bonus, so that this matter may not form the subject of dispute between employers and workers.

13. In connection with the standardization of wages the All India Trade Union Congress has asked that the question of standardization of musters should also be considered. This, it has been explained, means the fixation of the number of men for each department or sections of a department. "It means fixing the number of men per machine (both as operators or helpers, carriers, coolies, extras etc.). It involves the consideration of work load and time motion studies. It also involves the consideration of standardized output or production. No standardization of musters can be complete or satisfactory unless it is accompanied by setting up of standards for machines, their layout, the working conditions, such as temperature, humidity, ventilation, quality of material, speeds, etc." The Congress further states in a note on the subject, "absence of standardization of musters leaves the employers free to impose rationalisation, nullify wage increases, and pass the burden of economic crisis on to the shoulders of the workers. Standardization of wages would be of little help if musters are not standardized. Musters must be standardized on the present working conditions and should not involve any unemployment. No change should, however, be made in this standard without the consent of the workers. Whenever any mechanical improvements are made in the methods of production, the workers must not suffer in their wages and a larger share of the total benefits accruing from the improvement must be given over to the workers." The question of standardization of muster in the manner explained above appears to be a highly technical one, and involves a number of other considerations. It may be taken up for discussion, if considered necessary, at a subsequent session, that is to say, after agreement has been reached on the other points set out in this note.

14. To sum up, the question for consideration are :—

- (a) the desirability of standardising of basic wages throughout the country,
- (b) whether a uniform set of basic wages should be adopted throughout the country, or whether different sets of basic wages should be adopted for different centres or areas, and if the latter on what basic minima should the basic wages be worked out,
- (c) introduction of time scales in basic wages,
- (d) the necessity for standardising occupational nomenclature,
- (e) whether dearness allowances should be calculated on a simple and uniform manner as suggested by the Central Pay Commission or whether they should continue to be linked with the local cost of living indices and if the latter is preferred, how they could be rationalised,
- (f) whether a part of the dearness allowance should be absorbed in the basic wages and if so what part, and
- (g) the evolution of a formula for the payment of bonus.

If the Committee arrives at conclusions on one or more of the proposals, it may consider the desirability of setting up a small sub-committee to study the questions further and formulate detailed proposals.

ANNEXURE 'A'

Occupation.	Bombay.	Ahmed- abad	Sholapur	Kanpur	S. India.	Nagpur.	Delhi.	Baroda.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
I. Drawing Tenters—									
Basic wage per month of 26 working days:	34 2 0	26 8 8	18 4 11	32 11 2		20 2 10	45 6 0	23 15 6	(i) Figures for Nagpur are based on the rates obtaining in the Model Mills, while those for Delhi relate to Birla Mills only.
D.A. in July '47 ..	40 9 0	50 8 8	31 11 0*	42 7 0		29 6 2	40 9 0	45 7 10	
Total ..	74 11 0	77 1 4	49 15 11	75 2 2		49 9 0	85 15 0	69 7 4	
II. Slubbing Tenters—									
Basic wage ..	35 12 0	28 0 6	17 13 0	35 15 2		29 2 10	Not available	25 0 10	(ii) Figures for Sholapur are the average of the rates obtaining in Vishnu and Lakshmi Mills.
D.A. ..	40 9 0	50 8 8	31 11 0	42 7 0		29 6 2		45 7 10	
Total ..	76 5 0	78 9 2	49 8 0	78 6 2		49 9 0		70 8 8	
I. I. Grey Winders—									
Basic wage ..	32 8 0	25 11 8	19 4 6	24 11 4	Basic wage = 26 0 0	Not available	33 14 0	14 14 4	(iii) Pending the decision of the Wage Board appointed by the Government of Madras all categories of workers are being paid at the rate of Rs. 26/- p.m.
D.A. ..	40 9 0	50 8 8	31 11 0	42 7 0		available	40 9 0	45 7 10	
Total ..	73 1 0	76 4 4	50 15 6	67 2 4	D.A. — 31 11 0 Total — 67 11 0		74 7 0	60 6 2	
IV. Warrers—									
Basic wage ..	56 14 0	52 0 0	53 11 9	44 15 9		41 9 2	Not available	Not available	
D.A. ..	40 9 0	50 8 8	31 11 0	42 7 0		29 6 2			
Total ..	97 7 0	102 8 8	85 6 9	87 6 9		70 15 4			
V. Doffers—									
Basic Wage ..	30 0 0	17 7 6	12 5 0	16 0 5		12 0 0	20 8 0	12 0 10	*Excludes grain allowance amounting to Rs. 7 per month.
D.A. ..	40 9 0	50 8 8	31 11 0	42 7 0		29 6 2	40 9 0	45 7 10	
Total ..	70 9 0	68 0 2	44 0 0	58 7 5		41 6 2	61 1 0	57 8 8	

ANNEXURE ' B '.

Centres.	Cost of living index to which dearness allowance is linked.	Rates of dearness allowance.	
		Increase per day per point of rise in the index.	Increase per month of 26 days per point of rise.
1. Bombay ..	Bombay working class cost of living index. The index for July 1947 stood at 274.	1.75 pies (over August 1939 index).	Rs. Ps. 3 9-50
2. Ahmedabad ..	D.A. paid in any month is linked with the preceding last but one month; D.A. paid in July 1947 is, thus, linked with May 1947 cost of living index which stood at 213.	2.68 pies (over August 1939 index).	5 9-63
3. Sholapur ..	Sholapur cost of living index. July 1947 = 248	1.15 pies per point	2 5-90
4. (a) Surat ..	90% of d.a. paid in Ahmedabad	2.41 pies	5 2-60
(b) Barshi ..	Not related to any cost of living index		Fixed rate of 10 as. a day*.
(c) Gadag ..	Do.		Fixed rate of 6 as. a day*.
5. (a) Madras ..	} Madras index July 1947=270	1.38 pies per point of rise over 100.	2 11-38
(b) Madura ..			
(c) Coimbatore ..			
6. Delhi ..	Same as in Bombay†	1.75 pies	3 9-50
7. Kanpur ..	Kanpur subsidiary cost of living index July 1947 = 308 ..	(a) 0.78 pies per point for the first 100 points of rise. (b) 1.4 pies thereafter	(a) 1 8-28 (b) 3 0-4
8. Nagpur ..	Average of three monthly indices ending July 1947 = 317 ..	1 pie per point of rise	2 2
9. Bihar ..	Not related to any cost of living index		Minimum d.a. per month is Rs. 21 at Gaya and Rs. 9 at Patna.

ANNEXURE 'B'—contd.

Centres.	Cost of living index to which dearness allowance is linked.	Rates of dearness allowance.	
		Increase per day per point of rise in the index.	Increase per month of 26 days per point of rise.
			A. Ps.
10. Bengal	Not related to any cost of living index. .. ..	..	Highest monthly rate of d.a. paid in 1944 was about Rs. 24 per month and the lowest rate was about 4 as. per rupee of wages earned.
11. Indore	Three monthly average of Ahmedabad, Sholapur and Bombay indices.	1.38 pies per point.	2 11.88
12. Baroda	90% of d.a. paid in Ahmedabad	2.41 pies	5 2.66
13. Mysore (Bangalore) ..	Mysore cost of living index	For rise in the index.. ..	
		(a) up to 108 points— Rs. 1-8-0 p.m.	4 0
		(b) 109 to 145 points— 1.85 pies per point per day	4 0
		(c) 146 to 161 points— 1.4 pies per point per day	3 0
		(d) 162 to 176 points— 0.98 pies per point per day	2 0
		(e) 177 points onwards— 0.7 pies per point per day	1 6
14. Cochin (Trichur) ..	Not related to any cost of living index .. ..	..	A fixed rate of 10 as a day. †

*If payment of d.a. at Barsi and Gadag is linked with the Sholapur cost of living index it would be at the rate of 2½ as. per point of rise in the index or Rs. 31-11-0 p.m. instead of Rs. 16-4-0 and Rs. 9-12-0 respectively.

† Birla Mills, Delhi.

‡ If the payment of d.a. in Cochin is linked with the Madras cost of living index, according to the award of the Industrial Court, it would be at the rate of 2½ as. per point of rise over 100 or Rs. 26-9-0 p.m. instead of Rs. 16-4-0.

ANNEXURE 'C'.

Basic Rates of Pay, recommended by the Central Pay Commission—

	Rs.
Unskilled workers	30— $\frac{1}{2}$ —35.
Semi-skilled workers	35—1—50.
Skilled workers	40—1—50—2—60.

Dearness Allowance—

Pay ranging upto Rs. 50	25/- p. m.
Pay ranging from Rs. 51 to 100	35/- p. m.

House-rent allowances—

	Cities with a population of over 1 lakh.	Cities with a population of over 5 lakhs.	Bombay and Calcutta.
	Rs.	Rs.	Rs.
Below Rs. 55	5	7	10
Rs. 55 to Rs. 100	7	10	15

Range of Variations —

	Minimum Range. Rs.	Maximum Range. Rs.
(a) Unskilled workers	55 to 65	60 to 70
(b) Semi-skilled workers	60 to 70	75 to 85
(c) Skilled workers	65 to 75	95 to 110

	Occupation.	Cochin (Trichur)†	Mysore (Bangalore)‡	Surat.	Barai.	Gadag*	Bihar.	Indore||	Bengal†
1	Drawing Tenter— Basic wage ..	N.A.	17 3 2	25 7 0	18 12 3	13 8 7		26 8 8	15 2 8
	D.A.		15 7 0+	45 7 10	16 4 0	9 12 0		26 13 0	18 2 4+
	Total ..		32 10 2	70 14 10	35 0 3	23 4 7		53 5 8	33 5 0
2	Slabbing Tenter— Basic wage ..	N.A.	22 9 10	N.A.	18 15 3	14 5 5		2 10 0	19 14 0
	D.A.		11 5 2+		16 4 0	9 12 0		23 13 0	17 9 8+
	Total ..		33 15 0		35 3 3	24 1 5		54 7 0	37 8 2
3	Grey Winder— Basic Wage ..	9 0 0	10 15 6	N.A.	N.A.	7 9 2		11 14 8	N.A.
	D.A.	16 4 0	16 12 8+			9 12 0		26 13 0	
	Total ..	25 4 0	27 12 2			17 5 2		38 11 8	
4	Warper— Basic Wage ..	N.A.	N.A.	N.A.	27 10 0	N.A.	Minimum basic wages at Gaya== Rs. 15 and minimum D.A. Rs. 21 Mini- mum basic wage at Patna== Rs. 12/- Mini- mum D.A. = Rs. 9.	N.A.	N.A.
	D.A.				16 4 0				
	Total				43 14 0				
5	Doffer— Basic wage ..	8 0 0	10 4 8	18 8 7@	9 8 0	7 9 2		10 13 4	14 3 6
	D.A.	16 4 0	14 8 4+	45 7 10	16 4 0	9 12 0		26 13 0	20 15 10+
	Total ..	24 4 0	24 13 0	59 4 5	26 12 0	17 5 2		37 10 4	35 3 4

†D.A. is paid @ As. 10 a day. ‡ 1944 rates, + Includes all allowances. @1944 rate. D.A. @ As. 10 a day. *1944 rates D.A. @ As. 6 per day.
 || 1944 rates. D.A. = 1944 Allowances for the corresponding period in Bombay were Rs. 31-5-0 per month.
 N.A. = Not available.

APPENDIX II.

ITEM 2 :—MEASURES FOR INCREASING PRODUCTION.

The country is experiencing an acute shortage of all types of cotton textiles. The following figures will give an idea of the drop in production :—

Year of period.	Monthly average production.	
	Yarn.	Cloth.
1944	125 Mln. lbs.	401 Mln. Yds.
1946	116 „	334 „
1947 (1st ten months)	108 „	315 „

The drop in production is due to a variety of reasons, like closure of mills due to riots, strikes, etc. in the main producing centres, increase of absenteeism on the part of workers switch over from coarse to fine cloth production and the reduction in the hours of work.

2. Government have already announced their decision regarding the standardisation of production both of yarn and of cloth. This, it is expected, will increase output by about 10 per cent. Other measures may also be necessary, such as :—

- (a) introduction of three shift working ;
- (b) where three shift working is not possible, introduction of overtime working to the extent of one hour per shift, that is to say, the duration of the shift to be 9 hours instead of 8, as at present.
- (c) agreement between employers and workers that there should be no strikes or lockouts and that all differences between the Management and workers should be settled without recourse to strikes and lockouts, and if necessary by resort to adjudication.

The necessity for the last has been agreed to at the Tripartite Conference held at Delhi on the 18th December, in continuation of the Industries Conference. It is now necessary to consider the other two or any other suggestions that may be put forward in this connection.

3. Three shift working with a shift of 7½ hours' duration seems to be an effective method of securing a substantial increase in production. It is recognised that owing to a shortage of skilled workers, weaving departments may not be in a position to work three shifts. But a similar difficulty does not exist in the spinning department. There is, however, a considerable body of opposition to working beyond midnight.

4. If the Committee is in favour of three shift working, the following further questions will require consideration :—

- (a) what should be the duration of the shift ?
- (b) if the shift is to be one of 7½ hours, whether workers should get the same rate of remuneration for 7½ hours' work as they are now getting for the 8 hour shift ;
- (c) what conveniences and facilities should be provided for the workers working the night shift, e.g. transport and canteen services ;
- (d) whether the wage rates for workers in the night shift should be the same or whether they should be a little higher, and if so, to what extent monetary inducements should be given ;
- (e) the rotation of turns for night shift working so that all workers will take their turn for night shift working and not merely a certain number.

There may be other problems also which require consideration in connection with this question, particularly the provision of housing for the additional workers who may have to be employed. Various measures for remedying the general shortage of housing accommodation, now experienced in all industrial centres, are being taken by or are under the consideration of the Central and Provincial Governments. The Committee may consider and

make suggestions regarding temporary expedients which may be adopted for solving the problem of housing accommodation for the additional workers. The Committee is also requested to give consideration to other questions and make suitable recommendations.

4. It has been suggested that one way of increasing the number of workers required for three shift working would be the introduction of a measure of rationalisation. It is stated that most of the mills are now working their spinning departments two sides per worker. If the workers could be induced to look after three sides,—as is not unusual in other countries, the shortage of workers for three shift working can be solved to a considerable extent. If rationalisation appears to the Committee to be one of the main methods of getting over the problem of labour shortage, questions relating to—

- (a) the readjustment of work loads ;
- (b) the additional remuneration to be given to a worker doing more work than now ;
- (c) reduction in speeds ;

and other technical problems relating to rationalisation will need consideration. The effective utilisation of the workers who may be released as a consequence of rationalisation, when three shift working is discontinued is another important problem to which the Committee may have to give consideration.

5. Where three shift working is not practicable for one reason or another, the question of increasing the duration of the shift from 8 to 9 hours deserves consideration. This, it is realised, will expose the worker to greater fatigue, but it is put forward as a temporary expedient to get over the present acute shortage of cloth in the country. In this connection, the rate of overtime allowances to be paid to workers working an extra hour will need consideration. According to the Factories Act, dearness or cost of living allowances should also be taken into account for calculating overtime pay. While there is a considerable body of opinion among the employers that overtime should be calculated only with reference to basic wages, the workers' view is that as basic wages form only 35 to 50 per cent of their remuneration, overtime pay calculated on their basic wages would even fall short of their hourly earnings on an eight hour shift and consequently they would have no inducement to work overtime.

6. To sum up, questions for the consideration of the Committee are :—

- (a) the recognition of a national emergency requiring maximisation of output and a firm resolve on the part of both employers and workers to do all that they can to increase output ;
- (b) the feasibility of working three shifts of 7½ hours' duration and the problems connected with three shift working ;
- (c) where three shift working is not feasible, the practicability of working a 9 hour shift instead of 8 hours, and problems connected therewith.

APPENDIX III.

ITEM 3.—TRAINING OF WORKERS.

The Textile Industry in India provides employment for over half-a-million workers, 80% of whom approximately are engaged in skilled occupations. While there are facilities for the training of supervisory personnel, training centres for workers, either before or after employment, are few. Consequently, the Indian worker takes a number of years to acquire the necessary amount of skill. He can learn his work only through another experienced worker or jobber, but as these people are busy with their own jobs, the new entrant gets very few systematic opportunities for learning his craft.

2. Increased wages, provision of social security services, housing, welfare services, all of which are now accepted as necessary and are being planned, will increase the cost of labour. Part, at least, of this increased cost can be offset by improving the efficiency of the worker.

3. Improvement of efficiency is also necessary if Indian industry is to compete on even terms with industries in other countries. It has often been urged that the Indian mill worker is not so efficient as an operative in Lancashire or in Japan. This situation can be remedied only by organising adequate measures for training the Indian worker and improving his efficiency.

4. From the workers' side also there is an incessant demand for improved training facilities which would help the worker to qualify for promotion and improve his prospects. With this end in view, demands have been put forward :

- (a) for the establishment of school and apprenticeship courses for technical training,
- (b) provision of facilities for workers desirous of getting technical training to attend these schools, and
- (c) that efficient workers should be sent to schools at the expense of the mills and promoted to supervisory posts on qualifying for such promotion.

The Textiles Committee of the I.L.O. which met in Brussels from 14th to 22nd November, 1946, also passed a resolution in recruitment and training of personnel for the Textile Industry. The Resolution noted with approval that "some firms have a special section of the factory devoted to the training of new entrants" and suggested that this method should be extended to all departments of the industry. The Resolution also urged that "opportunity should be given to workers to improve their technical knowledge of the various processes. This could be done by the provision of facilities either at the mills or at the technical school. The operatives attending these classes should do so in the ordinary working hours and receive the same rate of wages as when engaged in actual training at the mill."

5. The country is experiencing a considerable shortage of textiles and it is an urgent necessity to step up of production. For bringing about this increase in production, measure should be taken among others, to improve the efficiency of workers.

6. On an average the industry would require an intake of at least 10,000 new workers every year to maintain its present strength. In addition, trained workers will also be required to meet the requirements of the new mills that will be set up as part of the expansion programme. Both from the short-term and long-term points of view, therefore, the provision of well organised and scientific training for mill workers has become urgent necessity and requires immediate consideration.

7. Facilities for training should be provided not only for new entrants to the mills (pre-employment training) but also for those already in employment (post-employment training) so that they may qualify themselves for positions carrying higher rates of emoluments or for promotion.

8. Pre-employment training should be given at well designed training centres which should be fully equipped and staffed with competent instructors. In the interests of economy and administrative convenience, the minimum strength of each centre should be 250 trainees. Candidates for admission should be literate in their own language and be preferably between the ages of 18 and 20 years. To start with, training may be given in the following occupations and its duration may extend from 3 to 6 months as indicated against them :—

Occupation	No. to be trained.	Period of training.	Annual outturn.
1. Blow and Card Room Operators ..	25	6 months	50
2. Draw and Fly Frame Tenters ..	5	3 months	20
3. Spinners	50	3 months	200
4. High speed winder } High speed warper }	10	3 months	40
5. Sizors	10	6 months	20
6. Weavers	150	6 months	300
	250		630

To start with, facilities may be provided at the following centres :—

Place	No. of Centres.	Capacity.
Bombay	1	250
Ahmedabad	1	250
Kanpur	1	250
Nagpur	1	250
Calcutta	1	250
Coimbatore	1	250
Madras	1	250
Delhi	1	250
	8	2,000

Each centre will be able to turn out 630 trainees per year. The annual out-turn from the 8 centres will thus be 5,040. By working two shifts, the annual out-turn could be doubled, if necessary.

9. The cost of establishing a centre with a capacity for 250 trainees is estimated at Rs. 5,60,000 non-recurring, vide statement 'A' or Rs. 44,80,000 for 8 centres. The recurring expenditure is estimated at Rs. 93,200 per centre, vide statement 'B', or Rs. 7,45,600 for 8 centres. These are, however, rough estimates. The actual capital expenditure to be incurred in the purchase of machinery and equipment may be less if the textile mills co-operate in the training schemes and provide some of their old machinery and equipment for training purposes.

10. As regards post-employment training of workers, the candidates will have acquired sufficient practical experience and will be mostly needing theoretical training in branches of textile technology. This training may be provided, as far as possible, on a part time basis at the existing technical institutions by special arrangement. The centres for pre-employment training may also be utilised for this purpose. The classes may be held twice or thrice a week and may be of two hours duration each. The courses may be run on a fee paying basis but the amount of the fee should be small. Trainees who successfully complete the course may be given a certificate of competency.

11. The main questions for the consideration of the Committee are :—

- (a) whether the Committee agrees to the necessity for making an immediate start in regard to the provision of training facilities,
- (b) whether to start with it agrees that centres should be opened at the places mentioned in paragraph (8), or alternately, whether it has other suggestions to make regarding the provision of training facilities,
- (c) if the Committee is generally agreed on these two objectives, how should the finances required for establishing and running these centres be raised, and
- (d) how should these institutions be managed.

Other questions and further detailed investigation may be left to a tripartite sub-committee assisted by suitable experts.

STATEMENT 'A'

Estimated non-recurring expenditure for setting up a training centre for textile workers with a capacity for 250 trainees.

I. Building for centre including office, class-rooms, workshops etc, (10,000 sq. feet at Rs. 18/- per sq. feet)	Rs. 1,80,000
II. Machinery and Equipment.	
(a) Blow room and card room equipment—	
Bale Breaker	.. .. .
Porcupine opener	.. .. .
Scutcher	.. .. .
Cards	.. .. .
(b) Spinning Department—	
Draw frames (3 heads)	.. .. .
3 Fly frames	.. .. .
3 Ring frames of 320 spindles each.	.. .. .
(c) Preparatory Department—	
High speed winder	.. .. .
High speed wrapper	.. .. .
Sizing machine	.. .. .
(d) Weaving Department—	
50 looms with dobbies and Lacquards.	.. .. .
(e) Finishing Department—	
Calendaring Machine	.. .. .
Folding Machine	.. .. .
Stamping and Baling press.	.. .. .
(f) Humidification plant	.. .. .
(g) Accessories and cost of installation of machinery	.. .. .
	3,80,000
Total	5,60,000

N. B. 1.—The installation of a balanced plant, that is to say, the number of looms balanced in relation to the number of spindles, will be very expensive and is not recommended. Yarn for working the looms to full capacity may be purchased on cops or prins from textile mills for waste.

2. The question of adding a Bleaching and Dyeing Section may be considered later. In the beginning, coloured yarn may be purchased from textile mills.

STATEMENT 'B'

Estimated annual recurring expenditure for running a training centre for 250 trainees.

(i) Technical staff.	Scale of pay. Rs.	Cost. Rs.
1 Principal	600—2—700	7,200
1 Workshop Superintendent	300—15—375	3,600
1 Foreman Mechanic	200—2—300	2,400
9 Instructors	200—20—300	21,600
14 Operatives	100	16,800
		51,600

				Rs.	Rs.
(ii) <i>Maintenance staff—</i>					
1 Fitter	..	..	..	125/-	1,500
1 Carpenter	..	..	..	125/-	1,500
1 Boiler attendant	..	..	..	150/-	1,800
6 Beldars	..	..	..	30— $\frac{1}{2}$ —35	2,160
3 Sweepers	..	..	..	30— $\frac{1}{2}$ —35	1,080
					<hr/> 8,040
(iii) <i>Office Staff—</i>					
1 Head Clerk	..	..	..	100—10—200 (A grade)	1,200
1 Account ant-cum-Cashier	..	..	..	100—10—200 (A grade)	1,200
2 Clerks	..	..	..	55-3-85-E.B.- 4-125-130	1,320
2 Store-keepers	..	..	..	Do.	1,320
1 Peon	..	..	..	30— $\frac{1}{2}$ —35	360
1 Sweeper	..	..	..	30— $\frac{1}{2}$ —35	360
2 Chowkidars	..	..	..	30— $\frac{1}{2}$ —35	720
					<hr/> 6,480
(iv) Dearness and other allowances.	..	..	..	..	20,820
Leave salary at 5% of the salaries.	..	..	..	..	3,306
					<hr/> 24,126
(v) Training charges, including cost of raw material, training wastages, power, light etc. at Rs. 12/- p.m. per trainee.					36,000
(vi) <i>Contingencies.</i>					3,000
Contingent expenditure at Re. 1/- p.m. per trainee	..	..	..	..	<hr/>3,000
Total recurring expenditure on one centre.					1,29,246
Anticipated receipts on account of sale proceeds					<hr/> 36,000
					<hr/> 93,246
Net recurring					or say 93,200

APPENDIX IV.

ITEM 4.—PROVISION FOR OLD-AGE INSTITUTION OF PROVIDENT FUNDS AND INSURANCE SCHEMES.

There is now a general recognition of the need for organising social security services. These services include medical aid and monetary grant or cash compensation in the case of maternity, sickness and employment injury; cash payments during unemployment and in old-age and, in the event of the death of the bread-winner, to his dependents.

2. There has been, for some years past, a strong demand from the workers' organisations for the institution of social security schemes. The Workmen's State Insurance Bill, now before the Indian Legislature, provides for the institution of a unified scheme for the grant of maternity and sickness benefits and employment injury compensation. It is now necessary to consider the question of devising a scheme which will make provision for old-age and for the support of dependents in the event of the death of the bread-winner. These benefits are provided in other countries in the form of old-age and survivors' pensions, either by means of social insurance or social assistance schemes. In either case

they involve substantial subsidies from public funds. Central and Provincial Governments in India, are at the moment, unable to provide these subventions by reason of the large outlay which they have to incur on essential social services, like health and medical services, free and compulsory education and on development schemes for increasing production and employment, to which high priority must be accorded. The introduction of a Pension Scheme will have to be preceded by a detailed investigation into the average periods of employment and rates of mortality, which necessarily will take time to complete. Moreover, a Pension scheme is not likely to be of as much benefit as a Provident Fund scheme to a population of industrial workers with a large turn over, such as is the case in India. The only feasible method, in the circumstances, is to make provision for old-age or survivors' by the institution of compulsory Provident Fund and Life Insurance schemes. Indeed, that this is generally accepted by Governments, Employers and Workers, will be seen from the fact that the resolution on Social Security, which recognises that "Government of Asian countries would be unable for some time to afford substantial subsidies to finance old-age and survivors' pension schemes by reason of the large outlay they have to make for social services to which a higher priority should be accorded" and that "as first steps towards making adequate provision against the risks of old-age and death" measures should be taken for :-

" (a) the institution of compulsory provident funds for as many categories of workers as possible and in particular for all regulated labour, and

(b) the extension of the scope of the existing State-managed insurance schemes, (such as Postal Insurance Scheme, administered by the Government of India) or the introduction of such schemes for the benefit of persons of small means."

was passed unanimously at the preparatory Asian Regional Conference held in October-November, 1947, at New Delhi.

3. There are provident funds maintained in some of the units of the industry. The particulars of these schemes are set out in Appendix I. (These details have been taken from the Report of the Labour Investigation Committee, which submitted its Report in 1945 and relate to the units surveyed). A perusal of the information in the Annexure will show that the schemes are usually restricted to clerical and supervisory staff, and that only in a few cases are workers in general covered by the Provident Fund schemes. Even so, it is only the permanent employees who generally get the benefits.

4. It may be noted, in this connection, that a decision has been taken to institute a compulsory provident fund scheme for all colliery workers, in pursuance of a unanimous recommendation of the Colliery Conciliation Board, which submitted its Report early in 1947. The Cotton Textile Industry is not only one of the most well-organised industries of the country, but it's premier industry. It would, therefore, be appropriate that the Committee should consider measures for the institution of a compulsory provident fund and insurance scheme covering all workers in the industry, as a first step towards provision against the risks of old-age and death of the bread-winner.

5. If the Committee agrees with the view that the time is now ripe for the institution of compulsory provident fund schemes for all the workers employed in the Cotton Textile Industry, the question arises whether the Provident Fund schemes should not be supplemented by some scheme of Life Insurance. The latter is necessary for the reason that a Provident Fund scheme yields benefit mainly to those who have done a substantial period of service and have been able, during that period, to contribute an appreciable amount and earn a similar amount by way of employers' contribution. People dying young or in early middle age leaving a number of dependents will secure but little benefit to their dependents, as their contributions to the provident fund would inevitably be not much.

6. Insurance may either be optional or compulsory. If it is optional, the benefit will accrue only to those who have the foresight to cover the risk by insurance. A compulsory scheme of insurance, on the other hand, would provide benefits for dependents in all cases, and, because of its wide coverage, be cheaper. A compulsory scheme can be either a group insurance or individual insurance. In individual life insurance, there is the risk of lapse and consequent loss to the worker, if he is unable to continue payment of premia during

periods of unemployment or because of his being obliged to leave employment for one reason or another. In view of these difficulties, group insurance would be preferable. If the cover is limited to cases of deaths while in employment, not only will all essential requirements be met, but the cost can also be kept low.

7. If a scheme for the institution of compulsory provident funds covering all the workers in industry is generally accepted, the following questions will need consideration :—

- (a) What should be the rate of contribution ? The generally accepted rate is 1/16th of the salary, but in the Railways, contribution is levied at 1/12th, the employer contributing an equal amount.
- (b) On what should the contribution be assessed ? Basic wages in the Cotton Textile Industry, constitute, for the very great majority of workers, only 40 to 50 per cent. of their earnings. It would not, therefore, be fair to limit the contribution to a percentage of the basic wages. If account is taken of the fact that in other countries increases in remuneration usually take the form of increases in wage rates and that the scheme of dearness allowance was adopted in this country only as a flexible method which would permit variation in earnings with fluctuations in the cost of living in either direction without resistance or opposition from the workers or employers, the case for including the dearness allowance for purposes of calculating the percentage to be contributed becomes strong. It may be noted in this connection that the Workmen's State Insurance Bill, now before the Legislature, provides for the levy of contributions not merely on the basis of basic wages, but of wages as defined in the Payment of Wages Act. Workers are also in receipt of bonuses which in the case of Cotton Textile industry amount to about 5 to 10 per cent. of the average earnings. The grant of bonus is no doubt dependent upon the profits of the industry, but from the workers' point of view it may be argued that it constitutes a substantial portion of their earnings and should not, therefore, be ignored.
- (c) Whether the funds should be maintained and administered by individual units or whether should be managed by a Central organisation. The advantages of the latter course are that there would be continuity, even if the worker changes employment from one unit of industry to another, and that it would provide an effective safeguard against frequent withdrawals and consequent frittering away of the funds.

8. To sum up, the Committee is requested to consider :—

- (a) Whether a scheme of compulsory Provident Fund should be set up covering all the workers in the Cotton Textile industry.
- (b) If the answer to (a) is in the affirmative, to consider the points set out in paragraph 7 above, and
- (c) Whether a part of the contribution to the Provident Fund should be utilised to provide a scheme of compulsory insurance against the risks brought about by death, while in employment.

If the Committee reaches a decision on the general questions set out above, details will be worked out in consultation with a small sub-committee.

ANNEXURE

Particulars of the Provident Funds in the Cotton Mill Industry.

Town.	Number of units having P.F.	Number of workers covered.	Rate of contribution.	Qualifications for membership.	Any other particulars.
(1)	(2)	(3)	(4)	(5)	(6)
<i>Bombay</i>					
Bombay City ..	11	5000+ Head jobbers & other Supervisory staff.	Not stated ..	Process workers are covered in 8 units and head jobbers and other supervisory staff only in 3 units.	
Ahmedabad ..	Not Stated	Not Stated ..	(i) 8½% each in a majority of units. (ii) 6½% each in one unit.	Skilled labourers and clerks except in (ii) where there is a voluntary provident fund and all workers are entitled.	(ii) is a voluntary scheme and there are only 112 subscribers.
<i>Other Centres.</i>					
(Barsi & Gokak) ..	2	Not stated ..	5% each ..	All workers	Those who have put in less than 15 years' service are entitled to employer's contribution only in case of incapacity or death. Loans are granted from the fund at 4 to 5% p.a.
<i>South India</i>					
Madras	1 ..	Not stated ..	5% each ..	All full-time workers drawing Rs. 100 p.m. or more.	The Company intends to introduce a scheme of P.F. for new permanent workers drawing less than Rs. 100 p.m.
Madura	2 ..	7,000 plus a proportion of 2,502.	Re. 1 each ..	Permanent workers	Workers's Savings Fund.
Papanasam ..	1	Not stated ..	Re. 1 each ..	Permanent workers	Worker's Savings Fund.

Particulars of the Provident Funds in the Cotton Mill Industry—contd.

Town.	Number of units having P.F.	Number of workers covered.	Rate of contribution.	Qualifications for membership.	Any other particulars.
(1)	(2)	(3)	(4)	(5)	(6)
<i>U. P.</i>					
Kanpur ..	3	Not stated ..	Not stated ..	Persons receiving Rs. 37 p.m. or more.	
<i>C. P. & Berar</i> ..	1	Over 7,000 ..	6½% each ..	Permanent workers who joined before 1933. Those who joined after 1933 have the alternative of either contributing to the P.F. or Pension after retirement.	Those completing 20 years' service get the full contribution of the Company. For each year's service less than 20 years' there is a deduction of 5%. Rate of interest allowed is 5%.
<i>Delhi</i> ..	1	Over 10,000 ..	For wages of Rs. 20 or more Re. 1 each. For wages below Rs. 20—As. 12 each.	All	The employer's contribution is payable in full if the subscriber has put in 12 years' service and ½ if less than 5 years' service.
<i>Mysore</i>					
Bangalore ..	1	390	7½% each ..	All Permanent workers ..	There is a Savings Fund Scheme also. Membership 1000. The Company proposes to substitute the existing gratuity fund eventually by the Provident Fund.

Particulars of Gratuities payable in the Cotton Mill Industry.

Town.	Number of units having gratuities.	Number of workers covered.	Particulars of gratuities.
<i>Bombay</i>			
Bombay City ..	33	Not stated ..	Three of these Units pay gratuities according to rules and others pay at their discretion.
Ahmedabad ..	1	Do.	Payable on retirement of incapacity. In 1944, 169 persons were paid gratuities amounting to Rs. 86,705/-.
Sholapur ..	1	Do.	The scale generally followed is— <div style="text-align: right;">Months' wages.</div> Unbroken and faithful service of 15 years. 3 Unbroken and faithful service of 20 years, but less than 25 years. 4 Unbroken and faithful service of 25 years & over. 5
<i>South India.</i>			
Madras ..	1	Do.	Qualifying period is 10 years. Gratuity is calculated at the rate of 5 to 7½% of the wages depending upon the length of service.
Madura ..	1	Do.	Gratuities are awarded at the discretion of the management to those who do not qualify for pension due to less than 30 years' service.
Papanasam ..	1	Do.	Qualifying condition is 10 to 30 years' service. Those who do not qualify for pension by 30 years' service are awarded gratuities according to the merits of the case.
<i>U. P.</i>			
Kanpur ..	2	6,000	Qualifying condition is 15 to 25 years' service. If there is sufficient justification for retirement, a gratuity of four to six months' wages is paid.
<i>C. P. & Berar</i>			
..	1	Not stated ..	Workers declared medically unfit are granted gratuities at the discretion of the management if they are not members of the P.F. or entitled to a pension.
<i>Delhi</i>			
..	1	10,000	Qualifying condition is less than 20 years' service with the company. The maximum gratuity is Rs. 1,500/-.

Particulars of Gratuities payable in the Cotton Mill Industry—contd.

Town.	Number of Units having gratuities.	Number of workers covered.	Particulars of gratuities.
<i>Mysore</i>			
Bangalore ..	1	2,737	Qualifying condition is 10 years. The gratuity is 5% of the wages for 10 years' service and 7½% of wages for every year of satisfactory service over 10 years. The company proposes to substitute it eventually by P.F.
Mysore ..	1	Not stated ..	Only permanent members are entitled for it. Gratuity is 6½% of worker's wages for 10 years' service, 7½% for 10 to 17 years' service and 7½% for 17 to 24 years' service.
Cochin ..	1	Do.	10 years' or more of continuous and approved service entitles for gratuities at 10 days wages per year of service.

Particulars of Pension Schemes in the Cotton Mill Industry.

Town.	Number of Units having pension.	Number of workers covered.	Particulars, if any.
<i>Bombay</i>			
Bombay City ..	2	Not stated	
<i>South India</i>			
Madura ..	2	Do.	In one unit, pensions are paid to those who have put in 30 to 35 years' service, amount of the pension being half the month's wages. In some cases special pensions are also paid and a gold medal awarded for long service of over 35 years. Pensioners are also paid dearness allowance at the flat rate of Rs. 6/- p.m. In the other, pensions are granted in deserving cases.
Papanasam ..	1	Do.	Qualifying condition is more than 30 years' service. A pension of half the wages is granted for 35 years' service or over and proportionately less for shorter service.
<i>U. P.</i>			
Kanpur ..	2	6,000	Minimum qualifying period for a pension is 25 years' service. The pension varies from 10 to 15% of the wage with the minimum varying from Rs. 3 to Rs. 5 p.m. Pensions are also granted to widows of workers if the worker had qualified for a pension before decease and the widow is unable to work.
<i>C. P. including Berar</i>	1	Not stated ..	Permanent workers employed before 1933 are entitled to old age pensions as well as P.F. Permanent workers employed after 1933 have the alternative of either contributing to the P.F. or pension after retirement.
Delhi	1	Not stated ..	Provision has been made for the grant of pensions to old workers and their families only in specially hard cases.

APPENDIX V

Resolutions passed at the First Session of the Textile Committee of the I.L.O. held at Brussels November 14-22, 1946, and the action taken by the Government of India.

RESOLUTIONS

NOTE OF ACTION

I. Resolution on Improved working Conditions and Welfare facilities.

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946 recognises and affirms the proposition that working conditions have a marked influence on the efficiency and productivity of the worker. It records with appreciation that efforts are continually being made to improve these conditions but asserts that the policy of further improvement must be actively pursued, with particular references to the following points:—

- (a) Installation of individual motor drives.
- (b) Reduction of noise.
- (c) Adequate aisles and passages.
- (d) Better control of ventilation and broader installation of air-conditioning.
- (e) Modern clearing methods.
- (f) Adequate lighting, both natural and artificial.
- (g) Suitable finish on walls and ceilings.
- (h) Plant cleanliness.
- (i) Sanitary and adequate lavatory facilities.
- (j) Adequate clothes lockers.
- (k) Day nurseries and medical services.
- (l) First-aid stations.
- (m) Canteens.

The Textiles Committee of the I. L. O. requests the Office:

1. To acquaint the States Members with the view expressed herein;
2. To enquire into these matters in the various countries and to report to the States Members; and
3. To urge the implementation of this policy at the earliest possible date.

(a) *Installation of Individual Motor Drives.*
This point is dealt with indirectly in several sections of the draft Factories Bill. Firstly, provision is made for the prior approval of plans for new factories or alterations to existing factories by the Chief Inspector of Factories. Such plans are to include drawings of the layout of the proposed plant. Secondly, it is proposed that all transmission machinery, i.e., shafting, belts, gears, chain drives etc., shall be securely fenced, whatever their position, if any person approaches for any purpose, such as mounting of belts, lubrication, adjustment etc. Again suitable striking gear is to be provided for the purpose of moving belts to and from fast and loose pulleys; belts are not to rest or ride on shafting in motion, but belt perches are to be provided. Further, suitable devices for cutting off the power from running machinery are to be provided in every room. These requirements will tend to influence the wider adoption of individual motor drives to machines. Provision is further made for floors, passages and stairs to give safe means of access.

In a special quarterly Bulletin issued to the Inspectorates of Provinces and States in May of this year, attention was directed to the Report of the Sub-Committee of the Post-war Planning Committee (Textiles) of the Government of India, in which this and other matters indicated in the I. L. O. Resolution are discussed. As a result, Inspectorates will bear these points in mind when dealing with plans for new factories or re-construction of existing factories.

(b) *Reduction of Noise.*

This item is also dealt with indirectly in the draft Factories Bill, by the prior approval of plans for new factories or alterations to existing factories. This item will also be the subject of a special pamphlet to be issued from the office of the Chief Adviser (Factories) to Inspectorates.

(c) to (m) *inclusive.*

All these matters are fully provided for in the draft Factories Bill. Further emphasis and guidance on these various items will be given to Inspectorates by the issue from this office of a series of pamphlets. Subjects already dealt with or in hand include—

- (1) "A guide to the Planning of new Factories". This is a very complete publication, dealing with every aspect of construction and layout of factories in so far as they affect health, safety, and welfare of workers.
- (2) "Ventilation of Factories."
- (3) "The Fundamentals of Exhaust Draught systems".
- (4) "Fan Engineering".
- (5) "Air Conditioning applied to Factories".
- (6) "Lighting in Factories".
- (7) "Welfare in Factories". This includes sanitary conveniences, wash places, and clothing accommodation.
- (8) "Creches in Factories".
- (9) "Canteens in Factories".
- (10) "Noise in Factories".
- (11) A number of pamphlets dealing with safety, including—
 - (a) "Fencing and other Safety Precautions for Transmission machinery".
 - (b) "Fencing and other Safety Precautions for Cutters of Horizontal Milling Machines".
 - (c) "Fencing and other Safety Precautions for Power Presses".
 - (d) "Fencing and other Safety Precautions for Wood-working machinery".
 - (e) "Fencing and other Safety Precautions for Hoists".
 - (f) "Accidents to Young Persons".
 - (g) "Eye accidents".
 - (h) "Fire Fighting, Precautions and appliances in Factories".

RESOLUTIONS

NOTE OF ACTION

- (12) "Welding". This deals with health and safety in connection with oxy-acetylene and electric arc welding.
- (13) "Colour in Factories".
- (14) A number of pamphlets dealing with particular health hazards in industry, including—
- (a) "Anthrax".
 - (b) "Arsenic and Arseniuretted Hydrogen Gas".
 - (c) "Carbon Monoxide".
 - (d) "Lead Poisoning".
- (These deal with the occurrence, symptoms, and prevention of the particular diseases and poisons).
- (e) "Use of Volatile Solvents".
 - (f) "Dermatitis" and "Use of Rawier Substances".
 - (g) "Painter's Colic".
 - (h) "Heat Sickness".
 - (i) "Disposal of Trade Wastes and Effluents".

2. Resolution on Joint Committee on Health, Welfare and Safety.

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, recommends that in all textile undertakings joint committees composed of an equal number of representatives elected by management and workers should be set up to promote health and welfare and the prevention of accidents. In these elections due regard should be paid to the number of women occupied in the undertakings.

The Factories Bill which has been introduced in the Central Legislature makes provision for Provincial Governments framing rules requiring in any factory or class or description of factories that representatives of workers employed in the factory shall be associated in the management of arrangements for the welfare of the workers. The works Committee provided for under section 3 of the Industrial Disputes Act, 1947 can deal with the matters of common interest or concern to the employers and workers. This machinery if set up and worked will fulfil the objects set out in the Resolution. The question how these provisions can best be utilised will be placed on the agenda of a subsequent meeting, if so desired.

3. Resolution on Social Security.

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, affirms the following declaration on the question of social security:

- (1) It is in favour of an extension throughout the world of social services which will provide insurance against the risks of unemployment, sickness, maternity, and injuries and the establishment of retirement or old-age pensions.
- (2) It requests the International Labour Office to prepare a study of the above matters, drawing attention to those which affect textile workers, and to make recommendations as to the best methods to employ to make effective in every land the principle contained herein.

Provision for insurance against the risks of sickness, maternity, and employment injuries has been made in the Workmen's State Insurance Bill now before the Legislature. Provision for old age has been placed on the agenda of the first session of the National Committee. The question of unemployment insurance is under study.

RESOLUTIONS

NOTES OF ACTION

4. *Resolution on Holidays with Pay.*

The Textiles Committee of the I. L. O. meeting in Brussels, 14-22 November 1946, desires to record its appreciation of the increasing recognition which systems of holidays with pay are receiving.

The Principle of holidays with pay proclaims the right of the worker to a satisfactory standard of life during the period of rest and recuperation which holidays provide.

Arrangements have been made to this end in many countries whether by agreements between representatives of employers and workers or in other ways. There is considerable variation between the various arrangements and in order to implement fully the above-mentioned principle, the Committee considers it to be essential that the agreements already in existence should be amended or other suitable arrangements made to provide, after a suitable length of service, payment for at least two weeks' holiday or vacation; that payment for other public holidays not already paid for should be the subject of negotiations through regular channels in the several countries, with special arrangements for young persons; and that where no arrangement for holidays with pay exists, immediate steps should be taken to introduce the system on the lines indicated.

The Committee requests the International Labour Office to forward the views contained herein to all the States Members.

5. *Resolution on Enquiries to be undertaken by the I. L. O.*

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, requests the office to undertake in collaboration with the other international organisations concerned, studies, investigations and enquiries into the following questions, relating to the Textile industries and to report to the Committee at the earliest possible date:

(a) The need for the different countries for bringing back into the industry the workers it requires, with particular reference to young persons and the training of personnel.

(b) Disparities in wages between the various countries engaged in textiles, in conformity with the Declaration of Philadelphia of 10 May 1944, and also the question of real wages having regard to the cost of living in those countries.

The Resolution asks for—

(a) that after a suitable length of service provision should be made for at least 2 weeks of holidays or vacation;

(b) Payment for other public holidays;

(c) that where no arrangement for holidays exists, immediate steps should be taken to introduce the system.

Workers in the cotton Textile Industry have now the statutory right for holidays with pay for a period of 10 days. This came into effect from 1st January 1946. A further consideration of this question may be deferred for the time being.

It is for the I. L. O. to take action on this resolution.

RESOLUTIONS

NOTE OF ACTION

- (c) Trade Union organisation in the industry, industrial relations, collective bargaining and wage-fixing machinery arbitration and conciliation.
- (d) Questions of fatigue, health, accident prevention, lighting, temperature, ventilation, weightlifting and carrying, removal of dust, general welfare and any effects of the shift system upon the health of all workers.
- (e) A study of International agreements regarding the textile industry and their effects on the conditions of textile workers, as well as on markets and prices.
- (f) Unfair competition. Unfair trading practices. The method of distribution in the textile industry. The effects resulting from the restoration of the textile industries in Japan and Germany.

6. *Resolution on Full Employment.*

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, emphasises the necessity of plans being made which will secure full employment to textile workers throughout the world, and hereby endorses the Declaration of Philadelphia (10 May 1944) in which the International Labour Organisation pledged, as a solemn obligation, its help in establishing throughout the world "policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection". The Committee realises the complexity of the problem and urges on the I. L. O. the necessity of making available the results of studies which have been made on the question and also supplementing them by its own special study.

It believes that Governments, no less than industry, have a very important function to fulfil in the solution of the problem and therefore urges the fullest co-operation between Governments, employers and workers in the textile industry in each country on the one hand, and that the resources of raw materials and equipment should be fully utilised through measures of international co-operation, on the other hand.

7. *Resolution on the Need for Increased Production.*

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, looking to the statistical position of the stock

RESOLUTIONS

NOTE OF ACTION.

of textile goods and the present production in the various countries of the world, is constrained to declare that there exists an emergency in the form of a serious shortage of all types of textiles immediately required by the people of the world.

The Committee, therefore, makes an urgent and sincere appeal to all Governments, employers and employees and their respective representatives to work wholeheartedly and contribute their utmost in stepping up world production immediately.

8. Resolution on Reduction of Working Hours

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, is of the opinion that the adoption of a working week of not more than 40 hours in the textile industry is ultimately inevitable.

It considers, having regard to the expression of opinion in the Committee concerning the trend towards the 40-hour week, considers that the time has arrived when each State Member should declare to the International Labour Office its attitude towards the early ratification of the Reduction of Hours of Work (Textiles) Convention 1937. It requests the Governing Body of the International Labour Office therefore to convey this opinion to all States Members.

It believes that more co-ordinated joint efforts by managements and workers within the textile industry would contribute to an appreciable extent towards the meeting the needs of the consumer.

It draws attention to the amount of out-of-date equipment which is still being used by many countries.

It considers that combined efforts should be made to instal in the mills the most modern machinery required for the efficient production of the various classes of textiles goods. To hasten the realisation of this re-equipment drive it calls upon all organisations and Governments to co-operate to bring about its early completion.

9. Resolution on a Guaranteed Adequate Minimum Weekly Wage.

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22 November 1946, requests the Governing Body of the International

India is also suffering from a serious shortage of all types of textiles. The question of ways and means of increasing production has been placed on the agenda of the first meeting.

The appeal for co-ordinated joint efforts by managements and workers within the cotton textile industry with a view to meeting the needs of the consumer is endorsed.

The necessity for the installation of new and modern machinery in place of out-of-date equipment is fully recognised by all parties. The difficulty is one of getting machinery on an adequate scale.

This question requires further study and will be placed on the agenda of a subsequent meeting of the Committee.

RESOLUTIONS

NOTE OF ACTION

Labour Office to urge States Members to recommend to employers' and workers' organisations in the textile industry that they enter into negotiations with a view to determining a guaranteed adequate minimum weekly wage for each textile worker.

It requests the I. L. O., to convey to each of its Member States its urgent request that they should declare their support of international policies aimed at guaranteeing adequate minimum weekly wages in the textile industries of their respective countries, requesting, at the same time to be informed, at an early date, and subsequently at regular intervals of the position.

10. *Proposed Resolution on the Increase of Wages in the Textiles Industry and on the application in this industry of the principle of Equal Remuneration for Work of Equal Value.*

The Textiles Committee of the I. L. O., meeting in Brussels, 14-22, November 1946, affirms that the textile operatives of certain countries have hitherto been inadequately paid. The wage question has been placed as the first item on the agenda of the meeting of the National Committee.

It considers that the physical work involved in certain, textile operations must be taken into account by those who advocate increased production.

It considers further that the introduction of improved machinery, when available, and the better layout of plant should tend both to increase production and to ease the physical exertion of the workers.

It considers that the wages paid to workers in the textile industry should not suffer by comparison with those paid to workers in industry in general for work requiring similar skill and effort.

The Committee further urges the Governments of States Members to define their attitude to the principle of equal remuneration for work of equal value suggested in the Constitution of the I. L. O.

11. *Proposed Resolution on the Recruitment and Training of personnel.*

The Textile Committee of the I. L. O. meeting in Brussels, 14-22 November 1946, views with great concern the reluctance of young persons and adults to accept employment in the textile industry, and also the disinclination of former textile workers to return to the mills.

Questions relating to recruitment referred to in the Resolution have no application to India. The question of technical training for workers has been placed as item 3 on the agenda of the first meeting of the National Committee.

RESOLUTIONS**NOTE OF ACTION**

Regarding the first-named above, it is essential that the industry must be made as attractive to juveniles and adults as other industries by the payment of suitable wages, security of employment and good conditions. Promotion by merit to managerial and executive positions should also be adopted as a principle.

Regarding the second class mentioned herein, there are probably many reasons for the reluctance to return to the industry, but it is possible that a past reputation of low wages standards, under-employment, insecurity of employment and unsatisfactory working conditions may be listed as the chief reasons. Confidence can only be restored by a bold declaration that the workers henceforth will be assured of guaranteed adequate minimum wages, satisfactory working conditions, and regular employment.

With reference to the training of personnel, it is noted that some firms have a special section of the factory devoted to the training of new entrants and this is a method which should be extended to all departments of the industry. Opportunities should also be given to workers to improve their technical knowledge of the various processes. This could be done by the provision of facilities either at the mills or at the technical school. The operatives attending these classes should do so in the ordinary working hours and receive the same rate of wages as and when engaged in actual training at the mill. The two subjects contained herein, particularly the question of recruitment are of such paramount importance that all sections of the textiles industry are urgently requested to give them the most careful and immediate attention, and to cooperate in finding ways and means to overcome the very serious shortage of labour which is at present handicapping the industry.