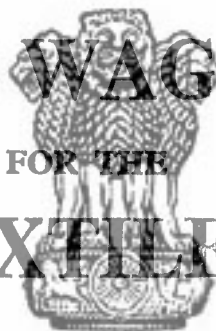




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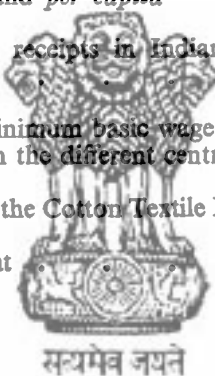
REPORT
OF THE
CENTRAL WAGE BOARD
FOR THE
COTTON TEXTILE INDUSTRY



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CHAPTER I

THE BOARD, ITS SCOPE AND FUNCTIONS

The Central Wage Board for the Cotton Textile Industry has been constituted by an Order of the Government of India in the Ministry of Labour dated 30th March 1957 in pursuance of the recommendations contained in paragraph 25 of Chapter XXVII of the Second Five Year Plan.

2. The Order constituting this Wage Board is in following terms:—

“WB-1 (3) In pursuance of the recommendations contained in paragraph 25 of Chapter XXVII of the Second Five Year Plan regarding the establishment of tripartite Wage Boards for individual industries, the Government of India have set up a Central Wage Board for the Cotton Textile Industry.

(2) The composition of the Board will be as follows:—

Chairman

Shri F. Jeejeebhoy.

Independent Members

1. Shri Asoka Mehta.
2. Professor M. V. Mathur, Department of Economics, Rajaputana University.

Members Representing Employers

1. Shri Arvind N. Mafatlal.
2. Shri Bharat Ram.

Members Representing Workers

1. Shri S. R. Vasavada.
2. Shri G. Ramanujam.

(3) The following will be the terms of reference of the Board:—

- (a) to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages;

Explanation:

in evolving a wage structure the Board should, in addition to the considerations relating to fair wages, also take into account:—

- (i) the needs of the industry in a developing economy;
 - (ii) the requirements of social justice; and
 - (iii) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;
- (c) to bear in mind the desirability of extending the system of payment by results;

Explanation:

in applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over work and undue speed.

(4) The headquarters of the Board will be located at Bombay.”

3. It will be observed from the terms of reference that the Board is required to determine the categories of employees to be brought within the scope of its work, and to work out a suitable wage structure, subject however to the overall condition that in evolving the wage structure the Board must take into account the needs of the industry in a developing economy, the requirements of social justice, the need for adjusting wage differentials so as to provide for incentives, and to determine the desirability of extending the system of payment by results.

4. As the wage structure which the Board has to ascertain is to be based on the principles stated in the Fair Wages Committee's Report, relevant extracts from that Report were reproduced in the questionnaire (Annexure 1) which the Board issued to the principal Federations and Associations of employers and workmen, as well as to the mills individually. The response to the questionnaire was slow in coming; the larger organisations led the way with their replies, but the rest of the response was somewhat disappointing. In the background of the hearings was the existence of a situation in which large quantities of coarse cloth had accumulated, and of a sense of grievance born *inter alia* of high taxation, heavy excise duties and other imposts, and rises in the cost of production and raw materials. The

names of the Federations and Associations and of the gentlemen who appeared before us and presented their cases appear in the Annexure No. 2.

5. Subsequent to the constitution of the Board, on 30th March 1957, there was a session of the Indian Labour Conference, the 15th Session of that body, at New Delhi on 11th and 12th July 1957. At that session an important decision was taken unanimously by the Employers, Labour, and the Government concerning wage fixation. A study of the awards and judgments on the principles of wage fixation had been circulated to the members of the Conference; no verbatim record of the proceedings of that Conference exists, but the important unanimous Resolution passed at the Conference has had a decided impact on the mechanics of wage fixation. The actual resolution on that subject is reproduced hereunder:—

“While accepting that minimum wage was ‘need based’ and should ensure the minimum human needs of the industrial worker the following norms were accepted as a guide for all wage fixing authorities including minimum wage committees, wage boards, adjudicators, etc. :

- (i) In calculating the minimum wage the standard working class family should be taken to comprise three consumption units for one earner, the earning of women, children and adolescents being disregarded.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated on the basis of a *per capita* consumption of 18 yards per annum, which would give for the average worker's family of four a total of 72 yards.
- (iv) In respect of housing, the rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme should be taken into consideration in fixing the minimum wage.
- (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent. of the total minimum wage.

Wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms.”

6. The principles regarding wage fixation have been the subject of a stream of decisions starting from 1947. Owing to the impact of the war years, and the rise in the cost of living during the war period, industrial wages in India have proceeded on the basis of two principal components, namely, the basic wage and the dearness allowance. The dearness allowance was intended to neutralize at least a major portion of the rise in the cost of living, and in several large industries and units the dearness allowance has been geared for automatic adjustment to the rises and falls in the cost of living. In the result, at 1958 cost of living in Bombay the lowest paid worker received Rs. 30/- as minimum basic wage and Rs. 81.58 by way of dearness allowance. No particular harm is done by reason of this system of separate basic and dearness allowance, because after all it is the total emoluments of the workmen that count; but where the disparity between minimum basic wage (which had been fixed a decade ago) and the dearness allowance becomes excessive it does have an effect on the differentials between the lowest paid and the higher paid workmen. Save for this particular aspect of the matter, the fixation of the wages has all along proceeded on certain well settled lines, the basic idea being to place the workman, in so far as it affected his purchasing power, in more or less the same position as would have existed but for the increase in the cost of living. No doubt this assumes to some extent the continuity of the level of wages; but the real wages too have been increasing by rationalisation and otherwise, though to some extent restrained by our economic conditions.

7. The Resolution of the 15th Indian Labour Conference adopts the principles of the Fair Wages Committee's Report, and provides a formula which by a simple process of mathematical calculation short-circuits the laborious steps which would otherwise have to be taken in order to discover the prevailing need-based wage. The Resolution is important also in that it embodies acceptance by the employers, the workmen, and the Government of the requirement that the minimum wage should be ‘need-based’, and a formula has been given for the purpose of ascertaining that ‘need-based’ wage.

8. Some contest has arisen as to the interpretation of this Resolution and as to its application in practice. There can be no doubt however that the employers and the workmen and the Government have by this Resolution bound themselves to ensure that the lowest wage should not go below a ‘need-based’ wage, and the Resolution is explicit that all wage fixing authorities are bound to apply the formula for ascertaining a wage which should be the immediate objective of all wage fixation; and if that objective is not immediately attainable, then there is the “escape clause” at the end of the Resolution.

9. The first task of this Board therefore has been to work out a wage in different regions in accordance with the Resolution. This has not been difficult, as we have the diet as suggested by Dr. Aykroyd, and we have been told that we should provide for three consumption units (husband, wife and two children) at

the average of 2700 calories for each unit, after allowing 150 calories for each on account of wastage in the cooking. We next come to the details of the cost of the diet. The State Governments in most of the important centres have been publishing price lists of the essential commodities, as well as a list of the workmen's preferences in the matter of diet; for instance, cereals consist of rice, wheat, jowar, bajri, etc., and where 14 ozs. of cereals have been provided, there will have to be a division of the cereals on the general lines of workmen's consumption preferences as shown in Government's working class family budget enquiries. Thus we get not only the items of consumption of the workmen, but also their known preferences for different items of food; and the Government also gives the prices at which these foodstuffs are sold; thus a budget correct within reasonable limits is effectively constructed. Similarly, the clothing habits of the workmen are known from Government's working class family budget enquiries, and the prices of the various articles are given, with the result that the cost of the 72 yards of cloth for the family can be ascertained. As regards house rent there is no difficulty because of the specific norm laid down; and as regards fuel, lighting, and miscellaneous items of expenditure, they are to constitute 20 per cent of the total minimum wage; and thus we build up a wage which is the need based for the lowest paid worker in the industry in the area.

10. Some details as to the practical application of the Resolution have been challenged by the employers. It has been pointed out that the Resolution contemplated Aykroyd's "improved diet" and not the "balanced diet", the improved diet being vegetarian and also leaner and cheaper. But on the other hand it has been asserted with equal emphasis that we are dealing with human needs, and that therefore the balanced diet is imperative if the workman is to be kept in a reasonable state of efficiency to do his work. Dr. Aykroyd had proceeded in his thesis from the 'unbalanced diet' to the 'improved diet'; and while he says that the 'improved diet' is better than the 'unbalanced diet', he proceeds to indicate the final superiority of the 'balanced diet'. There has also been some complaint by employers that the cheapest articles of diet have not been taken into account in our calculations, and that if cheaper vegetables were substituted then the cost would be reduced; but such contentions cannot exist side by side with social justice; the workman's standard of living may be inescapably low because of a large population on the one hand and our economic circumstances on the other, but he is entitled to some variety in diet and to a fair share of happiness in life for himself and his family.

11. It has next been said that the Resolution does not specify whether the minimum wage is to be based on a vegetarian diet or a non-vegetarian diet. Dr. Aykroyd's table of the balanced diet contains both. Now it is obvious that we cannot provide different wages for the vegetarian and the non-vegetarian, and at the same time we do know that the non-vegetarian diet is more expensive. We must recognise that too strict a vigilance as to the application of Dr. Aykroyd's findings is not possible, and too literal adherence to his diet chart might justify the quip that if the non-vegetarian diet of the balanced formula is adopted there would not be sufficient eggs in India to go round. We must however take a commonsense view of these matters and adjust ourselves to the realities of the situation, and apply the formula accordingly. We are bound to honour the Resolution as an immediate objective in wage fixation. There is no difficulty in doing so; nor should there be any apprehension on this point, because having in mind the economic conditions of the country the Resolution itself provides the necessary safeguard by its 'escape' clause.

12. The office of this Board has compiled figures and has worked out the different diets to ascertain the need based wage of the Resolution (Vegetarian and non-vegetarian) for the several centres of the cotton textile industry. The Board however is of the view that no useful purpose will be served by going into the details of the calculations here, but we have carefully considered the figures. It is apparent that whether we take the 'improved' or the 'balanced' diet in our calculations, or whether we take the figures of the vegetarian or of the non-vegetarian diet, there is a considerable gap between the figures found under the formula of the Resolution and the existing wages; and it must be our endeavour to fill that gap. Unfortunately we find that it is not possible to fill the gap altogether in the present state of the industry and of its finances, and for the reasons which will hereafter appear.

13. It is right that we should here re-state the basic idea underlying the composition of our Board, and we cannot do better than reproduce paragraph 25 of Chapter XXVII of the Second Five-Year Plan:

"Statistics of industrial disputes show that wages and allied matters are the major source of friction between employers and workers. The existing machinery for the settlement of disputes, namely the Industrial Tribunals, has not given full satisfaction to the parties concerned. A more acceptable machinery for settling wage disputes will be one which gives the parties themselves a more responsible role in reaching decisions. An authority like a tripartite wage board, constituted of equal representatives of employers and workers and an independent chairman will probably ensure more acceptable decisions.

Such Wage Boards should be instituted for individual industries in different areas."

14. We have accordingly approached this investigation with an outlook designed to secure the utmost co-operation between employers and the workmen, and we gave every opportunity to all interests to represent their cases before us. After Bombay we visited the main centres of the industry, namely, Ahmedabad, Kanpur, Calcutta, Delhi, Coimbatore, Indore, etc. to hear the parties in furtherance of their respective points of view.

15. As to the scope of this Reference, this investigation concerns the cotton textile industry, and in the view of the Board it is intended to be confined to the composite and spinning mill sector of the industry. As regards the categories of employees to be brought within the scope of the proposed wage fixation by this Board, the Board has decided that the categories coming within its investigation should be the clerical and the manual. Once the wages of the lowest paid worker and of the semi-clerk and of the junior clerk have been ascertained, the industry should be capable of adjusting the rest without difficulty.



CHAPTER II

THE INDUSTRY AS A WHOLE

16. This is the first time that the Cotton Textile Industry of the whole of India has been subject of a single investigation as to its wage structure, although there have been several State investigations and adjudications which throw light on the problems before us. This Board has been so constituted as to be representative of all sections upon whom the Cotton Textile Industry of India has an impact; besides the representatives of the Employers and of Labour, there is a Member of Parliament and also an Economist.

17. Our Cotton Textile Industry is second only to the United States in the volume of cloth production; the table (Annexure 3) shows the cotton textile production of the principal countries of the world, like U.S.A., U.K., Germany, Italy, Japan and India. China is now coming into the picture. Our industry has grown in volume (as well as in the quality of its products) from 193 mills in 1900 (with 49 lakhs spindles and forty thousand looms) to 511 mills in 1958 (with 133 lakhs spindles and 2.1 lakhs of looms). The number of automatic looms in India is limited, and was in the vicinity of 14,118 in 1957, but the number has been increasing in pursuance of the policy of the Government to stimulate exports; 18,000 additional automatic looms have been sanctioned.

18. We consider it useful that we should introduce at this stage some statistical data, which have a bearing on the matters before us.

19. The rise of the industry can be seen from the following table:—

Year	No. of mills	No. of spindles	No. of looms
1900	193	49,45,783	40,124
1910	263	61,95,671	82,715
1920	253	67,63,076	1,19,012
1930	348	91,24,768	1,79,250
1940	388	1,00,05,785	2,00,076
1950	425	1,08,49,026	1,99,775
1951	445	1,12,40,635	2,01,484
1952	453	1,14,27,034	2,03,786
1953	457	1,17,21,139	2,07,250
1954	461	1,18,88,165	2,07,763
1955	461	1,20,68,544	2,07,347
1956	465	1,23,75,805	2,06,580
1957	499	1,29,06,622	2,06,126
1958	511	1,32,71,890	2,05,598

(Source : The Indian Cotton Mill Industry)

20. It is also interesting to compare our position as regards spindles and looms with some other countries:

Country	No. of spindles	No. of looms
U.S.A.	20,726,000	350,109
U.K.	26,070,000	252,200*
Germany	5,954,000	123,302
Japan	9,020,772	380,461
China	6,290,000	85,000
India	13,271,890	205,598

*Looms in place in running mills in Lancashire area only.

(Source : The Indian Cotton Mill Industry)

21. Most of these countries have the advantages of automation and modern equipment; and our immediate competitor in exports, Japan, was equipped with entirely modern textile machinery after the war; and although Japan's cotton is entirely imported, it has the combined advantage of new automatic machinery, the resultant small labour force, and low cost of production. These factors have contributed in no small measure to her success in foreign markets. Hong Kong, China and Pakistan are likely to become strong competitors in the export market.

22. The production of cotton cloth in India has followed a certain pattern, and a significant feature in recent years has been the increase of the handloom and the powerloom section to the following extent.

(In million yards)

Year	By Mills	By handlooms	By Powerlooms	Total
1948	4,319	1,063	196	5,578
1949	3,904	1,198	220	5,322
1950	3,665	805	148	4,618
1951	4,076	850	157	5,083
1952	4,598	1,109	204	5,911
1953	4,878	1,200	221	6,299
1954	4,998	1,318	243	6,559
1955	5,094	1,480	273	6,847
1956	5,306	1,509	278	7,093
1957	5,317	1,643	303	7,263
1958	4,927	1,798	331	7,056

(Source : Indian Textile Industry—Statistical Bulletin)

23. There are the following four principal grades of piece-goods produced in India and their production *inter se* has varied from time to time:

(In million yards)

Variety	1950	1951	1952	1953	1954	1955	1956	1957	1958
Coarse	422	363	503	599	510	572	719	1164	970
Medium	1782	2081	2707	3136	3691	3759	3797	3503	3396
Fine	1200	1348	1194	839	462	462	444	383	303
Superfine	261	284	195	304	335	301	347	267	258
TOTAL	3665	4076	4599	4878	4998	5094	5307	5317	4927

(Source : Indian Textile Industry—Statistical Bulletin)

24. Our mill industry is largely geared for internal consumption and thus naturally caters to the varying cloth requirements and preferences of a large and expanding public, and some of the principal lines of production (in million yards) are shown below:—

Calendar Year	Chadars	Dhoties	Drills and Jeans	Shirtings & Long Cloth	T. Cloth domestic & sheeting	Coloured piece-goods
1950	26.4	501.6	128.4	946.8	241.2	1,141.2
1951	22.8	1,020.0	134.4	1,126.8	250.8	1,125.6
1952	40.8	1,290.0	127.2	1,041.6	271.2	1,304.4
1953	52.8	1,058.4	36.8	1,202.4	348.0	1,533.6
1954	36.0	1,146.0	150.0	1,254.0	369.6	1,480.8
1955	58.8	1,142.4	201.6	1,450.8	405.6	1,435.2
1956	57.6	1,101.6	213.6	1,528.8	460.8	1,502.4
1957	42.8	1,226.2	244.1	1,463.3	509.9	1,535.9
1958	41.0	1,046.2	216.0	1,217.0	387.0	1,641.0

(Source: Monthly Abstract of Statistics)

25. Annexure 4 indicates the percentages of the four different grades of cloth produced from 1947 up to the present. This table makes interesting reading. The percentage of superfine cloth produced was 7.39 of the total production in 1947 and it is now 5 per cent. The production of fine cloth was 16.53 per cent. of the total production in 1947 and increased to about 33 per cent. in 1950-51. It then began to recede until in 1957 it was just about 7.2 per cent. The coarse varieties constituted about 21.29 per cent. in 1947, went down gradually to 9 per cent. in 1951, rose in 1956 to 13.54 per cent., and in 1957 was 21.87 per cent., and then began receding in 1958 and 1959. It is evident therefore that the medium grade of cloth holds the field; it constituted about 60 per cent. of the production in 1948; its production started rising from 1953, and in 1955 it reached 74 per cent. of the total, and even in 1958 it was 69 per cent; these percentages also illustrate the genesis of the unsold stock which created a trouble spot in 1957 and 1958, when certain sections of the industry in endeavouring to take advantage of some differentials in excise duties and rebates which the Government had offered, decided to increase their production of the coarse varieties to the diminution of the medium grades, with the result that a large stock of the excess of coarse quality goods which had been produced remained unsold. It was a crisis for which that section of the industry had itself to blame to some extent; the high excise duties and their unequal incidence, subsequently rectified, were also responsible for it. The crisis however emphasised the firm hold of the medium varieties on consumer preference. It is also clear from the estimate before us that there has been a decisive consumer shift towards better cloth which is bleached, dyed, printed or otherwise made more acceptable to the consumer's taste. Apart from the fact of restriction on imports of long staple cotton, the fine and superfine in any event would have a limited market in view of the general economic condition of the country.

26. The index number of cotton textile production with base 1951 = 100 was 102 in 1952, 109 in 1953, 111 in 1954, 112 in 1955, 118 in 1956, 116 in 1957 and 109 in 1958; of course the years 1956 and 1957 were not quite normal years. (Source: Monthly Abstract of Statistics.)

27. Table (Annexure 5) gives an analysis State by State of the production of cloth in thousand yards and the production and consumption of yarn within the States in thousand lbs. for the year 1958. The figures for 1958 are little lower than the figures of 1957 but higher than the figures of 1956. No inference arises from these slight differences. But it is evident from the table that while the textile industry is distributed all over India, it has its principal home in the enlarged Bombay State.

28. In any assessment of the future expectations of the industry it will be necessary to consider some of the salient features affecting production and the prosperity of the industry. During the last ten years consumption of cloth in India has increased from 5729 million yards in 1948 to 6459 million yards in 1958. With an increasing population and the expected rise in the future income of the people it is fair to assume that the requirements of cloth will continue to rise.

29. Annexure 6 gives the estimates of National Income and Consumer Expenditure 1948—1958, total and *per capita*, as prepared by the National Council of Applied Economic Research. It indicates that the *per capita* consumption expenditure has been rising from Rs. 236.9 in 1948 to Rs. 251.3 in 1957; it is expected to be Rs. 288.64 in 1961 and Rs. 317.89 in 1966.

30. Indian cotton textiles are not in any immediate danger of competition from substitute fabrics. Non-cotton textiles which may be used as substitutes for cotton textiles are silk and woollen cloth and synthetic materials like rayon, nylon and terylene. The annual consumption of silk and woollen cloth in India is only about 40 to 50 million yards, and the production of synthetic fabrics has a target of 350 million yards for the Second Five-Year Plan. Thus the non-cotton textiles constitute only 5 per cent. or 6 per cent. of cotton cloth. Synthetic fabrics probably do compete with silk, but not much with cotton textiles, and there is not any immediate danger of synthetic fabrics displacing cotton textiles to any appreciable extent.

31. Government's policy towards this industry plays no small part in its working and prosperity. Government decides upon the allocation of production targets between the mill sector and the handloom and the powerloom; and the handloom has been given every encouragement because it provides so much employment. The Government decides upon the importation of cotton, it imposes taxes and excise duties, it lays down the export policy, it decides on cess, and also gives incentives, and these factors singly or collectively tend to regulate the quality of cloth and the quantity of production, and also have the indirect effect of channelling consumer preference. In the last decade the handloom and the powerloom production has risen by about 70 per cent., whereas the production of mills increased by just about 19 per cent. The export trade is largely of mill made cloth, and the handloom and the powerloom cater largely to internal consumption. In the Second Five-Year Plan the mills were to produce about 5000 million yards which is more or less according to the rated capacity of about 5100 million yards as found by the Joshi Committee; this figure was exceeded by some 300 million yards as early as 1956; and the handloom and the powerloom were to produce

between them 3000 to 3500 million yards. The Government's encouragement to the handloom will probably continue.

32. There is a large body of well documented statistics concerning our textile industry. The parties were able to produce a mass of relevant figures. The statistics of the Textile Commissioner were helpful and relevant, and the Joshi Committee's Report had collected some data bearing on the state of the industry as late as 1958. Our office too had been making researches on the subject. With such materials before us we were able to arrive at a fairly accurate assessment of the position. Certain members of the Board however felt that we should take the opinion of the National Council of Applied Economic Research in New Delhi, and the Council was asked for a Report on the subject of the projection of demand in the next 7 years for Indian Cotton Textiles in India and abroad. The investigation of the Council on this question necessarily involved a consideration of ancillary problems of consumer preference, absorption and resistance, and of increases in productivity.

33. The Council's estimate of total internal demand for cotton cloth in India in 1960-61 and 1965-66 is as follows:

		(In million yards)	
		1960-61	1965-66
Rural	. . . . .	5,471	6,488
Urban	. . . . .	2,046	2,797
All-India	. . . . .	7,517	9,285

34. We take the view that the total demand for Indian Cotton Textiles including exports during 1965-66 would be in the neighbourhood of 10,000 million yards, out of which the mill industry is bound to have its fair share.

35. The fall in our exports had been causing some anxiety, for exports provide us with valuable foreign exchange, and any diminution of exports has to be arrested. In 1957 the exports were 839 million yards which fell in 1958 to 581 million yards. The Government has recently provided incentives for exports and the results are encouraging. The Board recognises the need for vigilance and is of the opinion that the implementation of our recommendations about modernisation of the industry, higher wages and efficiency, and improved conditions of mills, will help to sustain our exports.

36. The question of productivity of the industry is a complex issue. The productivity of a worker depends upon a number of factors including the degree of rationalisation, the extent of modernisation, the quality of raw materials used, and the working conditions in a mill. The process of rationalisation, which means the best utilisation of available resources of men and material, is a continuing process, and involved within it is the question of workloads. It was said before us by a well known industrialist from Ahmedabad that productivity had increased within the last ten years by about 25 per cent. and that of this figure about 15 per cent. represented the additions of rationalisation, and thus 10 per cent. was probably attributable to the workmen's efforts. There are however other figures placed before us to establish that productivity per worker has not increased except in spinning. The fact remains that at least in Bombay and Ahmedabad there has been a steady movement towards greater rationalisation and modernisation; the savings therefrom have benefited not only the industry but also the workmen.

37. The phenomenon of closed mills in every year is nothing new to the industry. Some mills after being closed at the beginning of the year have reopened in the same year, some have reopened later, and some have had to be scrapped altogether. The Joshi Committee Report has annexed to it a statement (marked XI) showing the number of mills which remained closed at the beginning of each year from 1951 to 1958 together with the change in the closure position from 1955. From 1951 to 1958 the number of mills which had closed down were 25, 16, 13, 20, 25, 23, 19, 25 and 28 (upto May 1958). In 1955, 25 mills were closed at the commencement. There were six further closures, eight reopened during the year, and the mills remaining closed at the end of the year were 23. In 1956 mills remaining closed at the beginning of the year were 23 and at the end of the year 19. 1957 started with 19 closed mills and ended with 25 closed mills, but it is significant to note that during the interim there were further closures of 25 mills and 19 mills reopened during the year.

38. As to the burdens which the industry has had to bear, the last decade has been marked by a period of general economic expansion in India, and the resources of the country have had to be mobilised for the purpose of industrial upsurge, and this has resulted in heavier taxation and heavier excise duties, a rise in the general cost of raw materials and manufacture, and also a higher price for stores and equipment. Electric power rates have gone up; the price of coal has risen by 28 per cent. between 1950 and 1958, and furnace oil price too has increased; freight charges have also registered a rise.

39. The average expenditure on the various heads of the cost of production has been estimated by the National Council of Applied Economic Research as follows:

<u>Items</u>	<u>Percentage to total cost of Production</u>
Cotton	48 to 52 per cent.
Wages and salaries, etc.	25 to 32 per cent.
Stores	9 to 11 per cent.
Power	3 to 5 per cent.
Other expenses	3 to 6 per cent.

40. A table of the distribution of gross receipts in the Indian Cotton Mill Industry prepared by the National Council of Applied Economic Research is annexed (No. 7) stopping with the year 1955. It shows that the percentage of material, fuel, etc. to gross receipts is 62 per cent., depreciation is 1.18 per cent., salary, wages and other benefits 23.75 per cent., and 'available for other purposes' 12.87 per cent.

41. Having regard to the profits of the last decade, it is a fair inference that the industry in a lesser degree and the consumer to a greater extent have between them borne the burdens with fortitude.



CHAPTER III

THE WAGE STRUCTURE

42. But for stray exceptions, the wages of the cotton textile worker are divided into monthly basic wage and the monthly dearness allowance. There are statutory requirements like the employers' contribution to the Provident Fund and to the Employees' State Insurance Scheme, the amount to be payable on account of leave with wages and paid holidays, gratuity benefits, and bonus whenever paid; and these are substantial additions to the minimum basic wage and dearness allowance. The minimum basic wage does not exceed Rs. 30 a month in any State. The dearness allowance varies from centre to centre, and is often a flexible dearness allowance linked to the cost of living index; there are however instances where the dearness allowance is a fixed figure unaffected by the rises or falls in the cost of living. The rate of neutralization by means of dearness allowance differs from centre to centre. While it is 100 per cent. on the minimum in Ahmedabad and 99 per cent. in Bombay, it is less in other centres, depending upon a variety of reasons. Compared to 1952-53 the index numbers of wholesale prices all over India have risen, and food articles have registered a rise to 112 in 1958, and more at present, against 100 in 1952-53. The working class consumer prices index numbers* (base adjusted to 1949 = 100) have risen in 1958 to 110 in Ahmedabad, 129 in Bombay, 110 in Calcutta, 113 in Delhi, 98 in Kanpur, 124 in Madras and 119 in Nagpur. It will thus be appreciated that the flexible dearness allowance wherever found has provided a suitable medium for adjusting dearness allowance to the ups and downs of the cost of living; but the flexible form of dearness allowance does not exist in certain places like Rajasthan and West Bengal. The system of flexible dearness allowance has worked well and its wider adoption should be encouraged, because a rising cost of living if not neutralised can be a source of discontent.

43. The wages of the lowest paid in 1958 have differed to some extent as between Bombay and Ahmedabad on the one hand and the other areas on the other. According to the cost of living of 1958 Bombay paid Rs. 30 by way of minimum basic wages and Rs. 81.58 by way of dearness allowance, in all Rs. 111.58; whereas Ahmedabad paid Rs. 28 basic and Rs. 75.31 dearness allowance, in all Rs. 103.31; Coimbatore pays Rs. 30 basic and Rs. 55.84 dearness allowance, in all Rs. 85.84 and Delhi pays Rs. 90.35. The wages in a mill near Patna are very low consisting of Rs. 18 basic and a flat rate of dearness allowance, which brings a total of Rs. 38.84. Cuttack pays Rs. 20 basic and a flat dearness allowance of Rs. 30, in all Rs. 50; and Aurangabad pays a basic of Rs. 24 and Rs. 28 dearness allowance, in all Rs. 52. The table (Annexure 8) shows the wages in the different centres as they were in 1947 and in 1958.

44. In many of the areas wages have been standardised, which means that no mill shall pay more and no mill shall pay less than the standardised wage. Standardisation has been regarded by labour as a goal which has been reached after long years of struggle, and they adhere to it as a landmark on the road of better wages. The employers also favour standardisation by regions; and thus so far as this Board is concerned it has accepted the necessity for regional standardisation of wages in the industry.

45. It has been the practice in the past for mills to pay bonus to its workmen. In recent times it has been confirmed as a right which an employee has, to claim bonus in a prosperous year. The mills have been paying bonus accordingly, and the average total payment on account of bonus in Bombay city has been something like 2 crores of rupees a year. There have been certain agreements as regards the calculation of bonus in Bombay as well as in Ahmedabad, and also in Madras. According to the agreements of Bombay and Ahmedabad every mill was under obligation to pay half a month's basic wage as a minimum bonus every year, and the more prosperous mills paid more but with a ceiling of three months' basic wage, subject however to certain system of set on and set off to provide a reserve for later years. We understand that the Ahmedabad bonus agreement has recently run its course. The Madras bonus formula of the Buckingham and Carnatic Mills is based on dividends. It is more than likely that as a result of the stabilisation of the wage structure as recommended by us for at least another five years there will be more agreements on the subject of bonus.

46. As the highest minimum basic wage in the industry is Rs. 30, and the lowest is about Rs. 18, it is apparent that it is the dearness allowance that determines the level of wages in the industry; the amount of dearness allowance granted, together with the basic wage, should to a point reflect the paying capacity of the industry in the region; but by that we must not be understood to mean that the need based

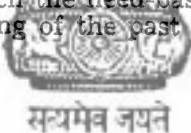
*Source : Monthly Abstract of Statistics and Indian Labour Gazette.

wage of the operative should not be universal, if possible. We give below a table of the scheme of dearness allowance at important centres:

Centre	Amount of dearness allowance (average) for 1958	Base point and Base year	Rate of dearness allowance
1	2	3	4
	Rs. nP.		
Bombay	81.58	105 (1939)	(i) For 105-324 points, 1.9 pies per day per point rise. (ii) For 325-335 points, increase of 5% of the calculated dearness allowance. (iii) For 335-350 points, increase of 7½% of the calculated dearness allowance. (iv) For over 350 points, increase of 10% of the calculated dearness allowance.
Ahmedabad	75.31	73 (1939)	2.84 pies per day per point rise.
Saurashtra . . . .	..		70 to 87½ per cent of the Ahmedabad dearness allowance.
Gujarat . . . .	..		98 per cent of the Ahmedabad dearness allowance except Sidhpur where it is 75 per cent of the Ahmedabad dearness allowance.
Sholapur	55.75	73 (1939)	1.75 pies per day per point rise.
Gokak	40.79	73 (1939)	1.25 pies per day per point rise over 73 points of the Sholapur cost of living index.
Nagpur	54.99	100 (1939)	1.2 pies per day per point rise.
Madras city, Coimbatore, etc.	55.84	100 (1936)	3 As. per month per point rise of the Madras cost of living index.
Bangalore	55.18	100 (1936)	3 As. per month per point rise.
Delhi	60.35	100 (1944)	(i) For 100-120 points, Rs. 44.75. (ii) 4.37 pies per point per day for further rise.
Kanpur	57.73	100 (1939)	(i) For 100-125 points, nil. (ii) For 126-200 points, 3 As. per point per month. (iii) For 201-300 points, 2.8 As. per point per month. (iv) For 301-400 points, 2.7 As. per point per month. (v) For 401-500 points, 2.5 As. per point per month. (vi) For 401-600 points, 2.3 As. per point per month. (vii) For 601-700 points, 2.0 As. per point per month.

1	2	3	4
	Rs. nP.		
Modinagar (U.P.)	..	..	Consolidated wage of Rs. 60/- a month.
Rajasthan	Rs. 28 to 30	..	Flat rate.
Indore	55.17	100 (1939)	For 100 to 130 points 3½ As. per point per month and 3 As. per point per month there-after of the average of the cost of living indices of Bombay, Ahmedabad and Sholapur.
Calcutta	32.50	..	Flat rate.
Cuttack	30.00	..	Flat rate.

47. For the workmen it is the total pay packet that really counts, and therefore it is not possible to consider the question of dearness allowance in a manner quite unrelated to the basic wage. In the past owing to the difficulties of the economic position the Tribunals were content in most cases to so adjust the basic wages and dearness allowance that the 1939 standard of wages was not lowered, and in many cases even this object could not be achieved. But whatever view we may take of the problem of a separate dearness allowance, the fact remains that wherever a flexible dearness allowance has been given there has been more industrial peace than where such a system does not prevail; and the reason is not far to seek. The workman has hardly any margin left with him for emergencies. His wage has been low, and whenever there is any rise in the cost of living he is obliged to make adjustments, which in the ultimate end means privation for himself and his family, with the concomitant of a lowered physique suffering as a result of such privation, and that is good neither for the workman nor for the efficiency which he can bring to his work. The position has become acute with the steady rise in the cost of living and wherever dearness allowance has remained a fixed figure there has been an outcry. The Board is firmly of the view that notwithstanding any consolidation that may be made, the remaining dearness allowance should nevertheless conform to a flexible pattern allied to the ups and downs in the cost of living, for in such a system there is the greatest chance of industrial peace. We may not be able to reach the need-based wage, but we must at least try to ensure that the standard of living of the past is not lowered.



CHAPTER IV

PAY SCALES OF CLERKS

48. The Board has decided to deal with the salary of the junior clerks and semi-clerks, and to leave it to the mills in consultation with workers to revise the basic wages of the other clerks, stenographers, etc. in accordance with their present wage structure, based upon the pay of junior clerks as fixed by the Board.

49. Wages of clerks differ widely in the textile industry from place to place; and where there is no standardisation of wages, conditions differ even from mill to mill in the same city or region. Then again, there are some places where there are just a few clearly-defined grades of clerks, and other places where the clerical staff has been classified into as many as 8 grades. Furthermore, clerks have in some cases been graded into 'A', 'B' and 'C' categories, and different scales of pay have been prescribed for the matriculates and the non-matriculates. In quite a few centres and also in individual mills there are no proper grades and scales. Similarly in the matter of dearness allowance there are wide variations and such variations do not seem to follow any particular pattern or principle.

50. In 1948, as a result of the Standardisation Award, scales of pay of the clerks in the industry in Bombay city were standardised and fixed for the first time. There was a revision by the Labour Appellate Tribunal in May, 1955, when the following scales were given:

(1) Semi-clerks	. . . . .	Rs. 40—105
(2) Junior clerks	. . . . .	Rs. 65—210
(3) Senior clerks	. . . . .	Rs. 210—270
(4) Chief clerks	. . . . .	Rs. 270—330

51. A matriculate in Bombay starts with Rs. 70 per month and graduate starts on Rs. 80 in the grade of a junior clerk. The salaries of the clerical staff in Ahmedabad mills were first determined by an agreement of 1949 and were subsequently modified by an Arbitrator's Award in July, 1958, and that award is at present in existence. The semi-clerk has been given the grade of Rs. 40—105 and the junior clerk Rs. 65—210, a graduate starts on Rs. 80 per month in this grade; the grade of the senior clerk is Rs. 150—260; and for the chief clerks, for which post munims and chief accountants are eligible the grade is Rs. 260—305.

52. In Baroda and North Gujarat, the pay is more or less the same as in Ahmedabad, but the pay of the junior clerk in Saurashtra is slightly less.

53. As regards Nagpur, the clerks' pay scales were first standardised by the Mangalmurti Award in 1948, and were subsequently revised by an Agreement of 1955. At present, graduate clerks have the scale of Rs. 75—200; matriculates Rs. 50—140; non-matriculates Rs. 45—140 and the rest Rs. 35—100.

54. The scale of junior clerks in Madhya Pradesh mills is Rs. 60—155 in all centres except Burhanpur and Rajnandgaon where the scales of pay are the same as in Nagpur. The semi-clerk in this region is fixed in the scale of Rs. 40—90.

55. As regards Madras State, the scales of pay were given by the Venkataramiah Award in 1947 and they comprise 8 grades with scales as follows:

Rs. 20—30	Rs. 50—100
Rs. 25—35	Rs. 60—110
Rs. 30—50	Rs. 70—120
Rs. 40—80	Rs. 80—125

56. By a subsequent agreement between the Southern India Millowners' Association and the Staff Union, the 8 grades were reduced to 7 in Coimbatore, all the scales remaining the same, except for the seventh scale which became Rs. 25—40; and the dearness allowance rates were also revised. There were some difficulties in implementing this agreement as all the mills in Madras did not follow the terms of this agreement. The Buckingham and Carnatic Mills of Madras have a separate scheme for pay and scales of clerks and they have six grades and each grade has its own scale. They are:

Rs. 50—53	Rs. 90—105
Rs. 56—65	Rs. 112—147
Rs. 69—85	Rs. 152—200

There is no uniformity in the scales of clerks in the rest of Madras and in one or two places wages are as low as Rs. 30 without any dearness allowance. In the Madras State as a whole it appears that while the wages and dearness allowance of the operatives have been standardised, the wages and dearness allowance of the clerks in the mills vary from place to place.

57. The clerks' pay in Pondicherry is slightly higher than in the rest of the Madras State, as they have given Rs. 56 for category 'A', Rs. 47 for category 'B' and

Rs. 40 for category 'C' clerks; there are no scales of pay, but an increment of Rs. 5 for category 'A', Rs. 3 for category 'B' and Rs. 2 for category 'C' is given.

58. In the Kanpur Centre, non-matriculate clerks are paid Rs. 40 and the matriculate clerks are paid Rs. 55 a month.

59. As regards Calcutta, the pay scales were first standardised in August, 1948; non-matriculいたes were given Rs. 60—130, and matriculates Rs. 70—210, and these are still the current scales of pay in Bengal, and no change was made by the award of 1958.

60. The scale of the lowest paid clerk in the Delhi Cloth Mills is Rs. 55—300, and if he is a graduate he gets an initial start of Rs. 65. There are, however, other mills in Delhi which have different scales.

61. The dearness allowance of the clerical staff in Bombay was settled by an award in 1948 and revised in 1955. The present rates are as follows:—

Clerks of salary upto Rupees 100	Operatives dearness allowance plus Rs. 7½.
Between 101 and 200	Operatives dearness allowance plus Rs. 15.
Between 201 and 300	Operatives dearness allowance plus Rs. 22½.
301 and above	Operatives dearness allowance plus Rs. 25.

62. The Ahmedabad clerks' dearness allowance is the same as for operatives and calculated at the rate of 2·84 pies per point over the pre-war index of 73. Saurashtra, Baroda and Gujarat clerks receive dearness allowance at percentages varying from 60 to 100 per cent. of the Ahmedabad dearness allowance. The dearness allowance in Madras State differs from place to place. In the Buckingham and Carnatic Mills for all categories, as also in the Madura Mills, it is paid at the rate of 3 As. per point over 100 points of the Madras city cost of living index but in Coimbatore, it is paid at the rate of 3 As. per point over 100 points of the cost of living index number for the last two of the seven categories of clerks. For the clerks in categories 4 and 5, the rate is Rs. 4/8/- per 10 points rise over 160 points, and for the rest it is paid at the rate of Rs. 5/8/- per 10 points over 160 points. In the smaller places, however, the dearness allowance is paid at slightly lesser rates.

63. The dearness allowance of clerks in the Pondicherry mills is paid at the rate of 3 As. per point over 100 points of the cost of living index number of Madras city.

64. The dearness allowance of clerks in Nagpur mills is the same as for operatives and paid at the rate of 1·2 pies per point per day of the cost of living index of Nagpur city.

65. At Kanpur, the dearness allowance of clerks is linked up with the Kanpur city cost of living index number and paid according to a sliding scale varying from 2 As. per point to 3 As. per point.

66. The clerks in Calcutta mills are paid a fixed amount of dearness allowance which is Rs. 35 per month. Half of this amount is paid as dearness allowance to clerks in Orissa mills.

67. Details as to the pay scales and dearness allowance of the clerks have been given in the Annexure 9, but for easy reference, we also give below for important centres the existing minimum emoluments of the clerks. The emoluments represent the basic pay and dearness allowance of the junior clerks wherever they have been designated as such, and in other cases they represent the basic pay and dearness allowance of the largest number of clerks in the centre.

Centre or Region	Dearness Allowance (Average for 1958)	
	Basic pay	
	Rs. nP.	Rs. nP.
Bombay	65·00	89·08
Ahmedabad	65·00	75·31
Nagpur	50·00	54·99
Indore	60·00	54·87
Kanpur	55·00	57·91
Delhi	55·00	58·00
Calcutta	70·00	35·00
Madras City	50·00	55·84
Coimbatore	40·00	121·50

68. The need-based wage formula of the Tripartite Conference applies to the operatives, whereas the clerks come from a different stratum and have to be given their salaries accordingly. There is no reliable data as to the cost of living of the clerks. It had been usual in the past to give the clerk a starting wage 80 per cent. higher than that of the operative; but with the rapid rise in the operatives' wages, and with the emergence of the need-based wage formula, this percentage will have to be reconsidered, and the co-efficient in 1958 would be less.

69. As in the case of the operative, so in the case of the clerk, we are bound to consider the capacity of the industry to pay. It is not possible for us in the present state of the industry to fill the gap between the present wage of the operative and his need-based wage under the formula. Similarly it would be unrealistic for us to give to the clerks a wage which the industry would be unable to bear. We must, however, endeavour to give to the clerk a reasonable wage having regard to the capacity of the industry to pay as well as to the requirements of his family's needs.



CHAPTER V

THE BOARD'S APPROACH

70. When this Board started on its labours there were rumblings of a crisis of unsold cloth, due *inter alia* to over-production of certain varieties for which there was no sufficient market. The excise duties of September 1956 were blamed for this disorder in the industry, and they were blame-worthy to the extent that they provided incentives to the production of the additional cloth of coarse variety which could not find a market. The excise duties of September 1956 were also calculated to mop up certain profits; but they had the effect of cutting at the source of profits and have had to be rationalised and reduced; the accumulation of cloth has by now almost disappeared. We are, therefore, at present in a position to approach the matters before us in an atmosphere of comparative normalcy.

71. There are some broad differences in the condition and operations of mills in the different regions. Conditions differ from region to region not only as regards volume, quality, and consumer preference, but also as to wage rates. The problems of rehabilitation, rationalisation and modernisation also differ from region to region and for different reasons. We have to take note of these differences against the ever compelling background of capacity.

72. The issue of wages before us is clear. We must honour the Resolution of the 15th Indian Labour Conference which has affirmed the acceptance of a need based wage to which the lowest paid operative is entitled, and which a Board like ours is bound to recommend, unless we can show that owing to facts and circumstances which we consider relevant we are unable to increase the existing wage to the level of the need based wage of the formula, or at all. We have had no difficulty in working out such need based wage for the several centres of the industry in India; but having done that, it has become evident that the introduction of such need based wage would be a leap forward of a character that the industry would not be able to support. We refrain from going here into the details of calculations of the need based wage, not because we have any doubts or reservations about them, but because we feel that no useful purpose will be served by referring to figures at present un-attainable by labour in the industry on the basis of standardisation and region-wise. In the present state of the industry our best efforts towards improvement of wages must fall short of the need based wage of the formula. But there is the step forward which is contemplated in the context of the Resolution, and therefore we have had to examine all the relevant factors which bear on the business of this industry, its performances of the past, its present condition, and the normal expectations of the future, in order to ascertain how far we may travel, if at all, towards filling the gap between present wages and the need based wage of the formula. Such an investigation is necessarily a complex undertaking. A mass of evidence has been either presented to us or collected by our office. If we do not refer to each and every argument or to all the facts, figures and calculations, it must not be taken to mean that we have not considered them. Our decisions are based on our very careful consideration of all the pleas advanced and of the data available.

73. In the view of the Board this industry can look forward to an assured future. The industry has done well in the past; it has had its fluctuations, and shortly before the war of 1939 it was in a poor way, and was being given the protection of tariffs. The war years presented this industry with a unique opportunity to burst into its own. The political atmosphere in the thirties had paved the way by the generation of a strong mass feeling for the exclusion of foreign cotton textiles, and the war completed the process. Fortunes were made in cotton textiles during the war and shortly thereafter; the true industrialist made provision for the future of the industry; others thought less of the industry, and either distributed the profits or utilised them for the promotion of other industries, with the result that the cotton textile industry today is clamouring for resources for the purpose of rehabilitation and modernisation, and the money is not easily forthcoming. The cost of rehabilitation and modernisation has become a major problem with prices much higher than the original cost of the machines and parts.

74. It may be, as we have been told, that out of a total of about 511 mills in India some ten per cent. or so are not earning profits, that some have closed down, and probably an equal number may be in danger of extinction. But it must be realised that the large majority of the mills present a picture of the awareness of the changing times and are making attempts to equip themselves for the future of the industry.

75. There is, as we have said earlier, a certain small upper section of extremely prosperous mills, then a broad middle section of decidedly prosperous mills, and thereafter a lower section of mills which are not prosperous; at the bottom we have those mills which are unprofitable and the expiring units. A mill can make losses from a variety of causes; the losses may be due either to bad management or fraudulent management; or the machinery may be so dilapidated, neglected, or worked to

death that there is no possibility of the mill's survival, and any money spent on such a mill would be a waste; then again there is the mill which is too old to function economically. But on the other hand there are other mills which by means of repairs, rehabilitation or modernisation can still play a useful part in the industry. The Government has taken over some mills which had closed down and has been operating them for some time, and the Government proposes to come to the aid of the industry with a large allocation of funds. We take the view that a sound and useful mill sector is essential not only in the context of the exchange earnings which our cotton textile exports bring, but also in the interests of the general internal consumer. Fortunately by and large the industry is sound and progressive, and we envisage that it will be required to shoulder the clothing of a nation of roughly 450 millions during the next five years, and the chances are that it will have to produce not less than 6,000 million yards of cloth per year for the purpose as an addition to the production of the handloom and the powerloom. It is thus understandable that it should be the policy of the Government to provide the necessary support to deserving mills to meet the requirements of a larger consuming public; as a corollary there will have to be an enlarged mill sector and a larger degree of improved machinery, more rationalisation and automation.

76. It is therefore evident that this industry must be nurtured so that it may flourish and clothe the nation, and at the same time contribute to the welfare of the State, and extend the scope of the nation's development. With no outside competitor in the field, with a consuming public which is increasing, and with a national income which is rising, this industry is well set to meet the future requirements of cloth in the country. In spite of high taxation, high Government imposts by way of duties, cess, etc., high rises in price of raw materials of manufacture, and the higher labour costs, the mills in the last decade have been able to make fair profits. For example, mills established in Bombay and in Ahmedabad have been able to strengthen their position out of such profits. The gross block in Bombay has risen from Rs. 3,824 lakhs in 1947 to Rs. 7,184 lakhs in 1956, and the paid-up capital has increased from Rs. 1,708 lakhs in 1947 to Rs. 2,448 lakhs in 1956, and this includes bonus shares amounting to Rs. 115 lakhs. As regards Ahmedabad the gross block was Rs. 2,143 lakhs in 1949 and rose to Rs. 4,790 lakhs in 1956; in the same period the paid-up capital rose from Rs. 705 lakhs to Rs. 1,630 lakhs, including an increase of Rs. 95 lakhs in bonus shares. (The number of mills covered by these figures was 69 in 1947 and 66 in 1956 in Bombay, and as regards Ahmedabad there were 59 mills in 1947 and 58 in 1956). Thus in Bombay and in Ahmedabad, and it is more or less the same in Coimbatore and in some other regions too, the industry has within the last decade increased the gross block and paid-up capital, including bonus shares, and has paid good dividends. These facts point to a healthy and virile industry which has managed to satisfy a large and expanding public demand for cloth; and apart from the rehabilitation and modernisation already effected, it has built up a sizeable depreciation and reserve fund for the future needs of the industry, which nevertheless in the context of present day high prices may not be altogether sufficient for such purpose. As to the weak and even dying units in the industry, the process of mills closing down and reopening, or even being replaced, is a continuous one. We concede, however, that by taking the prosperity region-wise certain generalisations may follow which are open to challenge as to individual units, but by and large the picture is authentic.

77. Rehabilitation and modernisation are nothing new; but in the past the pace has been slow, and for a variety of reasons. The large profits of the war and post-war period were not everywhere conserved, with the result that the capacity of the industry to rehabilitate and modernise has been restricted; and as the industry had been relying upon depreciation funds, reserves and excess profit refunds to provide the necessary funds, the process has been slow; and even where money is forthcoming there are further restraints like Government sanction and lack of foreign exchange. The industry, however, is conscious of the need for rationalisation and modernisation as the *sine quo non* of survival, the pace of which had been checked in the past by the fear of unemployment; that fear has been allayed, and labour now recognises that its own welfare depends on rationalisation and modernisation, and it has agreed upon the broad lines for their introduction. Some mills even today have very modern and up-to-date machinery, and all mills which can manage to do so will have to rationalise and modernise; for the nation is on the march, and this industry must clothe the nation.

78. As in most other industries, so also in this, the impact of certain external forces on production and on the prosperity of the industry is not only severe but also universal to the industry. With taxation on incomes, excise duties and other Government imposts the industry pays about 100 crores a year; then again the prices of raw materials like cotton, electricity, coal, dyes and processing materials, have all advanced and have become a problem for the industry; likewise with the considerable rise in the cost of machinery and spares, the task of rehabilitation, renovation and modernisation has become difficult. Then there are certain burdens which affect particular sectors of the industry; the mills that are engaged in the export business require superior machinery, automatic looms, and more modern plant to enable them to cater successfully to the export market and to earn valuable foreign exchange. Even for internal consumption the mills have to reorient themselves, for simple white is yielding place to the charms of quality, colour and design.

79. The recommendations of this Board on the question of the wages of labour, involving matters like the labour's cost to the industry, and of the capacity of the industry to pay, must necessarily revolve round some fixed axis, some static set of basic circumstances affecting the industry which would not be subject to hasty or violent fluctuations; for it must be appreciated that at present the economy of the industry is delicately poised amidst the various forces which bear upon it, and any hasty or illadvised fluctuation can have serious repercussions on the industry as happened in 1956-57. No marked increases in taxes or excise duties or other Government imposts on the industry are at present anticipated; and the existing burdens on the industry and on the consumer are already heavy.

80. A good mill, well run, has the natural expectation of a fair profits and sufficient reserves for its continued existence in a state of efficiency, and it prices its products accordingly. The consumer on the other hand must clothe himself and his family; and thus the burden of any increases in contributions to Government revenues will primarily fall on the consumer, and in a lesser degree on the mill; the consumer's capacity to buy is, however, not inexhaustible, and if the consumer is unable to purchase there will be the inevitable story of unsold cloth and losses to the industry, and diminution of revenue for the Government. We are conscious of the fact that the Government must have money to support the Five Year Plans, and that the industry must make its appropriate contribution to the pool as it has been doing; on the other hand the Government itself has been a party to the unanimous Resolution of the Indian Labour Conference which has enunciated the right of Labour to a need based wage. We are, therefore, bound to so adjudge our recommendations that the Government gets its expected revenues, the worker gets a fair deal according to the agreed concept of a need based wage, and the consumer is not overburdened; and above all we must see to it that the interplay of these factors does not degenerate into a deteriorating situation of losses and of diminishing returns to the industry.

81. Labour has favoured standardisation of wages and the employers have accepted it. Such standardisation connotes that no mill shall pay more and no mill shall pay less than the standardised wage. There are, however, some regions where standardisation does not prevail, but by and large standardisation is found in practice in most regions. There are a few scattered units which have their own wages somewhat lower than of other mills of the region, justifiably or otherwise. In addition to the standardised wage the employee is entitled to bonus out of 'surplus' profits. The Board has taken due note of such differences and divergences in wages in the context of capacity.

82. Each region has profitable, less profitable, and uneconomic mills. For instance, in Ahmedabad there are six top mills which are very prosperous, six bottom mills which are in a bad way, and in between these two classes is a broad band of profit earning mills. In some other regions we find a top layer of prosperous mills with a rapid decline to mills which have to make an effort to sustain themselves. It has been said that when considering the figures of a standardised wage we should take the capacity of a fair cross-section of the industry; it was also suggested that for such purpose we should take into account the mills which had been run profitably for a number of years on end, and that we should exclude the weaker and the loss-showing mills; against this view it was urged that if the weaker units were excluded the most prosperous units should also be left out of consideration; it is, however, evident that what constitutes a fair cross-section in the mosaic of the industry in a region must necessarily depend on a variety of factors; and the parties who addressed us at the open meetings could not agree on any mill or group of mills which in their opinion would qualify as a fair cross-section of the industry. There are, however, certain criteria which we do bear in mind. In our quest to ascertain whether and if so to what extent we can fill the gap between present wages and the need based wage of the formula, we obviously cannot take the paying capacity of the most prosperous unit in the region as the measure by which the standardised wage should be fixed; similarly we cannot fix the standardised wage on the basis of the lack of prosperity of an expiring unit. There must be a commonsense approach to the problem and a standardised wage for a region must be ascertained which would allow a fair chance for general prosperity in the region; it was, however, clear in the discussions before us that we could not take into account the expiring mills.

83. The Board recognises that as in every industry, in this industry too, there are units which have been maladministered for the personal gain of the management; such cases are fortunately few, and with the stricter control of the amended Companies Act chances of maladministration are reduced. On the other hand in spite of good management there are mills which have run their course and they should not be allowed to remain a drag on the industry; it is assumed that only those mills which have the capacity of revival and have been managed and maintained with reasonable care will normally qualify for aid by the Government to rehabilitate and modernise themselves; and this Board has taken note of the Government's scheme for such help.

84. While it is necessary that this industry should be aided to enable it to become strong, it is also necessary that sufficient profits should be left to the industry for dividends and for the purpose of maintaining the industry in a sound condition; it is, however, fundamental that an industry cannot flourish unless it has a fit and contented labour force; and therefore we must go the farthest that we can

on the road to a need-based wage to give them their minimum due. We look upon the mills and their workmen as inter-dependent factors in the production of cloth; the one cannot be happy if the other is sad; nor can the workmen prosper if the mills cease to flourish.

85. We cannot forget that it was only during and after the last war that labour was able to make itself heard. Prior to that, exploitation of labour was rife. With the rapid rise in the cost of living occasioned by the war, and the tardy and spasmodic efforts made to meet the higher cost of living, the process of labour's emergence was accelerated; and it ripened into the Industrial Truce Resolution of 1947 which was accepted by the Central Government in its statement of Industrial Policy. By that Resolution labour was assured a fair wage. It was in pursuance of that policy that the Fair Wages Committee was appointed which submitted its unanimous Report in June 1949. The Fair Wages Committee endeavoured to place the wages on an equitable basis of human needs having regard to the capacity of the employer to pay, and it enunciated many salutary principles which were later incorporated in the decisions of Tribunals and of the Labour Appellate Tribunal of India, and which were finally affirmed by the Supreme Court. Those principles are still with us. The Resolution of the 15th Indian Labour Conference, to which reference has been made, and which reiterates labour's claims to a need-based wage, has now supplied the mathematics of wage fixation, so that we might by a short and simple formula ascertain the minimum wage of the Fair Wages Committee's Report. The Resolution is calculated to divert us from the previous system of basing the present day wage on the needs of 1939, and as such the Resolution has introduced a new look; and in this context none can fail to note that the approach of labour to its problems has advanced in the last decade. Labour contends that its productivity has increased considerably because of increased efficiency, proved lower absenteeism, the assignment of increased work-loads and more machines, installation of modern and improved types of machinery, and the introduction of rationalisation; and Labour maintains with considerable force that there has been an overall consciousness on the part of the workers to co-operate in the success of the Five Year Plans. Labour therefore complains that in spite of efforts on their part, and in spite of the peace in the industry to which they have contributed in the wake of the Industrial Truce Resolution, the real wages of the workers have not increased, and that the real earnings have failed to keep pace with the increased productivity. There is some force in these contentions. On an examination of the man-days lost in the cotton textile industry 1950 onwards, there can be no doubt that the number of man-days lost in the year had declined between the years 1950 and 1958, although there were a few upward tendencies in between; Bombay and Ahmedabad have been particularly fortunate in this respect:

1950	1,03,31,030
1951	15,57,381
1952	10,81,198
1953	5,74,821
1954	4,33,079
1955	21,04,435
1956	19,32,160
1957	13,20,606
1958	9,10,079

(Source: Indian Labour Year Book and Indian Labour Gazette)

86. Absenteeism in Bombay in 1949 was as high as 16 per cent. and has come down to 7 per cent. in 1958. These facts do indicate a larger consciousness on the part of labour towards its duties, and perhaps also suggests that the labour force is no longer divided in attention between the mills on the one side and agriculture on the other. It is true that in all the centres the position has not improved; but the fact remains that there has been a general tendency towards greater labour stability.

87. During the open sessions of the Board, most employers took the stand that they had no objection to paying the Bombay emoluments provided that their workmen gave the same productivity, and labour replied by asking for the same working conditions as in Bombay. It was brought to our notice that in Kanpur there is an excess labour force, and the well considered Report of Shri Justice Bind Basni Prasad on the subject of rationalisation has not yet been adopted. In Bombay and Ahmedabad there has been considerable rationalisation, and the process is a continuous one. But rationalisation demands for its successful implementation certain working conditions and happy industrial relations which may or may not exist, and thus some mills may be deficient for the purposes of rationalisation, in which case the process of rationalisation is impeded. The Board however has no doubt that the workmen must be ready to increase productivity, for in many a region there is scope for introduction of rationalisation without further obstruction. With the emergence of a code on 'rationalisation without tears' the way is open for the wider adoption of rationalisation, which in the opinion of the Board is most necessary, not only to increase productivity but also to enhance wages.

88. The Board was happy to find both labour and employers broadly agreeing over the fact of increase in productivity in recent years. There is a similar and firmer agreement that, in future, increases in emoluments must be in response

to improved productivity. The increased emoluments that are being recommended, we are confident, not merely compensate for the rise in productivity already achieved but will provide incentive for further and continuous rise in productivity. In the course of our enquiry we found that the lowest paid operative was receiving different wages in different regions, and we have recognised that such differences were due in some degree to the productivity of the workmen in the area, and in quite a few instances to the conditions of work in the mills. While it may be true that due to their own fault or to adverse circumstances certain mills have been unable to rehabilitate and renovate, there is the other facet of the problem, as in Kanpur, where unfortunately rationalisation has not progressed. Generally speaking the wages are low where the profits are low and the working conditions poor; but in our estimate in some instances wages are lower than is justified by the state of the industry in the region.

89. In view of the unanimous recommendations in this Report we do not think that any good purpose will be served by a detailed examination of these factors and instances, for we must ensure that this Report does not become the starting point for further strife, and we should endeavour to attain the purposes for which this Wage Board has been constituted.

90. Turning now to the possible gains to the industry in the future, we find that certain substantial savings will accrue to the industry due to the restrictions imposed on Managing Agents' Commission. Then again as a result of rehabilitation, modernisation and rationalisation there is every hope and expectation that there would be greater productivity which will be to the benefit of the mills as well as of the workmen, and increases in wages will automatically act as an incentive and aid the industry in its progress. In the decisions which we have taken we have postulated for a period of five years of industrial peace following the implementation of our recommendations; and if that peace is forthcoming, it will give the industry sufficient time to vivify and consolidate.

91. On the subject of consolidation of dearness allowance with basic wage, labour generally pressed for such consolidation at varying cost of living indices and in some instances they asked for consolidation at the present day index. Some employers have also expressed their opinion in favour of consolidation in order that a more scientific wage structure may be devised. The Board takes the view that the existing situation where the amount of dearness allowance is very much higher than the basic wage is having a disturbing effect on the wage structure. It is expected that as a result of consolidation the differentials may be narrowed, which the Board feels will not be contrary to social justice.

92. We have also borne in mind the desirability of extending the system of payment by results. Neither the employers nor labour favoured any system of progressive rates of incentives and they felt that the present system of payment by results, in other words straight piece-rates, should not be disturbed; and we have no desire to go counter to that view, especially as over 50 per cent. of the workmen are already on piece-rates.

93. We have accordingly framed our unanimous decisions so as to ensure that (a) the principles of a need-based formula as enunciated by the Resolution of the 15th Indian Labour Conference are kept in view, (b) that the gap between the present wage and the need-based wage of the formula is filled to the extent that the industry can bear, (c) that the wage structure is adjusted so as to present a cohesive movement towards betterment of conditions in the industry, towards greater rationalisation, resulting in greater productivity and higher emoluments to labour, and (d) that the consumer is not overburdened.

94. These objectives cannot be achieved in haste. The process is necessarily slow, but we trust that as a result of our recommendations the desired results may be more expeditiously attained. We are agreed that industrial peace is necessary to achieve the expected progress; and our recommendations are designed to achieve a definite movement towards the present goal of a need-based wage for this industry: it is our fervent hope that the journey may be speeded up by the joint efforts of the employers and workmen.

95. In coming to our conclusions we have carefully considered the requirements of social justice, the needs of the industry in a developing economy, the necessity for having wage differentials which would provide incentives, as also the question of extending the system of payment by results; and we have dealt with these matters in their appropriate places in the Report. Social justice connotes that the workman who produces the goods has a fair deal, is paid sufficient at least to be able to sustain himself and his family in a reasonable degree of comfort, and that he is not exploited. We have taken into account the various factors bearing on the industry and have at the same time endeavoured to do social justice to the workmen.

96. In the Order of Reference we have been charged with the duty of working out a wage structure based on the principles of fair wages as set forth in the Report of the Committee on Fair Wages. In our approach to the problems and in the recommendations we have made we have duly observed this requirement. There is no conflict between the minimum wage as given by the Fair Wages Committee's

Report and the minimum wage of the Resolution of the 15th Indian Labour Conference. As we have said before, the Resolution provides the basis for calculating the minimum fair wage of the Fair Wages Committee's Report. We have been careful to see that the level of wages should be so fixed as to enable the industry to maintain production with efficiency, and this again is but a repetition of the "escape" clause at the end of the Resolution of the 15th Indian Labour Conference. We have endeavoured within the limits of the industry's capacity to ensure adequate neutralisation in the cost of living, at least for the lowest categories of workers, and we have expressed our preference for a flexible scheme of dearness allowance to meet the ups and downs of prices. The Fair Wages Committee's Report has stated that there should be a progressive improvement in the fair wage, but adds that such improvement will depend on improvement in the economic conditions in the country and of the industry concerned. The recommendations which we are making are calculated to achieve an improvement in the condition of the industry; we have reason to think that with the consolidation of basic wage with dearness allowance and with a wider spread of rationalisation and modernisation there will be not only greater efficiency in work and rise in productivity, but also an accompanying advance in the earnings of the workers.

97. The Fair Wages Committee's Report recommended that where employment is on piece-rate or where the work done by men and women is demonstrably identical, no differentiation should be made between the men and women workers regarding the wages paid. We have based our recommendations on that principle, and we are opposed to any differentiation of wages or dearness allowance as between men and women who are on piece-rates or who do work which is demonstrably identical.



CHAPTER VI

RECOMMENDATIONS OF THE BOARD

98. It is a happy conclusion to our work that the Board has reached unanimous decisions as to its recommendations. The meetings of the Board were marked by very full, free and frank discussions, as indeed they should always be, and the problems were approached in a spirit of calm investigation.

99. The Board took note of the history of the industry in the past, its present position, and its normal expectations of the future, and at the same time considered ways and means by which it was hoped to achieve a progressive realisation of the justifiable role of this industry in the economy of the country. Naturally prominent in the context of wages was the welfare of the workmen who constitute an essential cog in the wheels of the industry; but equally important in the mind of the Board was the state of the industry and its capacity to approach the minimum of a need based wage. The Board realised the limitations which circumscribed the industry, the controls which surround it, the difficulties which the industry has to face, and the Board has taken note of the steps which have to be taken and the remedies which have to be applied in order to speed up the process of improvement not only in productivity but also in emoluments; and the Board has inevitably reached the conclusion that for the good of the industry, of labour, and of the consumer, certain desirable minimum standards in workloads should be achieved throughout the industry as soon as possible. Inherent in all the considerations of the Board was naturally the capacity of the industry to carry any fresh financial loads.

100. The decisions of the Board, unanimous as they are, must be taken as an integral whole; and any attempt to isolate them and apply them in parts would be contrary to the scheme of the recommendations.

101. The first and foremost requirement of a happy and prosperous industry is industrial peace to which we have already referred; and it is the first recommendation of the Board that for a period of five years from 1st January 1960 no claim for further revision of minimum wages should be made by either the employers or the workmen; and having regard to the tenor of the recommendations, taken together, it is estimated that within this period of five years certain desirable minimum standards in working conditions and workloads will have been attained. Agreements are already in existence and awards have been given on workload, conditions of work, and allocations of the gains of rationalisation, concerning the rationalisation of several occupations in Bombay, Ahmedabad and Coimbatore; these should be adopted as useful guides for the progressive rationalisation by mills, which have not reached that standard of rationalisation, within the course of five years commencing from 1st January 1960. Apart from the less rationalised mills, and having regard to the fact that rationalisation must be a continuous process in the industry, it is the view of the Board that in the interests of all concerned it is necessary that the process of rationalisation should continue and progress everywhere in the industry.

102. The Board agrees that the basic conditions which had been accepted as the *sine qua non* of any scheme of rationalisation should be followed, and they postulate that as a consequence of rationalisation—

- (i) there should be no retrenchment or loss of earnings of the existing employees, i.e., the existing complement should be maintained barring natural separation or wastage;
- (ii) there should be an equitable sharing of the gains of rationalisation as between the community, the employer and the worker; and
- (iii) there should be a proper assessment of workloads by experts mutually agreed upon, and also suitable improvements in the working conditions.

103. The Board also agrees on the subject of rationalisation with the relevant observations in the Joshi Committee's Report. The Board considers it necessary that in order to avoid disputes, and indeed in order to put an end to disputes, there should be some machinery to settle questions of rationalisation unit by unit. There are cases where rationalisation has been arbitrarily imposed, and there are also cases where rationalisation has been unreasonably obstructed. It is not only labour, but employers too at times, who are not prepared to rationalise or are indifferent to it. We endorse the recommendations of the Joshi Committee in paragraph 79 of its report for the setting up of National and Regional Committees to deal with essential matters concerning rationalisation, as also their implementation within the industry.

104. In the view of the Board the time has come for the active participation of the Governments concerned for the speeding up of the process of rationalisation. The good of the industry demands that wherever rationalisation and modernisation

are resisted by either side, the Government should intervene so as to ensure that a reasonable scheme of rationalisation is put into force. Unless this is done, the industry in those regions where it is stagnant will fail to resuscitate itself; and that will be to the detriment of all.

105. On the subject of wages the Board has come to the conclusion that the industry should be divided into two categories. In the first category there shall be the following centres, namely,

Bombay State

Bombay City and Island (including Kurla).
Ahmedabad.
Baroda.
Billimora.
Navsari.
Nadiad.
Surat.

Punjab State

Phagwara.
Hissar.

Delhi

Uttar Pradesh

Modinagar.

West Bengal

Calcutta City.

Madras—the whole of Madras State.

Mysore State

Bangalore.

The mills in all other centres will fall within category II.

106. The Board has come to the conclusion that an increase at the average rate of Rs. 8 per month per worker shall be given to all workers in mills of category I from 1st January 1960, and a further flat increase of Rs. 2 per month per worker shall be given to them from 1st January 1962. Likewise an increase at the average rate of Rs. 6 per month per worker shall be given to all the workers in mills of category II from 1st January 1960, and a further flat increase of Rs. 2 per month per worker shall be given to them from 1st January 1962. These increases are subject to the condition that the said sums of Rs. 8 and of Rs. 6 shall ensure not less than Rs. 7 and Rs. 5 respectively to the lowest paid, and that the increase of Rs. 2 from 1st January 1962 shall be flat for all.

107. The Board recommends that dearness allowance should be linked to the cost of living index in all centres, and if any centre has no such cost of living index, the index of the nearest centre should be taken for that purpose. The Board has also come across some cases where there is only a consolidated wage or a fixed dearness allowance. In both cases we have found that the total wages are comparatively lower. We recommend that in these cases also the dearness allowance should be made adequate and linked to the cost of living index number by a suitable machinery.

108. In the case of Madras State the dearness allowance now paid neutralises less than what would be justified by the rise in the cost of living with 1936-1939 as the base. The Board recommends that for Madras State the dearness allowance should be increased so as to give full neutralisation for the rise in cost of living to the worker on the minimum basic wage with 1936-1939 as the base.

109. The subject of consolidation of dearness allowance with basic wage has received careful consideration, and the expected effects of such merger have been carefully analysed. The Board has reached the conclusion that the consolidation of dearness allowance with basic wage in each mill should take place at an index which will yield an amount equal to three-fourths of the average dearness allowance of the first six months of 1959. It is our intention that the remaining 25 per cent dearness allowance which will continue as dearness allowance, shall have a flexible character, and shall rise and fall according to the future cost of living; and the difference between the future index and the point at which the current index is merged shall be compensated according to existing method and at the existing scale.

110. In consequence of the increase which the Board has recommended, and the consolidation of dearness allowance with basic wage which also forms part of our recommendations, it is necessary to make provision as to the amount payable under any gratuity scheme. We recommend that the amount of gratuity wherever calculated in terms of basic wages shall be paid in terms of the existing basic wage up to 31st December 1959; but from 1st January 1960 the basic for such purpose will be that basic wage plus the increases given herein but excluding the dearness allowance consolidated.

111. The Board, having given its recommendations on the principal points concerning the emoluments of the lowest paid, is of the view that the consequential adjustments in the emoluments of the rest of the workmen should be worked out by the employers and the workmen in accordance with the tenor of this Report subject to the terms of paragraph 106 of the Report.

Clerks' Pay Scales

112. Having regard to all the available data and the considerations which have been urged, we have come to the conclusion that the pay scales of the junior clerks shall be as follows:

- (1) Junior clerks of mills in category I : . Rs. 75—5—105—7½—150—EB—10—200
12½—250.
- (2) Junior clerks of mills of category II : . Rs. 60—5—90—6—120—EB—7½—150—
10—200.
- (3) Semi-clerks of mills of category I : . Rs. 50—3—80—EB—5—125.
- (4) Semi-clerks of mills of category II : . Rs. 40—3—70—EB—5—105.

113. The junior clerk shall be fixed in the new scale in the following manner: A junior clerk whose basic pay is already higher than the start of the new basic shall first be fixed in the new scale in accordance with his present basic wage; if he falls within two stages of the new scale he shall be given the higher stage, and he shall then be given two increments in the new scale. The junior clerk whose present basic wage is less than the minimum of new scale shall first be brought up to the minimum of the new scale, and he shall then be given one increment for each year of service with a maximum of two increments.

114. The semi-clerk shall also be fixed in the same manner as the junior clerk in the new scale.

115. Any semi-clerk or junior clerk already in receipt of a higher scale or higher total emoluments than is herein recommended, shall retain the excess as special pay.

116. The pay scales of the other clerks, stenographers, etc., shall be suitably fixed by the employers in consultation with the employees having regard to the respective duties and responsibilities of the clerks, etc., concerned, subject nevertheless to this provision: that their emoluments shall be advanced to keep in step with the advances in the wages of the junior clerks.

117. The efficiency bar provided in each scale of clerks and semi-clerks must be sparingly applied and only in cases of a distinct fall in efficiency.

118. As regards the clerks, because of their time scales it is not feasible to consolidate their dearness allowance with the basic wage, and therefore we recommend that they shall receive monthly the amount of dearness allowance which is merged in the basic wage of the operatives, as a special higher cost allowance, plus the dearness allowance of the operative plus—

For basic wage up to and including Rs. 100	Rs. 7½
Between 101—200	Rs. 15
Between 201—300	Rs. 22½
Beyond 301	Rs. 25

119. The special high cost allowance shall be treated as an addition to basic wage and new entrants shall also be eligible for it. The special high cost allowance shall count for provident fund, and leave and holidays with pay, but not for gratuity where gratuity is expressed in terms of the basic wage.

120. As regards semi-clerks too, because of their time scales it is not feasible to consolidate their dearness allowance with the basic wage, and therefore we recommend that they shall receive monthly the amount of dearness allowance which is merged in the basic wage of the operatives as a special higher cost allowance, plus the dearness allowance of the operatives. As in the case of the clerks, so in the case of the semi-clerks, the special high cost allowance shall be treated as an addition to the basic wage, and new entrants shall also be eligible for it. The special high cost allowance shall count for provident fund, and leave and holidays with pay, but not for gratuity where gratuity is expressed in terms of the basic wage.

121. There shall be no grade of clerk below the grade of the semi-clerk. Barring the semi-clerk, the lowest paid in the clerical staff should be deemed to be the junior clerk, wherever he may be in the cotton textile industry, and he must be given and fixed in the scale of the junior clerk as prescribed.

122. These recommendations relating to the semi-clerks and the junior and other clerks shall take effect from 1st January 1960.

123. The Board stipulates as general propositions that (a) there shall be no discrimination between men and women doing the same work, (b) by the introduction of the recommendations herein no existing amenities or benefits shall be affected, and (c) higher emoluments wherever they are being paid shall not be reduced.

124. The Board takes the view that in the present state of the industry it is not possible for financial considerations to go beyond the recommendations herein contained; but nevertheless the Board is confident that the recommendations here made will on full implementation constitute a fresh landmark in the progress of this industry and in the improvement of the conditions of service of the workers, who will find in the recommendations not only a present rise in earnings, but also fresh scope and initiative for the exercise of higher skills and consequent improvement of their standards. The Board, while regretting that even after a century's existence the industry is unable to pay a need based wage, feels that the stage has been reached when both the employers and the workmen should foregather to lift the industry as a whole to a higher level, each making his contribution in his own way. The employers must adjust themselves to the changing climate of their responsibilities; and the workmen for their part must have a broader view of their duties in our social set up; and both must accept the inevitability of changes by rationalisation and modernisation if the industry is to flourish.

125. Finally, the Board considers it important that the Government should take timely steps for the implementation of the recommendations herein contained so that they might become effective from 1st January 1960.

126. The Board further recommends that the Central and State Governments should take steps to maintain correct cost of living indices of the several centres. It would also be an advantage if statistical information as to the state of the industry, including information on prices, productivity and incomes in it could be suitably maintained by the Government of India so that the information may be readily available whenever required.

127. The Board was well served by its Secretary, Shri Nizamuddin Ahmed, who was loaned to the Board by the Bombay Government. His acquaintance with the textile industry was an asset and he had under his charge among other things the work of research and investigation which were uniformly useful to the Board. Not only during the hearings but also at the time of the Report Shri Ahmed's help was welcome and the Board desires to place on record its sense of appreciation of his services.

128. The Board also places on record its appreciation of work well done by Shri K. Lakshminarayanan, Senior Investigator, and Shri K. S. R. Iyer, the Private Secretary to the Chairman who, in the opinion of the Board, deserve special mention. The Research Section too did its work creditably and that section provided a considerable body of material for the use of the Board.

सत्यमेव जयते

(Sd.)

(F. JEEBHOY),
Chairman.

(Sd.)

(ASOKA MEHTA),
Member.

(Sd.)

(M. V. MATHUR),
Member.

(Sd.)

(ARVIND N. MAFATLAL),
Member.

(Sd.)

(BHARAT RAM),
Member.

(Sd.)

(S. R. VASAVADA),
Member.

(Sd.)

(G. RAMANUJAM),
Member.

(Sd.)

(N. AHMED),
Secretary.

NEW DELHI;

Dated the 27th November, 1959.

ANNEXURES



सत्यमेव जयते

ANNEXURE I
QUESTIONNAIRE ISSUED BY THE BOARD



GOVERNMENT OF INDIA
CENTRAL WAGE BOARD
COTTON TEXTILE INDUSTRY

Phone: 251467.
Grams. TEXWAGE.

CITY ICE BUILDING,
298, BAZARGATE STREET,
FORT BOMBAY,
15TH JULY, 1957.

Dear Sir,

The Government of India in the Ministry of Labour and Employment has by a Resolution of the 30th of March 1957 constituted a Central Wage Board for the Cotton Textile Industry of India. On the next page you will find the terms of reference to the Board for working out a wage structure for the employees of the industry based on the principles set forth in the Report of the Committee on Fair Wages, together with certain 'explanations' stated in the Resolution. On page 3 by way of introduction you will find extracts from the Report of the Committee on Fair Wages which is to be taken as the basis of this Board's investigations.

2. This Board has prepared a questionnaire to be issued to employers and workmen of the Cotton Textile Industry and their organisations, to the Central Government and the State Governments, and to associations and individuals who are in a position to assist the Board in the matters under investigation. The Board will be grateful if you will be so good as to peruse the questionnaire and let us have your answers to the questions which have been framed.

3. Furthermore, please be so good as to let us know whether you would like to appear personally before the Board to support the views which you may express in your answers to the questionnaire.

4. As the Board desires to proceed with the work as fast as possible, it is requested that your response to this questionnaire may please reach us by the 10th of September 1957.

5. Any contribution which you are able to make to the subject will be greatly appreciated.

6. The managements of the mills to whom this questionnaire is addressed are requested to post copies of the questionnaire (sent herewith) on their notice board and at the place of work for the information of the workmen.

Yours faithfully,

(F. Jeejeebhoy)
Chairman.

GOVERNMENT OF INDIA

MINISTRY OF LABOUR

NEW DELHI, the 30th March, 1957.

RESOLUTION

WB-1 (3). In pursuance of the recommendations contained in para. 25 of Chapter XXVII of the Second Five-Year Plan regarding the establishment of tripartite Wage Boards for individual industries, the Government of India have set up a Central Wage Board for the cotton textile industry.

2. The composition of the Board will be as follows:—

Chairman

Shri F. Jeejeebhoy.

Independent Members

- (1) Shri Asoka Mehta.
- (2) Professor M. V. Mathur, Department of Economics, Rajputana University.

Members Representing Employers

- (1) Shri Arvind N. Mafatlal.
- (2) Shri Bharat Ram.

Members Representing Workers

- (1) Shri S. R. Vasavada.
- (2) Shri G. Ramanujam.

3. The following will be the terms of reference of the Board:—

- (a) to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages;

Explanation:

in evolving a wage structure, the Board should, in addition to the considerations relating to fair wages, also take into account:—

- (i) the needs of the industry in a developing economy;
- (ii) the requirements of social justice; and
- (iii) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;

- (c) to bear in mind the desirability of extending the system of payment by results;

Explanation:

in applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over work and undue speed.

4. The headquarters of the Board will be located at Bombay and all correspondence intended for the Board shall be addressed to the Chairman, Central Wage Board for the Cotton Textile Industry, City Ice Building, 298, Bazargate Street, Fort, Bombay.

ORDER: Ordered that a copy of the Resolution be communicated to:—

- (i) All State Governments and Union Territories.
- (ii) All Ministries of the Government of India and the Planning Commission.
- (iii) All-India Organisations of Employers and Workers.

Ordered also that the Resolution be published in the Gazette of India for general information.

The Fair Wages Committee's Report

As the wage structure is to be based on the principle of fair wages as set forth in the Report of the Committee on Fair Wages the following extracts from that Report are reproduced:—

- (a) We consider that a minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For

this purpose the minimum wage must also provide for some measure of education, medical requirements and amenities.

- (b) It will be seen from this summary of the concept of the living wage held in various parts of the world that there is general agreement that the living wage should enable the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter but a measure of frugal comfort including education for his children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age.
- (c) The attainment of the living wage is therefore our objective too but nevertheless it is the duty of this Committee to examine how far presentday circumstances permit us to approach the living wage and how a wage that might be considered fair could be fixed having regard to the many limitations that prevent the immediate attainment of the objective. On one point there is complete unanimity of opinion, *viz.*, that the fair wage should on no account be less than the minimum wage.
- (d) While the lower limit of the fair wage must obviously be the minimum wage the upper limit is equally set by what may broadly be called the capacity of industry to pay. This will depend not only on the present economic position of the industry but on its future prospects. Between these two limits the actual wages will depend on a consideration of the following factors and in the light of the comments given below :—
 - (i) the productivity of labour ;
 - (ii) the prevailing rates of wages in the same or of similar occupations in the same or neighbouring localities ;
 - (iii) the level of the national income and its distribution ; and
 - (iv) the place of the industry in the economy of the country.
- (e) As regards the measure of the capacity the Committee consider that in this context the main objective of the fixation of fair wages should not be lost sight of. The objective is not merely to determine wages which are fair in the abstract, but to see that employment at existing levels is not only maintained, but if possible increased. From this point of view it will be clear that the level of wages should enable the industry to maintain production with efficiency. The capacity of industry to pay should therefore be assessed by the Wage Boards in the light of this very important consideration. The Wage Boards should also be charged with the duty of seeing that fair wages so fixed for any particular industry are not very much out of line with wages in other industries in that region.
- (f) We are of the view that in determining the capacity of an industry to pay it would be wrong to take the capacity of a particular unit or the capacity of all industries in the country. The relevant criterion should be the capacity of a particular industry in a specified region and, as far as possible, the same wages should be prescribed for all units of that industry in that region.
- (g) We feel that before a wage-fixing machinery decides to make any allowance for benefits statutory or otherwise, granted to workers it must examine the nature and extent of those benefits. Where a benefit goes directly to reduce the expenses of a worker on items of expenditure which are taken into account for the calculation of the fair wage, it must necessarily be taken into account in fixing the actual fair wage payable.
- (h) The Committee decided that if the standard family was reckoned as one requiring three consumption units and providing one earner the decision would be in accord with the results of the family budget enquiries.
- (i) The Committee considered that in the fixation of wage differentials the following factors should be taken into account :—
 - (1) the degree of skill ;
 - (2) the strain of work ;
 - (3) the experience involved ;
 - (4) the training required ;
 - (5) the responsibility undertaken ;
 - (6) the mental and physical requirements ;
 - (7) the disagreeableness of the task ;
 - (8) the hazard attendant on the work ;
 - (9) the fatigue involved.

QUESTIONNAIRE

1. Please give
 - (a) your name
 - (b) your address
 - (c) your designation
2. Are you connected with any unit in the textile industry and if so please give particulars. Please state to which unit of the industry your answers have special reference:

The wages

3. Please state what you consider to be a fair wage for
 - (a) the unskilled
 - (b) clerical category
 - (c) supervisory category
 - (d) any other category in your unit.
4. Please give details as to how you have come to such conclusion, assuming that the average family is to be taken as consisting of three consumption units.
5. Please give details of the cost of living of a family of three consumption units in your region together with particulars of prices of commodities and the living requirements of the several categories. Please fill up the form on this subject at the end of this questionnaire (items 135 to 137).
6. Please state what you consider to be on a similar basis the minimum wage payable to the several categories enumerated above.
7. What in your opinion would be the living wage for the aforesaid categories?
8. How have the changes in wage rates since 1947 affected the standard of living of workers in your unit or region. Have any objective studies of this problem been made by you or any agency? If so please give full particulars.

Productivity of Labour

9. What in your opinion is the impact of the present productivity of labour on the question of the quantum of fair wages?
10. Do you consider that the productivity of labour is lower than what it should be? If you consider that the productivity of labour is poor, what do you suggest as the means for improving the position?
11. In your estimate has there been an increase or a decrease in the productivity of labour in 1956 as compared to the period 1947-49? Please give details to support your conclusions.
12. In this connection please also give a list of the factors for which you had to make allowances, like change in character of production, introduction of new machinery, etc.
13. If, in your opinion, productivity of labour belonging to such occupations has increased, please give particulars. In the absence of any time and motion study, what basis do you adopt for the ascertainment of workloads?
14. Do you subscribe to the view that higher earnings lead to greater efficiency? Or do you maintain that higher earnings, resulting from high dearness allowance, have led to less production and deterioration in quality? Please give the relevant facts in support of the view that you take.

Piece-rated work

15. Are you in favour of extending the system of piece-rates to other occupations which are at present time-rated or partly time-rated and partly piece-rated? If so please give particulars.
16. Do you favour the continuance of the present system of piece-rate work?
17. Would you prefer a scheme of piece-rate where the rate increases with the quantum of production so as to provide an incentive. If you do approve of such a system would you suggest at what point in the graph of production the present time-rate should be fixed?

18. Are you of the view that there are too many rates in respect of time-rated occupations. If so would you indicate the number of time-rates into which the time-rated workers could be grouped?

Workloads

19. Do you favour the assessment of workload by time and motion studies of an independent body?
20. As regards payment by results, are you in favour of a study being undertaken by qualified industrial engineers in respect of all occupations, both time-rated and piece-rated?
21. Do you consider it feasible to carry out such time and motion studies while the workmen are conscious that such study is being made?
22. If you are not in favour of time and motion studies have you any alternative method to suggest for the assessment of workload?
23. Have you any agreed basis as between employer and workmen for assessment of workloads of your workmen?
24. Are you of the view that piece-rate extension or a progressive piece-rate system would result in overwork or undue speed, and if so can you suggest any method which would provide a safeguard against overwork and undue speed, beyond of course nature's own safeguard?

Prevailing wages in region

25. Do you consider that the wages which are being paid in your region are the prevailing rates of wages in the same or similar occupations in the region or in the neighbouring localities. If there are differences how are they accounted for? Please give details.
26. Have your wages been fixed as a result of collective bargaining with labour organisations which are in a position to secure a fair deal? Please give particulars as to date, etc.
27. Please give details of the labour organisations in your area, the membership which they have, and the influence which they have been able to exercise in the formation of a wage structure.
28. Have your wages been fixed as the result of any award? If so please attach a copy.



National income

29. What in your opinion is the impact of the level of national income and its distribution on the wages to be fixed? Do you consider that the question of national income and its distribution is a factor which in the present context should exercise any appreciable influence on the wage structure, and if so, how?

Capacity of industry to pay

30. What is your view about the place of the cotton textile industry in the economy of the country and to what extent should its importance in the economy affect the fixation of a fair wage?
31. Please give an objective picture of the financial position of the industry in your region.
32. What are the present trends in the industry in your region and what is its reasonable future?
33. What is the extent of disparity, if any, which exists between the agricultural wages and wages in your region?
34. What in your view are the essential needs of this industry in a developing economy?
35. What is your opinion as to the capacity of the industry to pay a fair wage? What is the level of the fair wage which in your opinion the industry is able to sustain and will be able to sustain in the future?
36. With reference to the economic expansion which is taking place in the country, what is its likely impact upon the capacity of the cotton textile industry?
37. What are the most promising lines of export in your production? What difficulties, if any, are you experiencing in increasing your exports?

38. The Second Five-Year Plan has laid down certain targets for export. In your opinion is there any danger that the industry be not able to achieve those targets in view of international competition if wage increases are given?
39. According to the Fair Wages Committee's Report the objective of fixation of a fair wage is not merely to determine wages which are fair in the abstract but to see that employment at existing level is not only maintained but, if possible increased. Viewed in this light will any upward revision of existing wage levels in your region affect the present or future level of employment or the capacity of the industry to maintain production and efficiency? Please give full reasons for your answers.
40. How in your opinion should the capacity of the industry be judged? Would you take the industry as a whole or would you take a representative cross section or would you take it regionally?
41. As regards capacity of the industry to pay, what are the charges which in your view should be deducted out of the earnings of industry or concern before arriving at the amount that can be paid in wages; or do you take the view that wages have priority?
42. Do you subscribe to the view that in determining the capacity of the industry regard must be had to a fair return on capital and remuneration to management and a fair allocation of reserves and depreciation so as to keep the industry in a healthy condition? Please state your views fully on this subject.
43. What are your views as to the requirements of social justice in the fixation of fair wages? Do you take the view that a fair wage must be paid at any cost and that the industry must go on paying such wages as long as it does not encroach on capital to pay that wage? What in your opinion would satisfy the interests of social justice in relation to the wage structure?
44. Do you take the view that the interests of social justice will be satisfied in your area if the increases go primarily to the lowest paid?
45. Do you agree with the view that the cost of living of three consumption units, on the basis of the lower level of a fair wage, founded on the Fair Wages Committee's Report, should be assured to the workmen, or do you take the view that the quantum so found if impracticable by reason of capacity to pay should be reduced? If so, what are the curbs which should be applied?

Differentials

46. Do you consider that the present-day differentials fairly reflect the differences in skill and workload?
47. Do you take the view that differences between the higher and lower wages should be narrowed down? If so, do you suggest that the present differentials are not true? Can you suggest ways for narrowing down the differences between the wages of the lowest and the highest paid workers as well as between the wages of different categories of workers?
48. Do you consider that the present differentials provide incentives to the workers for advancing their skill? If not, please state in what manner you would like the differentials to be altered so as to provide such incentives.
49. Do you consider that a single nomenclature should be adopted for the whole industry for persons doing the same type of work?
50. How would you assess the weightage to be given for the following factors, which according to the Fair Wages Committee, should be taken into account in the fixation of wage differentials:
 1. Degree of skill.
 2. Strain of work.
 3. Experience involved.
 4. Training required.
 5. Responsibility undertaken.
 6. Mental and physical reasons.
 7. Disagreeableness of task.
 8. Hazard of work.
 9. Fatigue involved.

Categories under investigation

51. What in your opinion should be the categories to be covered by this investigation?

52. Do you favour the inclusion of all categories drawing up to Rs. 350 a month or Rs. 500 a month or do you suggest the exclusion of any categories like supervisory category or clerical category? Please state your reasons.
53. If any categories are to be freshly included please suggest the method of adjusting their wages into the new scales.
54. Are you in favour of including the technical and supervisory staff in the enquiry or would you prefer to exclude them on the ground that their income is above a certain level, in which case please mention the level.
55. Would you exclude categories like apprentices and learners from this enquiry?

The Wage Structure

56. Do you favour the present system of a basic wage plus dearness allowance or do you favour the merging of the whole or part of the dearness allowance into the basic wages? In case of such merger how would you compensate for future rises and falls in the cost of living?
57. Has the present system of dearness allowance failed and should it be replaced? If so, please give full details of your scheme.
58. Do you take the view that the basic wages should be calculated on the 1939 basis or 1944 basis or the basis of any other year? In your view does it make any difference to the fixation of fair wages whichever year is taken?
59. If the system of separate dearness allowance is to be continued, what do you suggest would be a fair method of computing such dearness allowance? Would you give it on a sliding scale or as a flat rate? Do you favour a flexible scheme of dearness allowance as already exists in Bombay and Ahmedabad?
60. To what extent should neutralisation for the high cost of living be fixed?
61. In the compilation of a minimum wage what provision would you make for a measure of education, medical requirements and amenities? Please give details.
62. In arriving at the wage to be paid what allowances should be made for such education, medical requirements and amenities as have already gone into the computation of a minimum wage?
63. What is your view as regards a guaranteed wage for a piece rate worker, and what should be the proportion between the level of expected earnings and the fall back rate? Under what conditions should the fall back rate be paid?
64. Do you think that there should be scales of wages for workers? In what way would you recognise and remunerate seniority and service? What steps have been taken by the mills and the unions since 1947 to promote workers' efficiency and productivity?
65. Should all non-neutralizing wage increases be given in cash only or could these be given partly in cash and partly in the shape of National Saving bonds, shares in the mill in which the worker is employed, Janata Life Insurance Policies, Children's Educational Policies and the like?

Women's wages

66. Please state whether any differentiation exists in your area at present in the wages paid to men and women workers for doing the same or similar type of work.
67. If there is such differentiation is it in your opinion justifiable in the light of principle of equal pay for equal work?
68. What is the number of women employees who suffer such a handicap due to their sex?
69. Should the minimum level of earnings for men and women, whatever their occupations, be the same?
70. The Committee on Fair Wages are of the opinion that the adoption of a different method of calculation in the case of women engaged on work done exclusively by them does not infringe the principle of equal pay for equal work. Are there any occupations in the industry to which these remarks have relevance?

Statistical information

71. Will the mills and millowners associations in particular please give the following information :
 1. When was your mills' Association established?


2. Please give present membership, with a list of members and send a copy of the Articles of Association.
3. Are there any Textile Mills outside your Association? If so, please send a list of such mills with their addresses.
72. What is the name of your mill and its full address?
73. Is your mill Proprietary, Private Ltd. or Public Ltd.?
74. Please give the name and address of the Managing Agent or Managing Director.
75. Please state date of commencement of working of your mills.
76. Has your mill ever changed hands due to change of Agency or on account of sale or liquidation? If so, please give particulars for every such change.
77. Since how long is the mill managed by the present Agency?
78. Is the mill purely Spinning or purely Weaving or purely Processing or Composite with or without processing?
79. Please mention the units in your region which having regard to all their circumstances can be regarded as a fair cross-section of the industry in the region.
80. As regards multiple machine assignment and introduction of efficiency methods, please give full details of the extent of multiple machine assignment adopted in your region or factory as a step to rationalisation :
 1. Section or department in which such method is adopted ;
 2. the type and number of machines assigned to and the total number of machines on such system ;
 3. the number of operatives taking benefit in this system ;
 4. the basis of sharing gains of multiple machine assignment between the management and the worker ;
 5. a comparative statement of wages earned in the same process ;
 - (a) by a person working on a multiple machine assignment system ; and
 - (b) by a person on normal work.
81. What is your current production (in ounces) per spindle per shift of 8 hours? What is the average count?
82. What was the production (in ounces) per spindle per shift of 8 hours in 1947 and 1949? What was the average count then?
83. Please give the wages cost per pound of yarn in each major category of yarn produced by you in 1956.
84. Please state the production per loom-shift of 8 hours (in yards) in your mill currently. Please also indicate the average pick and the average warp and weft counts employed.
85. Please indicate the number of men per 100 looms per shift from winding to weaving, both inclusive.
86. What was the number of men per 100 looms, on the same basis, in 1947 and 1949?
87. Please indicate the allocation of looms to weavers in your mill. Have any major changes been made in this allocation since 1947? If so, indicate details.
88. Please indicate the allocation of spindles per sider or piecer in your mill. Have any major changes in the pattern of allocation taken place since 1947? If so, indicate details.
89. Please indicate the amount of expenditure incurred by your mill on modernisation, renovation, replacement, etc, during 1951 to 1956. Which are the major departments in which this expenditure has been incurred?
90. Please give Spinning labour and Spinning Stores costs per lb. of yarn of different counts, and per lb. of cloth per spindle and per loom, for the years 1949 and 1956.
91. Please indicate in a tabulated form the important changes which have taken place in taxation, prices of raw materials and freight rates etc. since 1947. Please give an estimate of the financial cost involved thereby.

92. Please give following details regarding capital formation of your mills in the tabular form below :—

[illegible]

93. Please narrate the history of depreciation and its utilization in the following table:—

DEPRECIATION FOR BUILDING										
Year	Normal		Multiple Shift II. or two shifts together		III.	Extra or Additional shifts		Initial	Rebate	Total
	I.	II.	III.	IV.	V.	VI.	Initial	Rebate	Total	
I	2	3	4	5	6	7	8	9		
1945										
1946										
1947										
1948										
1949										
1950										
1951										
1952										
1953										
1954										
1955										
1956										



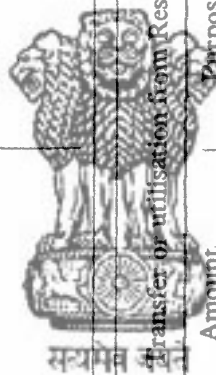
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DEPRECIATION FOR MACHINERY										
Year	Normal		Multiple Shift II. or two shifts together		III.	Extra or Additional shifts		Initial	Rebate	Total
	I.	II.	III.	IV.	V.	VI.	Initial	Rebate	Total	
	10	11	12	13	14	15	16	17	18	19
1945										
1946										
1947										
1948										
1949										
1950										
1951										
1952										
1953										
1954										
1955										
1956										

					Amount spent out of this fund		Remarks		
					Total for building & machinery excluding rebate	18	19	20	21

94. Please give the history of Reserves and its utilisation in the following table :—

Year	Amount accumulated at the end of	Allocation under each year	Machinery Renewal Fund	Repairs Fund	Dividend Equalisation Fund	Renovation Fund	Welfare Fund
1	2	3	4	5	6	7	8
1945							
1946							
1947							
1948							
1949							
1950							
1951							
1952							
1953							
1954							
1955							
1956							



Year	General Reserve	Reserves of any other kind	Transfer of utilisation from Reserves		Excess profit deposits at the end of 1945	Excess Profit deposits	
			Amount	Purpose with particulars		Additions during the year	Received from Govt. and how
	9	10	11	12	13	14	15
1945							
1946							
1947							
1948							
1949							
1950							
1951							
1952							
1953							
1954							
1955							
1956							

95. Please give details of the Block Account of the mills in the following table :—

Year	LAND AND BUILDINGS			MACHINERY			OTHER FIXTURES			Total at the end of the year	Remarks
	Addition during the year	Reduction during the year	At the end of the year	Addition during the year	Reduction during the year	At the end of the year	Addition during the year	Reduction during the year	At the end of the year		
Upto the end of											
1945 .											
1946 .											
1947 .											
1948 .											
1949 .											
1950 .											
1951 .											
1952 .											
1953 .											
1954 .											
1955 .											
1956 .											



96. Please give the split up of the Expenditure in the Profit and Loss Account in the following table :—

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	Total
(a) LAST YEAR'S STOCK :													
Cotton
Yarn
Waste
(b) PURCHASED DURING THE YEAR :													
Cotton
Yarn
Waste
(c) STOCK AT THE END OF THE YEAR :													
Cotton
Yarn
Waste
(a + b) — c
Total
WAGES AND SALARIES :													
(a) (i) Basic wages of employees (including production—attendance or other allowances (excluding D.A. and Bonus)
(ii) Dearness Allowance of employees



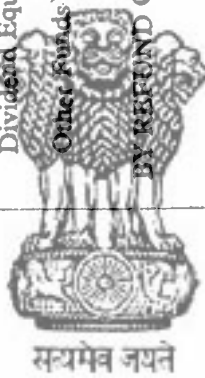
97. Please give the split up of the Income in the Profit and Loss Account in the following table :—

Year	Yarn sold	Cloth sold	Waste sold	Total sold	Less expenses and commission of sale of cloth and yarn	Tares and Hoops	Rent received	Share Transfer	Interest	Miscellaneous	Total Income	Remarks
I	2	3	4	5	6	7	8	9	10	11	12	13
1946 . . .												
1947 . . .												
1948 . . .												
1949 . . .												
1950 . . .												
1951 . . .												
1952 . . .												
1953 . . .												
1954 . . .												
1955 . . .												
1956 . . .												



98. Please give the Appropriation of Profit in the following manner 1946 to 1956:—

LAST YEAR'S BALANCE BROUGHT FORWARD		Rs.	BY BALANCE PROFIT FOR THE YEAR		Rs.
To Depreciation			Less : Loss		
Building			Less : Income Tax Paid		
Machinery			By Transfer from :		
Total			Reserve Fund		
Provision for Taxation			Taxation Reserve		
Dividends			Dividend Equalisation Fund		
Cash			Other Funds		
Bonus			BY REFUND OF INCOME TAX		
Reserve Fund					
Dividend Equalisation Fund					
Bonus					
Other Funds (give particulars)					
SURPLUS CARRIED FORWARD					
TOTAL			TOTAL		



99. Please give information regarding profit or loss for each year from 1946 to 1956 (inclusive). If there is loss in any year, what are the reasons according to you for such losses?

Profit should be construed to mean trading surplus without deducting Depreciation, Agents' Commission, Donation, Taxes on Profits, provision for Bonus for the year and after adding thereto Bonus for previous year or years, debited to Revenue Account in the year; and loss should be construed as trading deficit in the same manner as profits.

100. Please give information regarding amount and rate of Dividend paid for each year from 1946 to 1956 on—

- (a) Original Paid-up Capital,
- (b) Total Paid-up Capital including Bonus shares,
- (c) Dividends subject to Taxes and free from Taxes,
- (d) Dividends paid from profits or from some funds.

Please state particulars, and give details of all dividends paid in cash in the last five years.

101. Is any part of the funds of the mills lent or otherwise utilised to finance other undertakings? If so, please give details of such loans or investments as also the relationship between such other undertakings and the mills and its Managing Agents or Directors.

Please supply copies of Balance-sheets of your mills from 1946–56.

102. Please give details of your Managing Agency contract, if any.

103 III—MACHINERY, LABOUR & WAGE COST :

Please give number of spindles installed and worked shiftwise :—

- (a) at the commencement of the mills,
- (b) at the end of 1946,
- (c) at the end of 1956,
- (d) classified into Ring Spindles,
classified into Mule Spindles,
classified into Doubling Spindles.

104. Please give number of looms installed and worked Reed-spacewise and shiftwise :—

- (a) at the commencement of the mills,
- (b) at the end of 1946,
- (c) at the end of 1956
classified into :
 - (i) Plain looms,
 - (ii) Dobby,
 - (iii) Drop-box,
 - (iv) Jacquard,
 - (v) and other types of looms such as fast reed looms,
 - (vi) Semi-automatic looms, and
 - (vii) Automatic looms.

105. Give the present age of machinery and its estimated future life.

106. Please give the number of shifts worked in your mills in 1946 and in 1956.

107. Please give the average daily number of workers employed shiftwise in the years 1946 and 1956 in your mills.

108. Please state if you have a system of changeover and also state if you experience any difficulty in that system.

109. Please show separately the total number of men and women employed in your mill.

110. Please supply the information in the following table:—

Class of workers (Occupation)	Nature of work	Duties	System or ma- chines per man	No. of wor- kers	Wage inclu- ding grades if any of each class of work and/or class of workers	Remarks
1	2	3	4	5	6	7

111. Please give the number of working hours per week per shift in 1946 and 1956.

112. Please supply a statement of comparative average daily production of yarn and cloth of an eight hours shift for the years 1946 and 1956, giving also the average count of yarn spun, and as for cloth average reed and average pick and average count.

113. Please give the number of workers per shift employed per 1,000 spindles up to and including spindle point, along with the average counts in your mill in 1947 and 1949 and today.

114. Please give the number of workers employed per 100 looms per shift from mixing up to and including the weaving point; also from winding up to and including the weaving point.

115. Please give the number of workers per 100 looms per shift from mixing up to and including processing and packing.

116. Please analyse the cost of manufacturing of yarn and cloth for the year 1956 in the following form:—

Item	Amount	Percentage of total sale proceeds
	Rs. nP.	
Cotton		
Wages including D.A., holidays with wages, maternity benefit, etc.		
Salaries including D.A.		
Stores including Dyeing and Bleaching chemicals		
Fuel and Electricity		
Interest		
Brokerage		
Repairs		
Miscellaneous Expenses		
Gross Profits—		
(a) Agents' Commission & Allowance		
(b) Depreciation		
Net Profit		
Total sale proceeds		

(N.B.— Information in respect of the following questions should relate to the years 1939, 1946, 1947, 1950, 1951, 1952, 1953, 1954 and 1955.)

Rs. nP.

117. Will you please give:

- Total No. of spindles installed,
- Total No. of looms installed.

118. Will you please state the total number of workers employed in each shift:

- Men.
- Women.
- Adolescent.

119. Will you please state:

- (a) No. of Operatives.
- (b) No. of Clerks.
- (c) No. of Supervisory and Technical persons:
 - (i) Receiving salary below Rs. 350 per month.
 - (ii) Receiving salary of Rs. 350 and upto Rs. 500 per month.
 - (iii) Receiving salary above Rs. 500 per month.

120. Please give the Daily Working Hours of :

- (a) Shift I.
- (b) Shift II.
- (c) Shift III.

121. Please give the following information :

Rs. nP.

- (a) Basic wages for shift of full 8 hours.

Please give full detail of basic wages fixed for each occupation, attaching copy of Award or Agreement as the case may be, under which such wages are standardised.

In case a shift of less than 8 hours' duration is worked, please explain how the wages of persons employed in such shift are fixed, i.e. whether the worker is paid full 8 hours wages for working less than 8 hours or his wages are adjusted *pro rata* of hours worked by him.

- (b) Allowances :

- (i) Dearness Allowance

Please describe the method of calculating Dearness Allowance every month adopted in your mill, sending a copy of the Award or Agreement, as the case may be, sanctioning such payment.

- (ii) Where a shift is worked for less than 8 hours, is any reduction made in the dearness allowance?
- (iii) Other allowance for performing additional duties or shift work.

Please state the nature of such allowances and the number of persons getting benefit of such allowance.

- (c) (1) Value of statutory benefits :

- (i) Bonus
- (ii) Leave with wages
- (iii) Provident Fund Scheme
 - Employers' contribution
- (iv) Gratuity
- (v) Employees' State Insurance Scheme—
 - Employers' contribution (Special or normal)
- (vi) Maternity Benefit
- (vii) Workmen's Compensation under Act
- (viii) Lay-off compensation
- (ix) Retrenchment compensation
- (x) Paid unsubstituted holidays

- (2) Value of other amenities (non-statutory)

- (i) Housing: Free of rent or at concessional rent
 - No. of persons getting such benefit
- (ii) Uniforms and similar amenities
- (iii) Free medical treatment

Rs. nP.

- (iv) Free education
- (v) Library and reading room ..
- (vi) Visual education and other entertain-
ment
- (vii) Sports clubs and other recreational
facilities

122. Please state :

- (a) Minimum basic wage rate (for a month of 26 working days).

No. of persons being paid the minimum wage :

- (i) Operatives
- (ii) Clerks
- (iii) Technical and Supervisory staff ..

- (b) Average basic earnings for a month of 26 working days :

- (i) Operatives
- (ii) Clerks
- (iii) Technical and Supervisory staff ..

- (a) Drawing salary below Rs. 350
per month
- (b) Drawing salary of Rs. 350 and upto
Rs. 500 per month
- (c) Above Rs. 500 per month ..

123 Please give the following details of Paid-up Capital:

- (a) Ordinary shares issued for payment received in
cash
- (b) Preference shares issued for payment received in
cash
- (c) Ordinary shares issued without payment being
received in cash
- (d) Preference shares issued without payment being
received in cash .. सत्यमेव जयते ..

124. What is your total Loan Capital?**125. Please give details of the following reserves:**

- (a) (i) Reserve Fund
- (ii) Depreciation Fund
- (iii) Machinery Renewal Fund
- (iv) Capital Reserve Fund
- (b) Other funds

126. Please give the following information as to Block:

- (a) At cost
- (b) Written down value
- (c) Excess of total depreciation set aside ..
- (d) Under Provision of depreciation in relation to
the amount allowable under law

127. Please give details of capital employed:

- (i) In fixed assets
- (ii) In working of the concern

Formula for working capital:

Difference between floating assets and floating
liability

128. Please state the amount of capital debt, if any:

Formula: Difference between floating assets and
floating liabilities.

Rs. nP.

129. Please give the following information about profits:

- Gross profit before charging Managing Agent's Commission and before providing for Depreciation and Development rebate
- (b) Net profit after charging Managing Agent's Commission and providing for Depreciation and Development rebate
- (c) Amount of Managing Agency Commission charged
- (d) Amount of Depreciation and Development rebate provided
- (e) Dividends declared:
Rate and total amount paid
- Information for each class of shares to be given separately.

130. Please give the total output:

- (i) Yards
- (ii) Value: Rs.

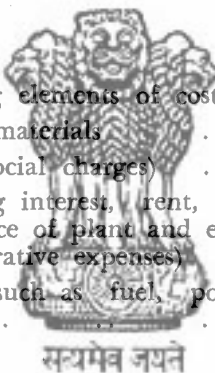
131. Please give output per worker:

- (i) Yards

Rs. per cent.

132. Please state the following elements of costs:

- (i) Raw and accessory materials
- (ii) Wages (including social charges)
- (iii) Overhead (including interest, rent, depreciation and obsolescence of plant and equipment as well as administrative expenses)
- (iv) Other direct costs (such as fuel, power and transportation)



100.00%

133. Please give information on the following points:

I. For expansion during next ten years:

Rs. nP.

- (i) New Capital required
- (ii) Plant and Machinery details
- (iii) Probable increase in labour strength
- (iv) Estimated increase in output
- (a) Yardage
- (b) Value (at current prices): Rs.

No.

II. for rehabilitation and modernisation during the next 10 years:

- (i) Total requirement of funds for the purpose, and give specific details.
- (ii) Extent of reserves available for the purpose.
- (iii) Additional funds to be provided.
- (iv) Sources for additional funds:
- (1) Future accumulation of profits.
- (2) Borrowings:
- (a) From Banks.
- (b) From Government.
- (v) Estimated saving in cost as a result of such rehabilitation and modernisation.

134. Please state the Government assistance required.

(i) Already received.

(ii) Required.

Please give details of the purpose for which such assistance is sought for.


135. Please supply the following information:—

Average retail prices of the following articles prevailing in the period from 1st January 1957 to 31st March 1957.

The prices quoted should be of such variety or quality as are predominantly consumed by the workers of the locality.

Please also state the household economy of the workers of the region.

Unless otherwise necessitated, the prices to be quoted should be of per seer of 80 tolas.

Item	Variety Chosen	Quantity	Price	
			Rs. nP.	
(A) FOOD :				
1. Cereals :				
Rice				
Wheat				
Jowar				
Bajra				
Nagli				
Milletts, etc.				
2. Pulses :				
Gram				
Black Gram				
Green Gram				
Udit Dal				
Tur Dal				
Lentil (Mastur Dal)				
3. Other articles of Food :				
Raw Sugar				
Refined Sugar				
Tea (in pounds)				
Fish				
Mutton				
Eggs				
Milk				
Ghee				
Sweet oil				
Salt				
Chillies				
Tamarind				
Turmeric				
Pepper				
Onion				
Garlic				
Potatoes				
Raddish				
Brinjals				
Carrot				
Cabbage				
Khira				
Tomato				
Cauliflower				
Green Vegetables				
Spinach				
Carrot Leave				
Methi, etc.				

Item	Variety Chosen	Quantity	Price	
4. Fruits :			Rs.	nP.
Plantains				
Mangoes				
Figs				
Grape Fruit				
Guava				
Jamboo				
Jack Fruit				
Lemon				
Melon				
Orange				
Sweet Orange				
Papaya				
Coconut				
Pine Apple				
(B) FUEL & LIGHTING :				
Firewood				
Charcoal				
Coal				
Kerosene Oil				
Match Boxes				
Electricity charges				
(C) HOUSING :				
Rent per month of pre-war houses and of recently built houses separately :				
(1) One room tenement of 100 sq. ft. with small verandah				
(2) One room tenement of 180 sq. ft. with half partition and a small verandah				
(3) Two-room tenement of about 250 sq. ft. enclosed area with a small verandah				
(4) Two-room tenement of about 300 sq. ft. area				
(5) A three-room tenement of about 400 sq. ft. enclosed area apart from open verandah				



136. Please specify if the rent is on a subsidised or concessional basis. In such cases also state the normally charged by private landlord.

Item	Variety Chosen	Quantity	Price
			Rs. nP.
(D) CLOTHING :			
Dhoties per pair of—yards			
Coating per yard			
Shirting per yard			
Cloth for trousers per yard			
Saries			
Blouse pieces per yard			
Stitching charges for			
(a) Male adult Coat			
(b) „ „ Shrit			
(c) „ „ Khamis			
(d) „ „ Pant			
(e) „ „ Half Pant			
(f) „ „ Pyjama			
(g) Blouses			
(h) Children's Coats			
(i) „ Shirts			
(j) „ Trousers			
(k) „ Half Pants			
(l) „ Petty Coats			
(m) „ Frocks			
Bed Cover			
Bed Sheet			
Blanket			
Darries			
One pair of chappals or shoes for adult			
One pair of chappals or shoes for children			
(E) MISCELLANEOUS ITEMS :			
Barber			
Washing Soap			
Hair Oil			
Medical Fees			
Medical Prescriptions			
Pan Supari			
Tobacco			
Bidis			
Cigarettes			
Union Subscription			
Combs			
Bangles			
Newspapers			
Postage			
Transport, Tram, Bus or Train Fares			
Travelling			
Provident Fund			
State Insurance contribution			
School Fees for 4th & 7th Standards			
Monthly quota of annual school requirements of Books, Stationery, etc.			
Cinema & other amusements			
Social Subscription			
Social obligations—such as marriages, funerals, etc.			



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137. What according to you will be the requirements of a family of one adult male, one adult female and 2 children (one of 9 to 12 years and one of 7 to 9 years) on the basis of a balanced cheap diet and other fair requirements to maintain health and efficiency.

Item	Quantity per family as described above	Present cost of column 2 at the average price from 1st Jan. 1957 to 31st March 1957
1. FOOD :		Rs. nP.
Cereals		
Pulses		
Green Leafy vegetables		
Root vegetables		
Other vegetables		
Fruits		
Milk		
Sugar		
Jaggery		
Sweet Oil		
Ghee		
Fish & Meat		
Eggs		
2. FUEL AND LIGHTING (on the basis of actual consumption)		
3. CLOTHING :		
Dhoties		
Sari		
Shirting		
Underwears		
Under Pants		
Coat		
Cap		
Blouses		
Children : Half Pant		
„ Shirts		
„ Caps		
„ Frocks		
Stitching charges for the above		
Pairs of shoes or chappals for adults		
Pairs of shoes or chappals for children		
Bed Sheet		
Chaddar		
Towel		
Blanket		
Carpet		
	Old Rent	New Rent
	Rs. nP.	Rs. nP.
4. HOUSING :		
Two rooms and a kitchen of total 400 sq. ft. area with a small veran- dah		

	Rs.	nP.
5. MISCELLANEOUS :		
Barber		
Washing Soap		
Hair Oil		
Medical Fees		
Medical Prescriptions		
Pan Supari		
Tobacco		
Bidis		
Cigarettes		
Union Subscription		
Combs		
Bangles		
Newspapers		
Postage		
Transport, Tram, Bus or Train Fares		
Travelling		
Provident Fund		
State Insurance contribution		
School fees for 4th & 7th Standards		
Monthly quota of annual school requirements of Books, Stationery, etc.		
Cinema & other amusements		
Social Subscription		
Social obligations—such as marriage, funerals, etc.		

Any other matter

138. Please give expression to any other matters which in your opinion are relevant to this Enquiry.



ANNEXURE 2

Parties appearing before the Board

Serial No.	Date	Place of meeting	Name of the Party	Association representing
1	2	3	4	5
1	12-2-58	Bombay	Shri S. P. Dave	Indian National Textile Workers' Federation.
2	12-2-58	"	Shri G. D. Ambekar	Rashtriya Mill Mazdoor Sangh and I.N.T.W.F.
3	15-2-58	"	Shri R. G. Gokhale	Millowners' Association, Bombay.
4	15-2-58	"	Shri B. G. Kakatkar	Do.
5	3-3-58	"	Shri R. G. Gokhale	Do.
6	6-3-58	"	Shri B. G. Kakatkar	Do.
7	6-3-58	"	Shri G. D. Ambekar	Rashtriya Mill Mazdoor Sangh, Bombay.
8	27-3-58 to 29-3-58	Kanpur	Shri G. D. Bajpai	Suti Mill Mazdoor Sabha.
9	"	"	Shri Vimal Malhotra	Do.
10	"	"	Shri Ram Asray	A.I.T.U.C. Unions at Kanpur.
11	"	"	Shri Kashinath Pande	I.N.T.U.C. Unions at Kanpur.
12	"	"	Shri M. L. Bagla	Employers' Association of Northern India.
13	"	"	Shri Padampat Singhania.	Do.
14	"	"	Shri Ratnratn Gupta.	Do.
15	"	"	Shri Amritlal	Ujhani Mills.
16	31-3-58	Delhi	Shri S. P. Dave	Indian National Textile Workers' Federation.
17	31-3-58	"	Shri B. D. Joshi	Kapra Mazdoor Ekta Union.
18	1-4-58	"	Shri S. P. Dave	Workers of Bhiwani Mills, Punjab.
19	1-4-58	"	Shri S. D. Mehta	Delhi Cloth Mills.
20	1-4-58	"	Shri B. M. Dalniya	Birla Cotton Mills, Delhi.
21	2-4-58	"	Shri S. A. Dange, M.P.	A.I.T.U.C.
22	7-4-58	Ahmedabad	Shri Kasturbhai Lalbhai	Employers.
23	7-4-58	"	Shri S. P. Dave	Textile Labour Association.
24	8-4-58	"	Shri Kandubhai Desai	Ex-Union Minister for Labour.
25	9-4-58	"	Shri Madan Mohan Mangaldas.	Ahmedabad Millowners' Association.
26	9-4-58	"	Shri Navnitlal Sakarlal	Do.
27	9-4-58	"	Shri H. G. Acharya	Do.
28	9-4-58	"	Shri Surotham P. Hathisingh.	Do.
29	9-4-58	"	Shri Amritlal Hargovindas.	Do.
30	10-4-58	"	Shri S. P. Dave	Unions affiliated to INTUC in Gujarat.
31	10-4-58	"	Shri Bepin Chandra Mehta.	Federation of Gujarat Mills and Industries.
32	27-5-58	Calcutta	Shri Kali Mukherjee	I.N.T.U.C. Unions in Calcutta.
33	27-5-58	"	Shri Arun Sen	A.I.T.U.C. Unions in Calcutta.
34	27-5-58	"	Shri N. Dutt	Bengal Millowners' Association, Calcutta.
35	27-5-58	"	Shri S. C. Mitra	Do.
36	27-5-58	"	Shri S. N. Hada	Kesoram Mills, Calcutta.
37	27-5-58	"	Shri B. K. Birla	Bengal Millowners' Association, Calcutta.
38	28-5-58	"	Shri K. N. Dhan-dhania.	Bihar Cotton Mills, Patna.
39	28-5-58	"	Shri K. K. Iyengar	Orissa Textile Mills Cuttack.
40	28-5-58	"	Shri S. C. Mitra	Do.

1	2	3	4	5
41	28-5-58	Calcutta	Shri Durgacharan Mahanti.	Orissa Textile Mills Mazdoor Union (A.I.T.U.C.)
42	11-12-58	Indore	Shri Ramsingh Bhai Varma, M.P.	Indore Textile Labour Association (I.N.T.U.C.)
43	11-12-58	"	Shri Homi Daji	Suti Mill Mazdoor Sangh.
44	12-12-58	"	Shri G. B. Zalani	M.P. Millowners' Association.
45	5-1-59	Coimbatore	Shri Rangaswamy	I.N.T.U.C. (Tamil Nad).
46	5-1-59	"	Shri S. C. C. Anthony, Pillai, M.P.	Madras Labour Union and Hind Mazdoor Sabha.
47	5-1-59	"	Shri N. K. Krishnan	A.I.T.U.C. Unions (Coimbatore).
48	5-1-59	"	Shri Daniel Dorairaj	B. & C. Staff Union.
49	5-1-59	"	Shri G. K. Devarajulu	Southern India Millowners' Association, Coimbatore.
50	5-1-59	"	Shri Kanniah Naidu	Papanasam Labour Union.
51	5-1-59	"	Shri N. S. Bhat	B. & C. Mills, Madras and Southern India Millowners' Association.
52	5-1-59	"	Shri J. S. Goodwin	B. & C. Mills, Madras.
53	5-1-59	"	Shri K. Venkateswarulu.	Southern India Millowners' Association, Coimbatore.
54	5-1-59	"	Shri Thirumalai	Small Units of Madurai.
55	30-3-59	Bombay	Shri Kantilal Shah	Saurashtra Textile Workers' Federation.
56	31-3-59	"	Shri Shantilal Mangaldas.	Saurashtra Millowners' Association.
57	1-4-59	"	Shri R. G. Gokhale	Millowners' Association, Bombay.
58	1-4-59	"	Shri B. G. Kakatkar	Do.
59	2-4-59	"	Shri G. D. Ambekar	Rashtriya Mill Mazdoor Sangh, Bombay.
60	3-4-59	"	Shri C. T. Daru	Ahmedabad Mill Mazdoor Mandal.
61	3-4-59	"	Shri Y. V. Chavan	Lal Nishan, Bombay.
62	3-4-59	"	Shri Dhabe	Rashtriya Mill Mazdoor Sangh, Nagpur.
63	3-4-59	"	Shri G. D. Baldua	Rajasthan Textile Mills' Association and Krishna Mills.
64	3-4-59	"	Shri N. S. Bhat	Bangalore Woollen, Silk and Cotton Mills.
65	3-4-59	"	Shri Saqui Niyazi	Workers of 4 mills in Berar.
66	3-4-59	"	Shri V. P. Sathe	H.M.S. Unions in Vidarbha.

ANNEXURE 3

Cloth output in India and other Countries

Country		1950	1951	1952	1953	1954	1955	1956	1957	1958
	Output in Million									
U. K. -	Yards	2,123	2,202	1,691	1,864	1,994	1,781	1,612	1,628	1,101 (9½ months):
U.S.A.*	Yards	10,064	10,310	9,614	10,240	9,891	10,175	10,317	9,539	4,541 [(6 months).
Japan	Sq. Yards	1,518	2,078	2,152	2,709	3,046	2,815	3,300	3,706	3,039
Germany*	Sq. Yards	2,031	2,172	2,025	2,384	2,524	2,588	2,772	2,872	1,805 (8 months).
Italy	Sq. Yards	1,181	1,234	1,114	1,079	1,151	1,011	1,064	1,166	674 (8 months).
Pakistan	Sq. Yards	..	..	..	252	345	453	500	529	..
India †	Yards	3,665	4,076	4,599	4,879	4,998	5,094	5,306	5,317	4,927

*Including mixtures.

†Does not include handloom and cottage powerloom production totalling approximately 1,800 million yards per annum.

Source :—Indian Textile Industry—Statistical Bulletins.

ANNEXURE 4

Percentage of the four different grades of cloth produced from 1947 to 1958

Year	Coarse	Medium	Fine	Super Fine
1947	21.29	54.78	16.53	7.39
1948	18.42	59.75	19.95	7.88
1949	11.57	59.14	20.72	8.56
1950	11.52	48.60	32.75	7.12
1951	8.93	51.04	33.07	6.96
1952	10.96	58.85	25.95	4.24
1953	12.28	64.28	17.20	6.23
1954	10.21	73.85	9.24	6.70
1955	11.23	73.79	9.07	5.91
1956	13.54	71.55	8.37	6.54
1957	21.87	65.88	7.20	5.04
1958	19.69	68.92	6.15	5.24

Source : (i) Report of the Textile Enquiry Committee (1958).

(ii) Indian Textile Industry—Statistical Bulletins.



ANNEXURE 3

Production of Cloth and Yarn and Consumption of Yarn in different States

State	Production of cloth in thousand yards			Production of yarn in thousand lbs.			Consumption of yarn within State in thousands lbs.		
	1956	1957	1958	1956	1957	1958	1956	1957	1958
Andhra Pradesh	.	.	.	33,096	24,536	28,202	30,948	11,957	12,170
Bihar	.	.	.	4,902	5,121	1,849	2,184	877	1,088
Bombay	.	.	.	3,591,759	3,584,866	3,313,644	832,440	771,512	732,263
(1) Ahmedabad	.	.	.	1,211,807	1,196,460	1,446,468	222,984	214,228	213,483
(2) Bombay City	.	.	.	1,607,017	1,649,058	1,497,815	418,356	380,194	365,584
(3) Bombay Rest	.	.	.	772,935	739,348	669,360	191,100	177,050	152,156
Kerala	.	.	.	23,061	20,402	20,844	20,016	5,897	5,324
Madhya Pradesh	.	.	.	445,895	439,485	413,836	106,728	106,392	98,462
Madras	.	.	.	133,294	144,955	121,260	279,372	45,937	47,878
Mysore	.	.	.	87,341	84,806	79,980	59,496	24,832	22,455
Orissa	.	.	.	33,931	32,924	32,412	10,548	7,396	7,420
Punjab	.	.	.	60,552	59,096	60,108	32,652	12,414	12,377
Rajasthan	.	.	.	61,228	57,641	53,664	33,600	16,155	15,354
Uttar Pradesh	.	.	.	381,612	406,983	328,212	130,692	89,880	96,673
West Bengal	.	.	.	260,957	260,342	268,980	75,420	47,661	49,495
Delhi	.	.	.	144,751	148,811	162,528	58,596	42,842	45,549
Pondicherry	.	.	.	25,685	32,441	33,516	12,684	7,799	9,921
All India	.	.	.	5,306,594	5,317,415	4,926,960	1,685,376	1,191,545	1,135,762

Source :—Indian Textile Industry—Statistical Bulletins.

ANNEXURE 6

Estimates of National Income and Consumer Expenditure, 1948—1960. Total and Per capita.

Year	National Income at 1948-49 prices (Rs. Abja)	Estimated investment as percentage of National Income	Total consumer expenditure (Rs. Abja)	Estimated population (million)	Per capita	
					income Rupees	consumer expenditure Rupees
1948	86.5	5.0	82.2	346.91	249.3	236.9
1949	88.2	5.0	83.8	351.53	250.9	238.4
1950	88.5	5.0	84.1	356.26	248.4	236.1
1951	91.0	5.0	86.5	361.13	252.1	239.5
1952	94.6	5.0	89.9	367.13	257.7	244.9
1953	100.3	5.0	95.3	373.37	268.6	255.2
1954	102.8	6.3	96.3	379.17	271.1	254.1
1955	104.8	7.3	97.1	385.63	271.8	251.8
1956	109.9	7.9	101.2	392.00	280.4	258.2
1957	109.6	8.5	100.3	399.12	274.6	251.3
1961	137.2	11.0	122.1	432.00	317.54	288.64
1966	175.6	14.0	151.0	475.00	369.68	317.89

Source :—National Council of Applied Economic Research, New Delhi.



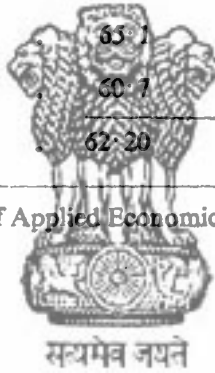
ANNEXURE 7

Distribution of Gross Receipts in Indian Cotton-Mill Industry

(Percentages)

Year					Material, fuel, etc., & work given out	Depreciation	Value added by manufac- ture	
							Salaries, Wages and benefits	Available for other purposes
1946	.	.	.	.	55.5	1.5	22.7	20.3
1947	.	.	.	.	56.6	1.3	27.6	14.5
1948	.	.	.	.	53.3	0.8	23.6	22.3
1949	.	.	.	.	63.0	1.0	26.0	10.0
1950	.	.	.	.	66.0	1.2	24.4	8.4
1951	.	.	.	.	66.7	0.9	19.5	12.9
1952	.	.	.	.	70.1	1.1	22.7	6.1
1953	.	.	.	.	65.0	1.3	24.0	8.8
1954	.	.	.	.	65.1	1.4	23.7	9.9
1955	.	.	.	.	60.7	1.3	23.3	15.7
Average	.	.	.	.	62.20	1.18	23.75	12.87

Source : National Council of Applied Economic Research, New Delhi.



ANNEXURE 8

Statement showing minimum basic wage and dearness allowance of textile workers in the different centre in 1947 and 1958

Sl. No.	Region/Centre	1947			1958		
		Basic Wage	D.A.	Total	Basic Wage	D.A.	Total
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Bombay City	30·00	44·90	74·90	30·00	81·58	111·58
2	Ahmedabad	28·00	56-3-2	84-3-2	28·00	75·31	103·31
3	Gujarat (Baroda, Petlad, Kalol, Kadi, Navsari & Bilimora)	(for 1948) 26·00	44-6-0	70-6-0	26·00	67·11	93·11
4	Bhavnagar	} Saurashtra. Rs. 21 to Rs. 24			26·00	65·91	91·91
5	Rajkot				26·00	63·27	89·27
6	Porbander				26·00	61·77	87·77
7	Wankaner				26·00	58·00	84·00
8	Surendranagar				26·00	52·73	78·73
9	Nagpur	14·84	29·67	44·51	26·00	54·99	80·99
10	Akola	14·84	29·67	44·51	26·00	54·99	80·99
11	Jalgaon	..	..	..	26·00	65·70	91·70
12	Sholapur	26·00	51-9-1	77-9-1	26·00	55·75	81·75
13	Aurangabad	..	..	..	24·00	28·00	52·00
14	Nanded	..	..	..	25·75	34·62	60·37
15	Indore	22-7-3	37-10-3	60-1-6	30·00	55·17	85·17
16	Gwalior	..	..	..	26·00	54·23	80·23
17	Ratlam	..	..	..	26·00	55·17	81·17
18	Delhi	30·00	52-0-6	82-0-6	30·00	60·35	90·35
19	Bhiwani	} Punjab	..	..	26·00	40·00	66·00
20	Hissar		..	..	30·00	45·00	75·00
21	Ludhiana		17·00	35·00	22·00	45·00	67·00
22	Kanpur	30·00	64·00	94·00	30·00	57·73	87·73
23	Modinagar (U.P.)	..	..	..	..	..	60·00*
24	Madras	26·00	32·00	58·00	30·00	55·84	85·84
25	Coimbatore	26·00	32·00	58·00	30·00	55·84	85·84
26	Madurai	26·00	32·00	58·00	30·00	55·84	85·84
27	Pondicherry	..	..	..	26·00	55·84	81·84
28	Bangalore	..	..	..	27·00	55·18	82·18

1	2	3	4	5	6	7	8
29	Gokak . . .	..	..	..	21·12	40·79	61·91
30	Mysore . . .	..	..	..	0 10 0 0 15 0 per day }	47·39	..
31	Alagappanagar (Trichur)	..	..	..	26·00	55·84	81·84
32	Cannanore . . .	..	..	..	30·00	55·84	85·84
33	Pappinasseri . . .	..	..	..	26·00	55·84	81·84
34	Adoni . . .	..	..	..	..	..	39·00†
35	Warangal (Hyderabad)	..	..	..	25·75	30·86	56·61
36	Calcutta . . .	20-2-5	30·00	50-2-5	28·17	32·50	60·67
37	Patna . . .	17·00	0 5 6 per day.	..	18·00	20·84	38·84
38	Cuttack . . .	..	..	..	20·00	30·00	50·00
39	Rajasthan . . .	18·50 19·50 27·38	13·00 10·86 15·55	31·50 30·36 42·94	30·00 Rs. 28·00 to Rs. 30·00.		

*Consolidated

†Consolidated (Rs. 1-8-0. per day).

Source :— (1) Indian Labour Gazette.

(2) Parties' Memorandum.



ANNEXURE 9

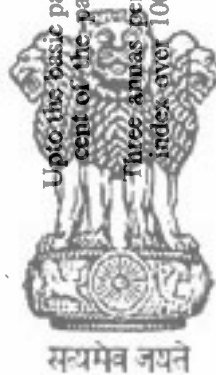
Pay Scales of clerks in the Cotton Textile Industry in 1958


Serial No.	Name of the Region	Pay Scale	Rate of dearness allowance	Amount of D.A. (Average for 1958)	Remarks
1	2	3	4	5	6
1	Bombay	Rs. 65-5-95-7½-140-EB-8-180-10-210 (Junior clerks).	Upto Rs. 100/- of the basic pay = Operative's D.A. + Rs. 7-8-0 Between Rs. 101 and Rs. 200 D.A. + Rs. 15-0-0 Between Rs. 201 and Rs. 300 D.A. + Rs. 22-8-0 Rs. 301 and above D.A. + Rs. 25-0-0]	89.08	There are about 6,266 Junior clerks out of the total of 8,698 in mills in Bombay city & Island.
2	Ahmedabad	Rs. 65-5-100-7½-130-8-146-EB-8-170-10-210 (Jr. clerks).	2.84 pias per point over 73 points of the cost of living for Ahmedabad, for a basic pay upto Rs. 150/- (same as operatives).	75.31	Junior clerks are in majority in Ahmedabad mills.
3	Nagpur.	Rs. 75-5-100-7½-130-10-200 (Graduate clerks), Rs. 50-3-80-5-100-8-140 (Matriculate clerks). Rs. 45-3-75-5-95-7½-140 (non-Matriculate clerks.) Rs. 35-3-65-5-100 (others.)	1.2 pias per point per day over the base point viz., 100 of the cost of living index for Nagpur. Same rate applies to the operatives.	54.97	Non-Matriculates are in majority.
4	Saurashtra	From Rs. 40-3-70-EB-5-95 to Rs. 55-5-90-6-120-EB-8-160.	From 60 per cent to 85 per cent of the Ahmedabad rates of D.A. for the operatives.	45 to 63.75	The scales of pay differ from centre to centre.
5	Madhya Pradesh (Indore)	Rs. 60-5-80-6-110-EB-7½-155 (Grade IV D.A. is calculated on the average index of Bombay, Ahmedabad & Sholapur. The computation is the same as for operatives.		55.17	The mills in Rajnandgaon and Barhanpur are paying the Nagpur rates.

1	2	3	4	5	6
6	Baroda & North Gujarat .	From Rs. 45-5-110-EB-7½-140 to Rs. 65-5-95-8-135-10-175-EB-15-250.	75 per cent to 100 per cent of the Ahmedabad rates. The computation of D.A. differs from mill to mill and is the same as in the case of the operatives.	56.25 to 75	Among the lowest paid category of clerks there are three grades, Gujarati clerks, non-matrices and matriculates.
7	Poona, Kolhapur and Sholapur.	Rs. 55-5-85-6-115-EB-7-150-7½-180.	The computation is based on the cost of living figures for Sholapur. up to basic pay of Rs. 80 Operatives D.A. + Rs. 4/- Over Rs. 80 to " D.A. + Rs. 8½-240/- Over Rs. 240/- " D.A. + Rs. 12/-	59.75	The basic pay in a mill in Barsi Town in Sholapur district is only Rs. 40/-.
8	Jalgaon	Rs. 52-4-76-112.	1.408 pice per point over 100 points of cost of living index for Jalgaon which is also the rate for operatives.	65.70	
9	Nanded	Rs. 55-5-85-6-115-7-150 (Junior clerks) Rs. 36-3-54-4-85 (Lower grade clerks)	Basic D.A. is calculated on 188 points in the index figure at Rs. 30-14-0. Over and above this level, D.A. is paid at the rate of 0-2-0 (O.S. currency*) per point. Same rate applies to the operatives.	34.61	
10	Satara	Rs. 40-3-70-4-82.	91.66 per cent of the Sholapur rates	55.30	
11	Kanpur	Rs. 40/- for non-matriculates. Rs. 55/- for matriculates.	Where cost of living index No. ranges between 100 to 125 points D.A. is Nil Between 126 to 200 points D.A. is 3.0 As. Between 201 & 300 points D.A. is 2.8 As. Between 301 & 400 points D.A. is 2.7 As. Between 401 & 500 points D.A. is 2.5 As. Between 501 & 600 points D.A. is 2.3 As. Between 601 & 700 points D.A. is 2.0 As. (Computation is the same for operatives).	57.91	
12	Rest of U. P. (Ujhani)	Rs. 97.52 Block wage that includes dearness allowance.			

*I.G. Rs.100 = O.S. Rs. 116-10-8.

13	Delhi	Rs. 55-5-90-6-120-EB-8-160-10-210-EB-12-270-EB-15-285-15-300.	Upto the basic pay of Rs. 150 Over 151 to 250 Over Rs. 250	Rs. 58 Rs. 65 Rs. 80	58/-	Particulars of D.A. relate to Birla Mills only.
14	Punjab	From Rs. 50-5-90-6-120-EB-8-160-EB-10-210 to Rs. 65-5-90-6-150-EB-7½-210.	The D.A. varies from Rs. 25/- to Rs. 45/-		25/-	
15	Rajasthan	(1) Rs. 48-3-66-4-86-EB-5-106 (2) Rs. 51-3-99.	Rs. 30/- (fixed amount). In one mill in Bhilwara D.A. is fixed at Rs. 32/-.		30/-	
16	Calcutta	Rs. 60-2-80-EB-3-110-EB-4-130 (Non-matriculいたes). Rs. 70-4-100-EB-6-170-EB-8-210 (Matriculいたes).	Rs. 35/- (fixed)		35/-	
17	Orissa	Rs. 70-5-90-6-120-10-200.	Upto the basic pay of Rs. 200, D.A. is 25 per cent of the pay.		17-50	
18	Madras	Rs. 50-1½-53 (Grade VI clerk.) Rs. 56-3-65 (Grade V clerk.) Rs. 69-4-85 (Grade IV clerk.)	Three annas per point in the cost of living index over 100 points for Madras City.		55-84	Grade IV clerks are in majority The particulars relate to the B. & C. Mills alone.
19	Coimbatore	Rs. 25-1-40 (Grade VII clerk.) Rs. 30-1-40-2-50 (Grade VI clerk.) Rs. 40-2-50-3-80 (Grade-V clerk.) Rs. 50-3-80-4-100 (Grade IV clerk.)	(i) Grade VI and VII —0-3-0 per point over 100 points in the cost of living index for Madras city. Computation is the same as for the operatives. (ii) Grade V and IV—Rs. 4-8-0 per 10 points over 160 points in the cost of living for Madras City. In some mills, it is Rs. 3/8/- per 10 points.		55-84 121-50	Pay scales differ widely in this to region. Majority of clerks are in Grade IV & V.
20	Rest of Madras (Madurai & adjoining centres).	Rs. 40-3-67 Grade C Clerk. Rs. 55-4-87 Grade B Clerk. Rs. 70-5-110 Grade A Clerk.	(i) 0-3-0 per point over 100 in the cost of living for Madras City.		55-84	In certain other centres of Madras, the pay of clerks ranges from Rs. 30 to 50.



1	2	3	4	5	6
			<p>(ii) 0-2-6 per point over 100 in the cost of living for Madras City.</p> <p>(iii) Rs. 3-8-0 per 10 points over 160 in the cost of living for Madras city.</p> <p>(iv) Rs. 4-0-0 per 10 points over 160 in the cost of living for Madras City.</p> <p>(v) Rs. 4-8-0 per 10 points over 160 in the cost of living for Madras City.</p>	and the rate of D.A. is also less in a few cases.	
21	Pondicherry	Rs. 56/- category A clerks. Rs. 47/- category B clerks. Rs. 40/- category C clerks.	0-3-0 per point over 100 points in the cost of living index for Madras city.	55-84	Majority of clerks are in category A. No ceiling for grade, although the annual increment of Rs. 5/- for A Grade, Rs. 3/- for B grade and Rs. 2/- for C grade is allowed.
22	Kerala	From Rs. 17-06 to 50/-	 <p>(i) Rs. 2/- per 10 points over 160 for Madras City.</p> <p>(ii) Rs. 3-14-0</p> <p>(iii) Rs. 3-8-0</p> <p>(iv) Rs. 4-8-0</p> <p>(v) Fixed rates ranging from Rs. 30 to Rs. 67-50.</p>	30/-	
23	Bangalore	(1) Rs. 40-4-60-5-100-EB-6-130 (Junior clerks) (2) Rs. 50-4-70-5-100 (Junior clerks.)	0-1875 per point (0-3-0) over 100 points of the cost of living index for Bangalore city.	55-18	Basic pay in Mysore is only Rs. 38/- and Rs. 55/- in Gulbarga and the minimum D.A. in Gulbarga is Rs. 32-50.
24	Andhra Pradesh]	From Rs. 20/- to 51-8-0.	<p>(i) 0-3-0 per point over 100 points in the cost of living for Madras City.</p> <p>(ii) 0-2-6 Ditto.</p> <p>(iii) 0-2-0 (O.S. currency) per 164 for Warangal.</p>	55-84 (36 in Warangal).	

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