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National Commission on Labour

Replies to the Questionnaire received  
from The Indian Sugar Mills Association,  
Calcutta.

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<u>Sl.No.</u>	<u>Q.No.</u>	<u>Points for Elucidation</u>
1.	29	Do you suggest that the attitude of the trade unions is getting more rigid on this question of workload even if the managements are prepared to honour the agreement arrived at the 15th Indian Labour Conference in respect of rehabilitation?
2.	50	Would you consider ex-employees and dedicated whole time workers also as outsiders?
3.	51	Has trade union movement reached a stage where workers can manage the unions efficiently?
4.	61	Could you suggest measures to streamline the verification procedure and make it above board?
5.	62	Don't you feel that if minority unions do not have any locus standi, the effective check that they exercise on the bargaining agent becoming irresponsible will be eliminated?
6.	71	Should there be any further step provided in the legislation beyond collective bargaining or parties may be left to try their strength?

<u>Sl.No.</u>	<u>Q.No.</u>	<u>Points for Elucidation</u>
7.	132	Sugar industry is one of the well established industries in the country now. So if a comparison has to be made should it not be with other industries like textile etc, rather than with Agriculture?
8.	137	What modifications will these recommendations require?
9.	148	Many of the fringe benefits may be such as can be provided on a group-wise basis. Is it, therefore, possible to do away with them altogether?

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INDIAN SUGAR MILLS ASSOCIATION

India Exchange,  
Calcutta-1.

21st December, 1967

VP/

Shri B. N. Datar,  
Member-Secretary,  
National Commission on Labour,  
D.27 South Extension II,  
New Delhi. 16

Dear Sir:

The Committee of the Indian Sugar Mills Association are thankful to the National Commission on Labour for inviting their views on the various questions covered by the Questionnaire issued by them eliciting detailed information on the various aspects of their terms of reference relating to labour problems.

At the outset, the Committee would like to make certain brief observations about the peculiar problems of the sugar industry with which the Association is mainly concerned. As is well-known, the Sugar Industry is the second largest in the country next only in importance to the cotton textile industry. The economic well being of millions of cane growers, especially in the States of U.P. and Bihar, which produce nearly 50% of the total sugar production and for whom sugarcane is the main cash crop is linked up with that of the industry. The industry gives employment to over 2 lakh persons including a large number of technicians and highly skilled workers and the total wage bill including other benefits amounts to an average of Rs. 34 crores per year. The most striking feature of the Industry is its close association with the cane growers in its area and there are few industries based on agriculture, where the contact between the Industry and Agriculture is so intimate, so close and so direct as in Sugar.

Being an agro-based industry, sugar production and the economical working of the mills depend mainly on availability of adequate and timely

supplies of good quality of sugarcane. Like other agricultural commodities, sugarcane production is also subject to natural vagaries of weather as also on the prices of other competing food crops and the cane price fixed by the Government. Moreover, out of total sugarcane produced in the vicinity of a factory actual supplies depend upon the price of gur and khandsari. The sugarcane crop in Northern India mainly depends upon timely rainfall and therefore, liable to wide fluctuation in sugarcane production from year to year depending upon the timely rains. In the circumstances the area under sugarcane and its production has been fluctuating from year to year ~~thus~~ thus rendering the working of the Industry unstable which in turn had adversely affected its profitability. This will be clear from the figures of the actual production of sugar during the last few years which are given below :-

Year	(Figures in lakh tonnes) (Nov - Oct)
1960-61	30-28
1961-62	27-30
1962-63	21-35
1963-64	25-62
1964-65	32-32
1965-66	35-32
1966-67	22-00 (approximate)

Special Features of the Sugar Industry:

The sugar industry has got certain peculiar features as compared to other industries which deserve careful consideration. The main raw material of the industry, namely, sugarcane is a perishable commodity which has to be crushed as soon as it is harvested. The same cannot be stored as in the case of other industries, such as, cotton, jute, etc. The seasonal nature of the industry makes it necessary that the entire production of sugar has to be achieved during the season which is confined to a specified period in the year. Any loss in production during the crushing season cannot be made good later on. The industry is a highly regulated one right from the purchase of cane upto the delivery of sugar. The minimum cane price payable by the factories in respect of cane supplied to them is notified by the

Government of India every year, and sugar prices have to conform more or less with that. Through the mechanism of monthly quota releases, the Government regulate the sugar prices even during the period of decontrol. As observed by Shri A. P. Jain, the then Union Minister for Food & Agriculture in the Lok Sabha on the 12th September, 1957, "of all the industries in the country, the sugar industry is the most controlled industry, right from the beginning, from the purchase of the sugarcane down to the sale of sugar".

The above statement was made by Shri A. P. Jain, at a time when sugar was under decontrol. It may be stated here that whenever there was a slight increase in the price of sugar, Government had not hesitated to impose statutory control on sugar; thus the sugar prices have remained rigidly controlled by the Government. In fact the policy of price fixation by the Government has been such that a large number of factories had not been able to realise a fair return on the capital employed and some of them have even been incurring losses. Although in the Tariff Commission on Sugar in their report/1959 had recommended for a return of 12% on capital employed which was accepted by the Government of India and the Sen Commission had also endorsed the above view subsequently, in actual practice due to adoption of control measures explained above, the return available to the industry has been much lower. This will be clear from the figures of the Reserve Bank Study on Finances of Joint Stock Companies, published in their Bulletins from time to time.

The fact that the Sugar Industry had a very low profitability has also been endorsed by the Gundu Rao Committee, which went into the question of rehabilitation and modernisation of sugar factories in India (analysing the working of 158 sugar factories) in the course of its Report submitted to the Government of India in 1965. Due to the above, most of the mills did not have the required internal resources for the purpose of carrying out rehabilitation and modernisation of their worn out plants.

The low profitability of the sugar industry is further evidenced by the fact that the sugar shares have shown a steep decline. This will be clear from the Financial Express Sensitive Index Number for Equities (Revised Series) Base 1959 - 100.

<u>Item</u>	<u>9th Nov. '66</u>
Chemicals	146.70
Cotton Textiles	99.50
Other Textiles	190.18
Mining and Metal	140.62
Engineering	126.89
Dyes and Chemicals	100.57
Cement	106.88
Paper	74.63
Electrical	99.88
Iron and Steel	130.00
Sugar	50.92

In recent years, due to poor quality of sugarcane and consequently very low sugar recovery and also fluctuating cane supplies as a result of wide variation in gur and khandsari prices, sugar factories in the North especially in the regions of Punjab, Meerut, Muzaffarnagar and Bulandshahr districts of West U.P. and M.P. and Rajasthan have also been very adversely affected with the result that their profits have generally been far below what the Tariff Commission and the Sen Commission considered as reasonable.

While these factories have not been able to make reasonable profits and some have been incurring losses, the State Governments are not permitting them to shift to better sites for having economical working. As a result these mills have no other alternative but to continue working in the existing site inspite of the same being uneconomical.

In the current year, the Central Government have announced a scheme of partial decontrol under which 40 per cent of the total production of sugar will be allowed to be sold in the free market. Obviously, this has been done as an alternative to controlling the prices of gur and khandsari. It is well known that out of the total sugarcane grown in the country, only about 1/3rd is available to the

sugar factories and the rest goes to gur and khandsari. Any attempt to control sugar without controlling the other sweetening agents, results in distorting the economy of the sugar industry very substantially. It is yet to be seen whether this halfhearted step of partial decontrol will succeed in increasing the sugar production because comparatively, the jaggery prices continue to rule high. The Association is of the view that unless the Government is prepared to control gur and khandsari more or less to the same extent as has been done in the case of sugar or effect complete decontrol of sugar, the health of the sugar industry cannot be restored.

The foregoing will give an idea to the National Commission as to the special problems facing the sugar industry at present which will enable them to have proper appreciation of the views which are being expressed by the Committee to the various questions in the questionnaire, given in the enclosure and the Committee earnestly hope that these will receive careful and sympathetic consideration of the Commission.

I am also sending enclosed for your information 5 copies of the Memorandum submitted by the Association to the Second Central Wage Board for Sugar Industry detailing the Committee's views on the various labour problems facing the sugar industry at present.

Yours faithfully,

Sd/-

(J.S.Mehta.)  
Secretary

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INDIAN SUGAR MILLS ASSOCIATION, CALCUTTA

REPLIES TO THE QUESTIONNAIRE  
ISSUED BY THE  
NATIONAL COMMISSION ON LABOUR  
NEW DELHI.

RECRUITMENT:

Q. 1 Name and address of the respondent:  
(Person/undertaking/organisation/state)

Ans. The Indian Sugar Mills Association, 10  
India Exchange, Calcutta-1.

is the only All India Organisation comprising within its membership almost all the joint stock sugar factories within the country and a few <sup>co-operative</sup> units. Out of 199 sugar factories which worked in the season 1966-67, 154 sugar factories are members of the Association.

Q.1 (a) How is labour recruited at present in industrial establishments? Is recruitment effected through (i) jobbers, (ii) contractors, (iii) advertisements, (iv) introduction by existing employees, (v) employment exchanges or (vi) any other method.

Ans. The sugar industry is a seasonal one and a majority of the workers in the various categories are employed only during the season time. The method of recruitment followed by the sugar factories is through introduction by the existing employees, advertisements and through employment exchanges.

Q.1 (b) How far are the present recruitment arrangements satisfactory for different types of employees and different levels of skill?

Ans. The present arrangement for recruitment of different types of employees and different levels of skill is generally satisfactory except that in the case of some skilled posts for which suitable candidates are generally not available even through employment exchanges such as those of qualified boiler attendants, electricians, Head fitters, qualified nurses, experienced mill engineers, panman, pattern makers etc. due to general shortage of these categories of workers.



Q. 2 In what categories of employment is labour in short supply? What steps should be taken to minimise the effects of such shortages?

Ans. The Categories of workers who are in short supply have been indicated in answer to question number (b) above. In order to minimise the effects of such shortages it is suggested that in addition to the apprenticeship training programme envisaged under the Apprentice Act 1961, top priority should be given to the training of craftsmen in skilled and highly skilled jobs. This is very essential in view of the increasing requirement of such staff for the large number of new sugar factories that are now being put up for achievement of production targets laid down in the Fourth Five Year Plan for meeting the increasing internal demand as also to cater to our export markets.

Q. 3. Does lack of mobility affect supplies in different categories of labour? If so, what remedial measures would you suggest?

Ans. Lack of mobility often affects the supplies in different categories of workers specially those in higher categories where suitable and qualified hands are not generally available locally. It is suggested that the situation should be met by expansion of training facilities both in plant training and through the industrial training institutes for the above categories of employees.

Q. 4. To what extent is industrial labour migratory in character? What problems does such labour pose in recruitment and retention?

Ans. Generally, industrial labour and specially those employed in sugar industry is not migratory in character to any significant extent. Most of the unskilled workers employed by sugar factories are drawn from local rural areas with strong local ties.

Q. 5. How do the existing statutory provisions in regard to employment of women affect recruitment of women labour? Consistent with international conventions on conditions of work for women, what modifications would be necessary in the existing provisions for promoting employment of women?

Ans. Sugar factories do not generally employ women workers except as nurse or one or two women as sweeperesses.

Q. 6. What are the advantages and disadvantages of recruitment of casual labour? If employment of casual labour is a disadvantage, what steps should be taken to decasualise such labour?

Ans. A certain amount of recruitment of casual labour is necessary in the case of sugar industry to do certain jobs which have to be undertaken and which are outside the normal working of the factory. It is common knowledge, that for attending to certain situation when emergency work has to be attended to, this could only be done through employment of casual labour. We are therefore against elimination of casual labour.

Q. 7. In view of the present unemployment situation, what place should be given to the absorption of 'physically handicapped' in recruitment policy? Should there be a statutory provision for reserving a portion of the vacancies to physically handicapped persons?

Ans. There is not much scope for employment of physically handicapped persons in the sugar industry. - We are against any compulsion on the sugar factories to reserve a portion of the vacancies for physically handicapped persons and suggest that the employment of such persons should be left to the discretion of the employers who will no doubt consider the matter sympathetically having regard to the nature of work and the suitability of the persons concerned for carrying out such work. It is further felt that Government should also undertake development programmes for rehabilitation of physically handicapped persons and explore possibilities of their gainful employment in agriculture, trade and commerce and cottage and small scale industries.

Q. 8. In establishments within your knowledge, is there any discrimination in the matter of recruitment on grounds of caste, community, religion, language, etc.? Under what circumstances is such discrimination justified?

Ans. There is no discrimination in the matter of recruitment in sugar industry on grounds of caste, community, religion, language, etc.

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INDUCTION

Q. 9.

Are the existing programmes for 'on-the-job' training of workers adequate? What are the directions in which improvement should be sought?

Ans.

Under the Apprenticeship Act which regulates the training of apprentices, for some skilled jobs, there is a fixed ratio as to the number of apprentices which are to be trained. It is found that in certain cases, the ratio is much higher causing unnecessary financial burden on the industry. It is felt that the number of trainees should be fixed after looking into the requirements, paying capacity of the industry and possibility of the absorption in other industries so that the training facilities afforded are put to the best possible use.

Q.10.

What steps should be taken to encourage an employee to avail of the facilities outside the place of work for improving his skill. Is there any system of granting study leave to the employees in your establishment? If yes, please give details.

Ans.

Whenever technical institutions such as the Industrial Training Institute are available near the establishments evening or part time courses should be offered by such institutions so that the workers in such establishments may avail of the facility and improve their skill. Sugar factories are giving study leave to their employees in deserving cases.

Q.11(a)

What should be the outline of a rational promotion policy? What place would you assign in this policy to seniority, merit and trade test?

Ans.

We feel that while merit alone should be the main criterion for promotion, seniority should continue to be given due consideration, when all other factors are equal. We would, however, like to recall here the following view of the Supreme Court expressed in the case of M/s. Brooke Bond (India) Private Ltd., and their workers:

"There can be no doubt that a decision as to promotion of an industrial employee is the primary function of the management and it must be left to the discretion of the management to select persons for promotion."

Q.11(b). Should recruitment to positions at higher levels <sup>be</sup> made from among the existing employees only? If so, upto what level?

Ans. Wherever suitable employees are available, recruitment to higher positions may be from the existing employees upto the supervisory level as far as possible. It will be appreciated that the level to which an employee can be promoted would depend on the requirements of a particular job and the merits and the seniority of the employee who can be considered for promotion in order to ensure a realistic approach to the problem. But recruitment from outside should be permitted if it is felt that a vacancy cannot be filled from within or when the management strongly feels it necessary to infuse new blood. For appointments in the Senior Management positions also, it may be necessary to recruit persons from outside so that the efficiency of the organisation might not suffer.

## II. CONDITIONS OF WORK

### Working conditions

Q.12(a) Conditions of work in factories, mines and plantations, etc. are presently regulated by the Factories Act, 1948, the Plantations Labour Act, 1951 and the Mines Act, 1952 etc. The main provisions of such acts inter alia relate to (i) safety and welfare, (ii) hours of work, rest interval, weekly off etc., (iii) employment of young persons and women, (iv) overtime payment. What changes are necessary in these provisions? How should the implementation of these acts be improved? (See also Q.19).

(b). What other steps are needed to ensure proper working conditions?

Ans. The provisions regarding conditions of work as laid down under the Factories Act are quite comprehensive and need no modifications. These are generally observed by the sugar factories. It is however felt that in the enforcement of its provisions, bureaucratic approach and victimising attitude should be avoided as far as possible. The main objective should be to ensure implementation of the various provisions and improvement of working conditions. For this purpose, it would be quite helpful if the factory directorate could set up a separate wing for giving necessary advice and guidance to those sugar factories who

may be in need of the same including the new units. The law providing for prosecution of the occupier should be amended because it has been noticed that very often the occupiers are hauled up in courts on minor technical grounds. It is obvious that an occupier sitting at the head office is not in control of the day-to-day working of the factories. Hence instead of the word "occupier" the words "factory manager" should be substituted for the purpose of the implementation of the provisions of the Factories Act and Rules.

Q.13. In the matter of national and festival holidays, what is the extent of differences in the total number of holidays from region to region? Is this difference justified? If not, is it possible to bring about uniformity in the total number of holidays in different regions?

Ans. There is considerable difference in the number of annual festival holidays that are allowed in different regions so far as the sugar industry is concerned. It varies from 8 days to 17 days in the various States. As against this, the Engineering Industry in Calcutta is giving 10 festival holidays while the Jute Industry is allowing 9 days. The increased number of festival holidays in sugar industry apart from adversely affecting production add considerably to the wage costs which are reflected in the cost of the finished product. It is therefore suggested that the number of festival holidays for all the regions should be standardised at a uniform figure of 8 days per year including National holidays. This is particularly necessary as there are too many public holidays in India compared to many other countries besides which adhoc holidays are often declared by the Government for reasons such as birth centenaries of important personalities, deaths of dignitor-ies, other important occasions etc.

Q.14. What changes are necessary in the existing arrangements for regulating conditions of work in employments other than in factories, mines and plantations ?

Ans. This question does not concern the sugar industry.

Q.15. What, in your knowledge, is the extent of prevalence of employment of child labour? In what industries/activities is employment of child labour relatively high? Are you satisfied with the existing statutory provisions about employment of child labour and their implementation?

Ans. No child labour is employed by sugar factories.

Q.16. How have the existing arrangements regarding regulation of conditions of work of contract labour and labour employed by contractors worked? In what directions are improvements necessary? (See also Q.209).

Ans. As far as we are aware, existing arrangement regarding contract labour and labour employed by contractors, is quite satisfactory and does not need any change. Normally contract labour is engaged on work of intermittant nature and for different construction and expansion jobs which are all of a temporary nature. Where abolition of contract labour is not feasible, it is felt that the same may be suitably regulated. We hope that these objectives will be achieved with the passage of contract labour (Abolition and Regulation) Bill which is pending before the Parliament. We recommend that where the Industry and the labour arrive at an agreement as to the types of jobs where contract labour would continue to be employed the same should not be disturbed. In this connection, a copy of the notification issued by the Government of U.P. showing the jobs which are ~~permitted to be done by contract labour according to the decision~~ of the Standing Tripartite Committee on the Sugar Industry is enclosed.

Q.17. What are the statutory benefits/provisions, in the implementation of which trade unions and employers' organisations can jointly play a useful role? How should such arrangements be made effective at the plant level? Should there be any standing arrangements for this purpose?

A joint advisory committee at the plant level can be formed to sort out matters in which the trade union concerned and the factory can jointly play a useful role.

Q.18. Is the existing rate of accidents high in establishments within your knowledge? What have been the main causes of such accidents?

Ans. Generally, the rate of accidents in sugar factories has not been high and the same have been few and of minor nature. Even

these have been mostly due to the failure of the workers to utilise preventive measures available or due to their negligence in observing the rules and regulations and elementary precautions. These could be eliminated through the carrying out of effective propoganda in this regard as also by the factory inspectorate organising safety training in industries through the factory engineers.

Q.19. What steps should be taken to establish training programmes with special emphasis on safety for the benefit of new entrants to industrial establishments? Are any refresher courses necessary for those who are already in employment?

Ans. The Chief Inspector of Factories should have a separate wing for safety publicity and the officers concerned should pay frequent visits to different industrial centres to make the workers safety conscious through audio visual aids, distribution of literature, display of posters and lectures etc. Besides, suitable training programmes with special emphasis on safety should be established for the benefit of new entrants into industries particularly those whose operations involve greater hazards. Further, refresher courses will be necessary for those already in employment. The details of the courses to be organised for the purpose should be worked out by the National Safety Council set up for propogating safety consciousness amongst the management and labour, encouraging research on safety problems and disseminating information.

Q.20. Safety standards in some industries have been evolved by bipartite agreements - How have these agreements worked in practice? How can this bipartite approach be extended to other industries? How should the agreed arrangements be made effective at the plant level?

Ans. In U.P. the Chief Inspector of Factories had discussed with the representatives of some of the sugar factories regarding safety standards. The matter should be left for bipartite settlement at the industry level in each State so that agreed arrangements may be arrived at as it would promote safety without putting undue financial burden on the factories.

Q.21. In view of the anticipated growth of new industries like machine building, chemicals, fertilizers, petrochemicals, etc. requiring stricter safety standards, what steps should be taken to arouse safety consciousness among workers and employers ?

Ans. One of the existing engineers in each factory may, in addition to his other duties, be designated to look after the safety measures.

Q.22. Against the background of expanding industry and advancing technology involving a faster tempo of production, how should provisions concerning industrial safety (Appendix I) in the Factories Act, 1948, the Mines Act, 1952 etc. be amended?

Ans. The provisions concerning industrial safety in the Factories Act are rather cumbersome as an attempt has been made to cover all technical details. It is felt that these provisions should be simplified. For this purpose, it is suggested that the factories act should be so amended as to lay down only the general principles relating to industrial safety, industrial health and hygiene and the details should be left to be provided in the rules framed thereunder after the same are worked out by a Technical Committee to be set up for the purpose which should include representatives of the industry and the labour.

- Q.23(a) What are the difficulties experienced in procuring safety equipment for installation in industrial establishments?
- (b) Is the supply of safety equipment to workers for their personal use adequate? Is there any reluctance on the part of workers to use such equipment? If so, what measures would you suggest to overcome this reluctance?

Ans. In the Sugar Industry, there are very few hazardous jobs. The Factories Act provides for supply of safety equipment wherever needed and the same is done by the factories. Sometimes, however, due to oversight, the workers may not use the safety equipment. We do not think that there is any reluctance on the part of the workers to use the said equipment. Negligence in some casual cases can be removed by greater propoganda among the workers.



Q.24. What should be the elements of an 'Industrial Health Service' for introduction in India? How should the introduction of such a service be phased?

Ans. In a seasonal industry such as sugar which works only for about 4 to 5 months in a year, the question of introducing industrial health service does not arise. Even the Employees State Insurance Act has not been made applicable to the seasonal industries.

Q.25. As a corollary to replies to the above, do the provisions for workmen's compensation require to be amended? If so, in what manner?

Ans. As the employer is required to pay compensation for injury sustained by a worker during the course of his work under the Workmen's Compensation Act, it is felt that a suitable provision should be included in the Act providing for some punishment to workers violating safety regulations. Further where an accident has occurred due to negligence of the workmen the employer should not be required to pay any compensation.

III. Trade Unions and Employers Organisations  
Federations of Employers and Workers  
Organisations.

Q.26. What are the factors which have influenced the development and organisational pattern of trade union and employers' organisations since Independence?

Ans. In the sugar industry, so far as employers are concerned, there are two central organisations: One is ourselves, i.e. Indian Sugar Mills Association, and the other is the National Federation of Cooperative Sugar Factories. The local or State organisations of sugar factory employers are affiliated to either of these two organisations. Before independence, the number of cooperative sugar factories in the country were very negligible. During the last 10 years, a large number of cooperatives have come into existence and they have their own separate organisation at the All-India level. Some of the cooperatives, however, continue to be our members.

As regards trade union organisations, majority of trade unions are affiliated to the Indian National Trade Union

Congress while some are affiliated to Hind Mazdoor Sabha. Only a few are affiliated to the All India Trade Union Congress. Political affiliation of such trade union organisation has influenced its development and organisational pattern since independence.

Q.27. What has been the effect of legislative provisions on the growth of trade unions/employers' organisations? (See also Q.58).

Ans. While the legislative provisions have not directly contributed towards the growth of employers organisations, the same have no doubt helped in the increase of trade unions by giving them a legal status. For instance, the Industrial Disputes Act which enables a registered trade union, even though minority one, to raise an industrial dispute, has definitely encouraged the growth of mushroom unions affiliated to different Central trade union organisations. The growth of such mushroom unions affiliated to different Central trade union organisations has led to inter-union rivalry which is having serious adverse repercussions on production and discipline.

Q.28. Do you think that the modus operandi of trade unions/employers' organisations have changed during the last decade? If so, what are the characteristics of this change?

Ans. While the modus operandi of employers organisation has not changed to any material extent during the last decade so as to affect the interests of labour, so far as trade unions are concerned, there has been a definite change in this respect owing to the influence, the political parties are able to wield in their activities. Political parties continuously draw attention of the labour towards their rights or towards creation of new rights for them, but seldom tell them about their responsibilities. The result has been that the per capita productivity of Indian labour continues to be low and consequently, labour cost per unit of material in India is one of the highest in the world.

Q.29. Do you think that the attitude of trade unions and employers' organisations towards (a) each other and (b) Government have undergone any change during the last decade?

Ans. While the employers organisations have become increasingly conscious of the changed times requiring reasonable settlement with the trade union, due to inherent weaknesses in the trade union organisations, every trade union likes to pitch its demand at a high level so as to win the favour of the labour. Since unreasonably high hopes created by some of the trade union organisations cannot be fulfilled, this leads to illegal strikes and sometimes even to violence. Besides that, trade unions expect the employers to carry on large surplus load of labour which in times of prosperity, the employers may be willing to carry but in times of recession resulting in continuous losses, they find it difficult to comply with. Trade unions are getting more rigid in the matter of work-load study and implementation of fair work-load which may be arrived at by any impartial study. This is one of the major changes that has been noticed in the attitude of the trade unions. It has also been noticed that some political parties instigate the trade unions to adopt unconstitutional and violent methods like 'gheraos' etc. instead of taking to normal process of the industrial law. The High Courts in Calcutta and Madras have in their recent judgments unequivocally condemned these methods.

Q. 30.

The traditional role of trade unions/employers' organisations has been to secure protection to advance the interests of their members. In view of the national objectives of establishing a socialist society and achieving planned economic development: (a) What should be the changes in the nature and scope of activities of the trade unions/employers' organisations? (b) What are the changes needed in their organisational pattern and attitudes? (c) What are the fields of activity in which they have an independent role to play? (d) In what others should they function in cooperation (i) between themselves and (ii) jointly with Government? (See also Q.75).

Q. 31.

How have trade unions/employers' organisations helped in the evolution of a better society? How do they represent their views and discuss their affairs with Government and other public authorities and agencies? If so, in what direction? (See also C.124 and 227).

Ans. to

Qs.30 & 31.

In the context of the national objective of establishing a socialist society and achieving planned economic development, the nature and scope of activities of trade unions should be directed towards inculcation of a greater sense of social obligation and realisation of the larger economic interests of the country in their members. The above view has been advocated by a number of trade union and other leaders. In this connection, we cannot do better than quote the following extracts:-

(a) Shri Begaram Tulpule of Hind Mazdoor Sabha while initiating discussion on "social responsibilities of Trade Unions" at a recent meeting of Labour Panel of the Yusuf Maherally Centre at Bombay held in the first week of August, 1966 had explained "that there were two currents of thoughts on this question. One was that in a developing economy like ours, trade unions should emphasise as a priority their social responsibility over their own group interests. The other view was that only by fulfilling their obligations to their own members primarily could trade unions render effective social responsibilities. Mr. Tulpule conceded that Trade Unions faced very serious challenges in Indian condition in the form of physical, social and technological challenges in the economic development process" (Vide Economic Times dated 6.8.1966).

(b) Shri G. Ramanujam, General Secretary, INTUC, in his book "Industrial Relations - A point of view" has stated - "The new role demands that trade unions must realise that labour constitutes only a section of the people who are also as backward as labour, perhaps even more backward and that any demand made by trade unions and any steps taken in furtherance of such demand should not lead to their being accused of being narrow and sectional in their outlook. If trade unions persist in their negative approach, disregarding national interests, they will not be able to have the sympathy of the people for their causes. Such moves will, instead of ensuring progress, end in putting the clock back which will affect labour and trade unions too adversely."

(c) Mr. Harold Wilson, Prime Minister, U.K. had made among others the following observations at the Annual Conference of the Trade Union Congress held at Blackpool, on 6th September 1966:

" The lesson for the industrial society of today is this. Any man or any group of men, any organisation, whether at national or local or factory level, who use industrial power to ensure that eight men have to be employed to do what six can do, are combining to damage the interests of Britain and, indeed, the long-term interests and living standards of the men they seek to protect."

" The policy of this movement, laid down many years, and never more clearly or unitedly than at Scarborough in 1963, is for a planned expansion of incomes, real incomes. This means, can only mean, rising productivity, for where there is no increase in productivity, higher money wages lose their value through the rising prices, and real incomes fail to rise. Increased money wages without increased productivity are a hollow mockery. Worse, they increase industrial costs, exports are priced out of the market, rising home prices mean that British products yield place to imports, and disaster follows."

" In 1965 we paid ourselves increases in money incomes of about £.1,800 million compared with the previous year. About £.1,300

million of this represented increases in wages and salaries. Over the same period, we earned only £600 million by way of increased production. In the 12 months up to July this year, earnings per hour were rising by 9 to 10 per cent, productivity by 3 per cent."

" This could only mean - did only mean - higher prices, which increased industrial export costs and, at the same time, robbed the increased pay packet of its meaning. This is why we had to call a halt." (Vide Official text, British Information Services, British High Commission in India BIS.B.1122).

(d) In the course of his Presidential address delivered at the Third Annual Meeting of the National Federation of Indian Railwaymen held in March 1959, Shri R. Vasavada had stated :

" .....But, today, we have reached a stage in our economy when a rise in our wage alone, however, large it may be, is not likely to help us. The working class has to face this fact. By a mere rise in wage 'money-wages' may rise but not the 'real wages'. To increase the real wages, prices of food, clothing and other necessities of life must be brought down. There is no easy and short way to bring down the prices. The prices can be brought down only by producing more and by securing fairer and more efficient distribution. Unless our countrymen understand this fundamental principle of economy and act upon it, there is no prospect of improving our conditions. I consider it a duty of the organised labour to explain this position to the workers and our countrymen at large....."

(e) At the 20th Session of the Indian Labour Conference held at Delhi on the 9th August 1962, Shri G. L. Nanda, the then Union Minister for Labour had observed that "the recommendations regarding the need based minimum wage with the accompanying qualifications was the most significant step taken in the history of the Indian Labour Conference. It spelled out the basic needs in physical terms bringing the concept of the wage into direct relationship with the total volume of goods and services. On the basis of the evidence produced by organisations of Central Government employees

before the Pay Commission the minimum wage required for reaching the standard recommended by the Indian Labour Conference would come to anywhere between Rs.110/- and Rs.137 on the basis of the prices then prevailing. Taking into account the wage levels as revealed in the wage census, some rough calculations indicate that to reach a minimum corresponding to Rs.100 in 1957-58 bill would have to be increased by about 20 to 25 percent; assuming that one could restrict such increases to categories below the minimum. Taking the upper limit, however, the corresponding percentage works out to 40 to 45 percent. But it was not and could not be the intention of the Conference that the benefit of minimum levels laid down by it was to be confined to a small section, and was not to be extended with suitable adaptations, to agricultural labour and to all others. This would mean a rise in the consumption standards of the whole community which, broadly speaking, might call for an increase in the national output to the extent of about 60 percent over and above what is contemplated in the Third Plan. It is obvious that while the wage structure has to incorporate differentials for skill and other factors it cannot stand and develop in isolation from the level of rewards for efforts in the rest of the economy."

It is strongly felt that the above views aired by prominent labour leaders should be explained by the trade union leaders to the rank and file of workers. Unless this is done, there is little hope of enlarging the base of employment or improving the economy of the country. What is therefore needed primarily is a change in the attitude of the trade unions. Here we would like to quote the observations made by Shri Jai Sukhlal Hathi, Union Minister for Labour and Rehabilitation, while inaugurating the 5th Convention of the National Federation of Petroleum Workers in Baroda on November 11, 1967:

"Mr. Hathi also asked the responsible trade union leadership to learn to think as much in terms of linking earning to productivity as of linking earnings to cost of living."

It should be borne in mind, he said, that the level of the labour's reward could eventually be sustained only at the level of what they put into the industry.

The Labour Minister wanted the workers to remember "a stark fact" that a very large section of working age people in the country was still left without any employment at all. "While making efforts to improve their own level of remuneration, they must spare a thought for those who are waiting on the fringe to find employment of sorts."

These millions of unemployed could be given jobs only when the country had more resources to invest in industry."

(Economic Times, Bombay, 12th November, 1967)

Employers organisations should also devote more time and energy towards development of more efficient management.

It is not that every demand of labour or grievance entails financial burden to the employers. Many grievances could be removed simply by early and efficient handling of labour problems as would give reasonable satisfaction to the labour without causing financial burden on the employers.

Both trade unions and employers organisations have helped in the evolution of a better society. They have been representing their views to the Government and other agencies through personal discussions, submission of representations and memoranda, issue of press notes, passing of resolutions on various topical matters etc. At the All India level there is the Standing Labour Committee. However, something more is needed to formulate correct public opinion. There should be frequent seminars where different points of view may be placed and attempts should be made there to arrive at a consensus. Such consensus may be given wide publicity. Apart from the representatives of labour and employers, representatives of the consumers should also be invited to the seminars so that conclusions arrived at are based on realistic considerations of the economy of the country.



Q.32. How can trade unions/employers' organisations contribute towards maintaining a high level of employment? Or is this solely the concern of Government?

Ans. The creation of employment opportunities is inextricably related to the surpluses generated in the economy for the purposes of investment. As such, our economy can provide employment only at the rate at which it develops. The need of the hour therefore is increased production at reduced costs so that the industry may be in a position to maintain its present and future level of employment and this can be brought about through joint endeavour of workers unions and employers organisations by increasing production and productivity, reducing production costs and improving efficiency. Government on their part should evolve such economic and industrial policies as will contribute to the growth and expansion of industries and their smooth running.

Q.33. Bipartite consultations being one of the effective means of reducing the areas of conflict between employers and their employees, what steps should trade unions/employers organisations take for promoting such consultations?

Ans. For promoting bipartite consultations, regular joint meetings periodically at different levels between employers and employees should take place so as to enable each side to understand and appreciate the view points of the other side as this will considerably reduce the areas of conflict.

Q.34. What are the existing arrangements for communications between the central organisations of employers and workers and their constituents? How should these arrangements be improved?

Ans. While the central organisations of the employers maintain continuous contacts with their constituents through issue of memoranda, circulars, letters, general conference, handouts, brochures, monthly magazines, bulletins, etc. and also through frequent meetings, the central organisations of trade unions, however, do not have that much contact with their constituents with the result that their constituents very often follow a policy which does not conform to the policy adopted by the central organisations. The central organisations being dependent on local leadership of the trade unions affiliated to them generally acquire in wrong and undesirable

activities of their own constituents. Creation of proper public opinion, strong trade union leadership at the central level and instead of having a weak, vague or vacillating policy, adoption of a clear policy, as is considered to be in the interest of the country's economy, can remove these defects.

Q.35. Are there occasions when central organisations of employers and workers refuse to affiliate employing units/unions at the plant level? If so, on what grounds?

Ans. So far as central employers organisation in the sugar industry is concerned there has been no occasion when affiliation to employing units was refused provided they fulfilled the criteria and conditions prescribed in Rules and Regulations for such affiliation.

Q.36. To what extent are the obligations undertaken by the organisations of employers and workers at the national level implemented by their constituents? Are there any effective sanctions for non-compliance with these obligations? How far have they been used in recent years? How could these sanctions be made more effective?

Ans. At the national level, by tri-partite discussions a code of discipline has been evolved. To a large extent, the constituents of the employers organisations have followed the code but the constituents of the central trade union organisations have frequently violated the code. This is because unlike the Employers Organisations, the Central Trade Indian Organisations have little hold over their constituents. The Central Organisations of Trade Unions always fear that unless they support their constituents, the constituent trade unions at the plant level may change its affiliation or its rival trade union organisation may enlarge its influence over that particular union. The introduction of sanction is not likely to yield the desired results. Persuasion by the Central Organisations to observe obligations undertaken at the national level has sometimes improved the situation and the same should be continued.

Q.37. Do difficulties arise in reconciling the actions of the unions/employers at the plant level with national policies evolved jointly by trade unions/employers' organisations? Could you cite instances of such difficulties? How are such difficulties resolved?

Ans. So far as organisations representing the sugar industry are concerned, by and large, no difficulties have so far arisen in reconciling the action of the employers with national policies evolved jointly by employers organisations. The difficulties, if and when they arise, should be resolved by joint consultations or constant pressure from the central employers organisations.

Q.38. What should be the responsibility of all-India organisations of employers and workers towards (i) promoting the interest of their constituents in all matters affecting industrial relations, (ii) implementation of laws, voluntary agreements, etc. (iii) training of management personnel, (iv) providing guidance to constituent units, (v) settling of industrial disputes in constituent units and (vi) improving the efficiency of industry? (See also Q.166). How should they be equipped for discharging these responsibilities?

Ans. While general policy and guidance in regard to matters affecting the industrial relations as also the interpretation of laws, collection of information about facilities for management training, arranging seminars and giving general information and guidance about improving efficiency should be the responsibility of the central employers organisations, implementation of laws and voluntary agreements and settling disputes in constituent units should be the responsibility of the employers at the unit level.

As regards the All India Organisation of Workers, the following things are necessary :-

- (a) They should change the emphasis from mere rights of the workers to the obligations of the workers.
- (b) Instead of permitting purely group interests or making excessive demand to win over the labour, they should have in view larger economic picture of the country before them and temper their demands on that basis. Further, they should continuously advise their constituent organisations to promote productivity.

Trade Unions - Constitution and Finance.

Qs.39 to 48. These relate to trade unions and as such will be replied by them.

Trade Union - Leadership and Multiplicity.

Q.49. What has been the impact of political parties on the pattern of trade union development in India ?

Ans. Political parties in recent years have been playing a dominant role in the organisation and functioning of trade unions.

Q.50. Reference is often made to the influence of outsiders in trade unions. Please define the term 'outsider' and state what the influence of outsiders has been on trade unions.

Ans. The term 'outsider' can be interpreted as under :-

- (i) at the unit level - any non-employee of the unit.
- (ii) at the regional union level - any non-employee of the industry.
- (iii) at the central union level - any non-industrial worker.

The influence of outsiders barring exceptions has had an unhealthy effect on industrial peace and the trend has been towards making political capital rather than the settlement of industrial disputes.

Q.51. How should internal leadership in a union be built up and strengthened ?

Ans. The number of outside elements should be reduced. Trade Union law may be amended to provide that at least the President, the Secretary, and the Joint Secretary of a Trade Union should be from among the workers. However, there should be frequent checking of the register of membership of the Trade Unions. Frequently, bogus membership is created. The law relating to holding of meetings and election of office bearers etc. should be strictly enforced. If this is done, it will give opportunity to genuine trade union leadership to come up.

Q.52. Does the existing legislation encourage multiplicity of trade unions? If so, what are the remedial measures?

Ans. Yes. The provisions of the Trade Union Law under which any 7 workers of an establishment could form a trade union, have led to multiplicity of trade unions. The Industrial Disputes Act also encourages and recognises the un-recognised or minority union to raise Industrial Disputes. Some of the remedial measures to deal with the situation are :

- (a) Industrial Disputes Act should be amended so as to

preclude the minority union from raising industrial disputes, Trade Union Act should be amended to provide for better control of the trade unions, and

(b) Arrangements should be made for recognition of representative union with its rights and obligations properly defined.

Q.53. How far has the Inter-union Code of Conduct (Appendix II) adopted by the four central labour organisations in 1958 been effective in regulating inter-union relations and avoiding inter-union rivalries? How could the Code be made more effective?

Ans. In our opinion, the Inter-Union Code of Conduct is not being observed at all. Unless there is some sort of sanction behind the code, it is not likely to be observed. Action should be initiated for imparting sanction to inter union code.

Trade Union Recognition.

Q.54. What are the advantages and disadvantages of a union registration? Are there any aspects in which the powers of the Registrar of Trade Unions could be altered or enlarged with advantage?

Ans. Once a trade union is registered, it has to conform to certain rules and regulations prescribed under the Trade Unions Act. It is only a registered union which can raise an industrial dispute, negotiate with management and represent the workmen in conciliation and adjudication proceedings. A non-registered union does not have such right and it will indeed be damaging the trade union movement in the country if such rights are conferred on them.

Q.55. Has there been a change in the attitude of employers towards trade unions, particularly in the matter of recognition of unions? If so, what have been the contributory factors?

Ans. Employers do realise that only a strong trade union can assume greater responsibility and deliver the goods and they therefore prefer to deal with a union representing a majority of workers and which proceeds in a constitutional manner in the settlement of disputes.

Q.56. Has the Code of Discipline in Industry (Appendix III) contributed towards securing recognition of trade unions?

Q.57. Do the existing provisions under the Code of Discipline in regard to recognition of unions provide a satisfactory arrangement in this regard? Specifically, are the provisions regarding (i) the procedure for verification, (ii) the procedure for grant and withdrawal of recognition, (iii) the period of recognition and (iv) the rights of the recognised unions (Appendix IV) satisfactory? If not, what improvement would you suggest in them (See also Q.111).

Ans. The code of discipline in the industry has to a certain extent helped the process of recognition of trade unions but the procedure for verification laid down thereunder for determining the representative character of a trade union, is cumbersome and dilatory. Hence in cases where there is a clear cut and gross violation of code, the management should have the right to suspend the recognition of the union concerned pending consideration of the breach reported to the implementation machinery. Government should also provide in the law that going on illegal strikes or creating violence or threat of violence will entail withdrawal of recognition.

Q.58. Would you suggest giving effect to the provisions of the Indian Trade Unions Amendment Act, 1947, in the matter of recognition of unions? Or should provisions similar to the Bombay Industrial Relations Act, 1946 or similar Acts elsewhere in India for recognition of unions (Appendix V) be written into the Indian Trade Unions Act, 1926? Are there any other suggestions in this regard? (See also Q.27)

Ans. For purposes of securing statutory recognition of unions, it is felt that the provisions of the Indian Trade Union Act should be given careful consideration as the employers are opposed in principle to conferment of any rights on unrecognised unions and requiring them to deal with such unions. For this purpose, unions having a majority of members on their membership register as may be duly verified, should be deemed to have representative status.

In this connection, it is felt that the security staff on whose loyalty the protection of the company's property depends and the supervisory staff drawing a salary above Rs.500/- and as

such, are not workmen under the Industrial Disputes Act, should be precluded from joining the trade unions of the workmen. It may be further mentioned here that the sugar industry deals with sugarcane which is a perishable raw material. Any disturbance to industrial peace hits not only the manufacturing industry but also millions of cane growers who cannot transport their cane to long distances and have to get it crushed in the factory located in their vicinity. Industrial disputes which are not infrequently caused by inter union rivalry have to be avoided, particularly in this seasonal industry. Therefore, the necessity for the step mentioned by us above.

Q.59. What are the advantages of industry-wise unions? What will be the difficulties in their recognition? How should the subjects to be dealt with by unions at the plant level and by the industry union be demarcated? (See also Q.86).

Ans. The question of industrywise recognition of unions would raise certain practical difficulties if that union does not have sufficient hold on workers in different units of the industry or if the unions at the unit level feel aggrieved that they have been relegated to the background in preference to industrywise union. The object of recognition can be better achieved through development of cordial relations between the management and workmen at the unit level. But in cases where practice has developed for industrywise negotiations for settlement of terms and conditions of employment, the same should continue. In the circumstances, the recognition of industry-wise unions should be generally discouraged.

Q.60. What are the advantages and disadvantages of naming a union as the sole bargaining agent in an industrial unit.

Ans. The advantage of naming a union as the sole bargaining agent in an industrial unit is that the management can confidently deal with the demands and grievances of the workers and settle them effectively and thus ensure industrial peace. The settlement made by the employers with such unions should not be allowed to be disturbed by minority unions even though they may be recognised or by unrecognised unions.

Q.61. For determining the representative character of a trade union for purposes of grant of recognition, should the method of election by secret ballot be adopted? If so, explain the details of the method and the administrative arrangements necessary for the purpose (See also Q.86).

Ans. Majority of workers in India are not members of any trade union. Election by secret ballot will give right to non-trade union members to take a decision about the recognition of a trade union which would obviously be very wrong and strike at the very root of the whole trade union system. Besides this, at the time of taking secret ballot, extraneous considerations may be raised to sway the minds of the voters and they may be persuaded to take a snap decision. On the other hand, workers who are regular members of the trade unions and who pay their regular membership fees, would have comparatively greater consciousness about their rights and responsibilities. Therefore, for having a stable and proper climate and industrial peace, selection of a representative union by secret ballot at the plant level is not a suitable remedy. Only that union should be treated as representative which has on its membership register, as may be duly verified, the largest number of members.

Q.62. If a union is elected as the sole bargaining agent in an establishment, what should be the rights and responsibilities of other unions in the establishment?

Ans. With the recognition of one union as the sole bargaining agent, other unions, for all purposes, have no 'locus standi' to raise disputes or represent the case of the workers.

Q.63. Considering that categorywise unions, particularly of technicians, are assuming greater importance how should their rights and obligations be defined in relation to (a) the employer and (b) unions of other categories or employees?

Ans. The sugar industry largely came into existence after the tariff protection of 1931. There has been no union of technicians or categorywise unions in the sugar industry. We do not think that it would be in the interest of industrial peace in this industry to encourage categorywise union whether of technicians or otherwise. The wages of technicians are protected by the Wage Board. For that reason also, there has never been any demand for categorywise union.



Q.64. What facilities should an employer extend at the work-place for the activities of unions?

Ans. The facilities to be given to a recognised union at the work-place should be left to be decided mutually between the management and the unions concerned.

Q.65. What has been the attitude of the Government as employer towards trade unions ?

Ans. In the Sugar Industry Government is not an employer. Hence the question does not arise.

#### INDUSTRIAL RELATIONS

Q.66. What should be the criteria for determining the effectiveness or otherwise of Government's industrial relations policy? In terms of these criteria, give your assessment of the working of the policy since Independence, with special reference to the legislative and other agreements for prevention and settlement of industrial disputes.

Q.67. Are the patterns of industrial conflict changing since Independence? In particular, how have the social, economic and political factors affected the intensity of industrial conflict?

Ans. The effectiveness or otherwise of Government's Industrial Relations policy will be determined by the extent to which it has been able to resolve the dilemma in collective bargaining, to resolve the riddle of multiple trade unionism and its ability to resolve labour disputes expeditiously. Judged by the above standards, inspite of enactment of various labour legislations and setting up of an elaborate machinery for prevention and settlement of industrial disputes, since independence, the actual results are not encouraging. This will be clear from the fact that according to the provisional estimates contained in the report of the Union Ministry of Labour and Employment for 1966-67, the loss of mandays on account of strikes and lockouts during 1966 was 10.5 million as against 6.9 million in 1965 and 7.7 million in 1964.

Furthermore, the existing industrial relations machinery has failed to resolve disputes which are often motivated by political considerations or inter-union or intra-union rivalry. However, in the Sugar Industry generally a peaceful atmosphere has prevailed largely on account of responsible trade union leadership at the level of Central Sugar Labour Organisations. If the leadership at the Central level passed into hands which are motivated by political considerations or inter union rivalries or purely theoretical considerations remote from the realities of the Indian conditions, it will not be possible to avoid strife and bitterness.

Q.68. Is it possible to pick out some significant factors in units within your knowledge which in recent years have helped in improving industrial relations at the plant level? Will these factors continue to be of significance in future?

Ans. The factors which have helped to improve the industrial relations at the plant level are :-

- (a) A human approach by employers towards the workers problems.
- (b) Faithful implementation of agreements and awards.
- (c) A proper channel of communication through personal contact, and.
- (d) Informal discussions with the Union representatives for promoting mutual negotiations and settlement.

These factors will continue to be of significance in future also provided there is political stability and atmosphere of violence is not encouraged by any party.

Q.69. What have been the causes of industrial unrest since Independence? Have there been any special circumstances which have contributed to industrial unrest? How could their effect be minimised in future?

Q.70. What has been the impact of inter-union rivalry on industrial relations?

Ans: The impact of inter-union and intra-union rivalries and political leanings of the central trade union organisations has had disastrous results and are largely responsible for labour unrest during recent years. The influence of outsiders on trade unions has aggravated industrial unrest in many cases. Increase in cost of living has also contributed to industrial unrest. The effect of these factors can be minimised in future by (a) evolving a proper procedure for observance of inter-union code of conduct, (b) statutory provision for recognising unions which could act as a sole bargaining agent, (c) amendment of Indian Trade Unions Act to reduce the number of outsiders, (d) rationalisation of wage structure and (e) increasing productivity and thereby the income of the employees.

Q.71. What improvements are necessary in the present arrangements for prevention of industrial disputes? What would be the role of mediation service in the prevention of disputes?

Ans: The present method of referring disputes for conciliation or adjudication encourages the disputes. Quite a large number of disputes can be resolved by direct negotiation but the trade unions know that however unreasonable their demands may be, it will be referred to conciliation machinery if not straightaway for adjudication. Hence, to make the conciliation machinery effective, it should be laid down that before making any complaint to the Government State Labour Department for referring it to conciliation, it should be obligatory on the trade union to mention what effort it has made to represent its grievances to the employers, whether the employers refused the hearing or whether the employers

heard their case and if so, on how many occasions and whether after it was being rejected at the plant level, it was represented by the trade union concerned to the managing agents or the occupier etc. In other words, the Labour Commissioner must be satisfied that the trade union concerned has exhausted the remedies so far as the employer is concerned before he recommends or advises conciliation. Such steps will enable the trade union concerned to be somewhat realistic and there will be greater tendency to settle the matters at the plant level. There is generally a feeling that in order to justify their existence, the Government Labour Departments like to have as many disputes as possible, because the efficiency of the department may be judged by the number of disputes handled by it. If the disputes are less, then the strength of the department may be cut down which may not be liked by the officers concerned.

It has also been frequently noticed that disputes which had taken place many many years ago are allowed to be raised and referred to conciliation or adjudication. There must be a time limit for raising the disputes, that is, the maximum period during which a dispute can be raised after the cause of action <sup>has</sup> taken place, should be specified.

A stage has come in the development of industrial relations in India when removal of compulsory adjudication will have a sobering effect both on the employees as well as employers. With the feeling of compulsory adjudication at the background, there is less tendency among both the parties to come to grips with the real problems. When compulsory adjudication was first introduced it was considered that labour has not acquired <sup>proficiency</sup> ~~properly~~ and hence to protect its interests, there should be compulsory adjudication. That situation no longer exists. The Vice-President of India who has been a veteran labour leader has very often said that compulsory adjudication is enemy number one of the working class

and that sooner it is done away with, the better it will be for the healthy growth of trade unionism. The Association recommends implementation of the above weighty advice of the Vice-President.

It has also been noticed that the Presiding Officers of the Industrial Tribunals have varying notions of social justice. In their zeal to implement their own vague ideas of social justice, they give awards against which the employers have to go to the High Courts and the Supreme Court. In order to reduce the number of appeals, it is necessary that the Presiding Officer of an Industrial Tribunal should be a sitting High Court Judge. That will greatly reduce the disputes and appeals to High Courts and the Supreme Court.

Q.72. What is the role of fact-finding enquiries in improving industrial relations?

Ans: Fact finding enquiries have played an important role in locating the real causes of industrial disputes which have formed the basis of remedial measures. Such enquiries which go a long way in improving industrial relations should be encouraged. The wage boards themselves are in a way fact finding enquiries. The First Wage Board did useful work, but appointment of Second Wage Board after only five years was not necessary. It has created undue hopes in the minds of the workers regarding increasing wages even though the economy of the country and of the industry in particular may not justify increasing wages.

Q.73. How is the state of industrial relations in a unit affected the existence of trade unions? What difference, if any, exists in the climate of industrial relations where the relevant trade union organisations is (a) strong (b) weak, and (c) non-existent?

Ans: On the whole, the existence of responsible trade unions has been helpful to the growth and improvement of industrial relations. What generally matters is not <sup>a</sup>strong or weak trade union but the sense of responsibility and healthy attitude which appreciates the overall objective of the organisation and is divorced from political or extraneous considerations.

There must be very few factories where unions do not exist.

Q.74. What has been the contribution of factors like (a) recognition of union, (see also Q.54 to 65) (b) arrangements for dealing with individual and collective grievances, and (c) strengthening bipartite consultative arrangements in promoting industrial harmony?

Ans: If the union which follows the code of discipline and behaviour in a responsible manner is recognised by the management, it ~~does~~ <sup>help</sup> improving industrial relations. Besides, satisfactory arrangement for dealing with individual and collective grievances and strong bipartite consultative arrangements have also contributed towards promoting industrial harmony in varying degrees.

Q.75. In maintaining and promoting harmonious employer-employee relationship, what should be the respective obligations of (i) Central Organisations of employers and workers, (ii) local management, (iii) local union and (iv) the Government-Central or State? (See also Q.30).

Ans: Working within their respective spheres of activity, all the four agencies, viz. (a) Central Organisations of Employers and Workers, (b) Local Management, (c) Local Union and (d) Government, have to play a constructive role in bringing about ~~not~~ better understanding and promoting harmonious employer-employee relationship.

Q.76. What role have labour/personnel officers played in preventing disputes and maintaining harmonious employer-employee relationship? How far have they been effective? Suggest measures to improve their effectiveness.

Ans: In the sugar industry, statutorily Labour Welfare Officers have been appointed in some of the States like U.P. The experience, however, has been that these Welfare Officers have not contributed anything towards preventing disputes or maintaining harmonious employer-employee relationship. They only serve the purpose of relieving ~~the~~ educated unemployment to some extent and in fact, are an unjustified financial burden on the factories. The Labour Welfare Officers rules prohibit them ~~for~~ dealing with industrial disputes. For dealing with labour disputes and maintaining industrial relations,

the factory management has to deal directly with the labour union. Where the quality of the management is good, it has helped in maintaining proper employer employee relationship.

Q.77. What should be the arrangements for proper communication between workers and management at the plant level?

Ans: With a view to developing harmonious employer-employee relationship, proper channel of communication between workers and management at the plant level is very essential. Apart from joint consultation through works committees/staff commottices, conferences, seminars etc., house magazines and other forms of notices and circulars may be issued by the management from time to time for this purpose.

Q.78. To whom do managements delegate their authority in dealing with employees? To what extent do managements include specialists for dealing with personnel matters.

Ans: The managements generally delegate their authority in dealing with employees to the factory managers, departmental heads and labour/personnel officers who are experts in the field. Outside specialists, as a rule, are not employed for dealing with personnel matters but managements may sometime engage legal experts for advice on any point that may arise during discussion on personnel matters or for conducting proceedings before the tribunals/courts etc.

Qs. 79  
& 80.

To what extent are the standing orders subject to agreement between employees and managements? In how many cases are they drawn up by management alone?

To what extent do the Employment Standing Orders Act, 1946 and the Model Standing Orders formulated under that Act serve the purpose for which the Act was framed.

Under the Industrial Employment (Standing Orders) Act 1946, the employer has to submit draft standing orders proposed by him for adoption in his establishment to the certifying officer who, after inviting comments from the workers or

their union, proceeds to certify the same after hearing both the parties. In several States, particularly in U.P. and Bihar, sugar industry standing orders were adopted according to the agreement between the employers' organisations and the trade union organisations. Even where they are not subject to such agreement, they are certified only after obtaining the view-points of the workers. The model standing orders formulated under the Industrial Employment (Standing Orders) Act serve as a guide for the certifying officer and it is now provided that till the certification of the standing orders, the model standing orders will continue to apply to a particular establishment.

Q.81. What are the disciplinary rules imposed by management? Do the procedure prescribed under the Model Standing Orders in dealing with disciplinary cases require modification, and if so, on what lines?

Disciplinary rules have been framed under the standing orders and all matters governing the conditions of employment are enumerated therein. The procedure prescribed for dealing with disciplinary cases is quite fair and just to workmen and does not require any modification.

Q.82 & 83. Has the model Grievance Procedure (Appendix VI) evolved under the Code of Discipline served its purpose? If not, is there need for statutory provision for the formulation of an effective grievance procedure? What should be the main elements of such a provision? How would it affect existing bipartite arrangements?

What is the attitude of trade unions and employers' organisations to the introduction, either by voluntary agreement or statutorily, of a system of grievance arbitration? Would such a system help in improving labour-management relations?

The model grievance procedure evolved under the code of discipline has not served its purpose because very often the workers precipitate to strike action and other unlawful and subversive activities without utilising the procedure laid down therein for redressing their grievances. However, we would not suggest going beyond the already existing model grievance



procedure as the same would only increase litigation. We are also of the opinion that a system of grievance arbitration is not likely to make much headway or help in improving the labour management relations.

Q.84. What are the existing facilities for training management and trade union personnel in industrial relations? To what extent are they used?

Ans: There are several institutions offering courses in industrial relations such as - All India Management Association, Administrative Staff College of India, National Productivity Council etc. where management personnel receive their training financed by sugar factories. Trade union personnel are also given facilities for training as recommended by State Governments to get themselves trained in the workers' training programme organised by the Government of India. We are of the view that both the management and trade union personnel need intensive training on the subject of increasing productivity for which training facilities should be properly organised and expanded.

Q.85. What is the extent of prevalence of the system of collective bargaining in this country? How far has it succeeded? What has been the effect of legislation on the growth of collective bargaining (See also Q.193).

Ans: Collective bargaining and compulsory adjudication go ill together. In the sugar industry, fortunately, collective bargaining has generally been successful and major issues like bonus, leave, standing orders etc. are settled by collective bargaining rather than by adjudication. In future, inter-union rivalries may impede this healthy development. So far as legislation is concerned, it discourages collective bargaining and encourages litigation.

Q.86. If collective bargaining has to be encouraged at the industry level, how should the representative character of the bargaining agent for workers be determined? (See also Q.59 and 61).

Ans: Please refer to our answer to Question No.61.

Q.87. Do you agree with the statement that (a) collective bargaining has its uses when unions have sufficiently built up their strength and even for strengthening unions and (b) adjudication system provides an arrangement by which satisfaction can be given to parties without open industrial conflict as also for protecting the weaker party?

Ans: The system of collective bargaining can make good progress only when unions have sufficiently built up their strength. Collective bargaining can go a long way in strengthening the unions only when in an establishment there is a single bargaining agent representing all the workers covered by the agreement.

As regards adjudication, as mentioned in our answer to Q.71, we are not in favour of compulsory adjudication. If compulsory adjudication is to be resorted to, it should be limited to the minimum number of cases.

Q.88. What should be the role (a) collective bargaining and (b) adjudication as methods for safeguarding industrial peace in the years to come?

Ans: Collective bargaining should be encouraged to the maximum extent. In matters affecting other establishment or matters which are of general nature, disputes may be resolved by tripartite committees where the employers, labour and the Government may be represented.

As regards adjudication, please see our reply to

Q.87.

Q.89. In disputes arising over a charter of demands, is it feasible to separate areas of difference between the employer and the union into those where collective bargaining could exclusively operate and others which could be left to adjudication?

Yes, it is possible to separate the differences.

Grievances of a general nature which affects other units should be decided only through collective bargaining in which representatives of the industry of the region as well as of labour take part. As regards the local grievances such as

dismissals, discharge etc., collective bargaining should take place at the local level and only in extreme cases, adjudication may be resorted to if it is not found possible to avoid <sup>it</sup> altogether.

Q.90 What should be the limits of collective bargaining under conditions imposed by planned development? (See also Q.193).

Ans: The planned development of the country may not be possible unless productivity also rises. Hence a code should be evolved: thereby employees do not raise demands as may be disproportionate to the rise in productivity.

Joint Consultation:

Q.91. Do trade unions, through collective bargaining and joint consultation, provide an effective form of democracy within the enterprise?

Ans: It has been the general experience of the employers that trade unions have shown apathy towards the establishment of joint consultative bodies. Some union leaders see in these schemes a threat to their status as bargaining agents. They feel that such bodies will usurp the power, prerogative and responsibility of the union. It is, therefore, obvious as explained above, that unless there is voluntary recognition of the unions by employers and the trade unions are free from political influence and exploitation by political parties and there is general improvement in the level of workers' education, trade unions will not be in a position to bring about an effective form of democracy within the enterprise through collective bargaining and joint consultation.

Qs.92 - . The Industrial Disputes Act, 1947, provides for the setting up of works committees "to promote measures for securing and preserving amity and good relations between the employer and the workmen". Have they been functioning satisfactorily wherever they have been set up? If not what factors have militated against their setting up and proper functioning?

Q.93. To meet the criticism that works committees have been languishing for want of definition of their specific functions, an illustrative list of functions (Appendix VII) of works committees was evolved by the Indian Labour Conference. Assuming that there can be a clash of functions between the trade union and works committee, can this list be the basis for demarcation/definition of works committees' functions?

Q.94 Suggest measures for improving the utility of the works committees with particular reference to their composition and functions.

Ans: In U.P. the experiment of works committees in the sugar industry was tried but the same was a failure. The reason for failure was inter-union rivalries. This shows that the works committees can be successful in their limited sphere only when there is one bargaining agent at the plant level. Regarding functions of works committees, we would agree with the conclusions of the Tripartite Committee on Works Committees as adopted at the 17th Session of the Indian Labour Conference as given in Appendix VII.

Q.95. Have joint management councils and emergency production committees been successful in achieving the objective of better industrial relations and increasing production/productivity? Have they created a climate of mutual trust between employers and employees? (See Appendix VIII for functions of Joint Management Councils.)

Ans: The joint management councils and emergency production committees have not made much headway because even in factories where such councils or committees were created, in a majority of cases they have failed to achieve their purpose of creating a climate of mutual trust between the employers and employees. Generally they are used by the trade unions as a forum for presenting various types of demands which the employers can seldom comply with. The question of having joint management councils or emergency production committees should <sup>be</sup> left to the parties concerned and there should be no imposition of the same.

Q.96. What effects do profit-sharing and co-partnership schemes have on relations between management and employees?

Ans: Profit-sharing has been enforced by the Bonus Act. There is no scope for further profit-sharing. Hence the question does not arise.

- Q.97. (a) Is it feasible to introduce a scheme of workers' participation in management by making the workers shareholders?
- (b) If it is considered feasible, what steps should be taken to facilitate the introduction of such a scheme?
- (c) Does such shareholding give adequate voice to workers in running of the establishment?
- (d) Are there any other methods by which workers can participate in management?

Ans: It is not feasible to introduce a scheme of workers' participation in management by making the workers shareholders as it will not encourage a sense of participation in the organisation among the workers. The actual state of industrial relations as obtaining to-day does not permit the introduction of a scheme of workers' participation in management. Even a suitable scheme for joint consultation of the advanced type does not exist in many industrial units. On the one hand, industrial unrest has become a salient feature of the economy since the past several years as would be evidenced from the growing number of labour disputes and the man-days lost due to strikes and lock-outs. Prevalence of inter-union and intra-union rivalries, as stated earlier, has very often hindered even the selection of workers representatives on the joint consultative bodies due to rival claims put forth by different unions. The Association, therefore, is of the considered opinion that introduction of any scheme of workers' participation in management would have to be shelved for years to come. For the present, increasing reliance will have to be placed on

collective bargaining and establishment of joint management councils as <sup>an</sup> alternative method by which workers can participate in management in a consultative capacity.

Conciliation:

Q.98. To what extent has the conciliation machinery given satisfaction to the parties to a dispute?

Ans: The conciliation machinery even though it may not give full satisfaction to both the parties concerned in the dispute, is essential. Without this machinery, the labour disputes will further increase. However, before resorting to conciliation, the trade unions must exhaust negotiations with the employers as mentioned in our reply to Q.71.

Q.99. Statistics of settlement of industrial disputes show that conciliation machinery has played a pivotal role in maintaining industrial peace. At the same time, many major disputes may not be amenable to settlement through conciliation machinery. Do you agree with this assessment of the functioning and utility of the machinery?

Ans: We do not subscribe to the view that major disputes are not amenable to conciliation. If both the parties to the dispute adopt a reasonable attitude then the conciliation machinery can be successful even in major disputes. Unfortunately due to inter-union rivalries, trade unions frequently make unjust and fantastic demands even though they know that such demands are not realistic.

Q.100. What changes in the organisation and staffing of the machinery and powers of conciliation officers would you advocate? Please indicate the specific changes/improvements which will make for a more expeditious and effective disposal of conciliation work?

Ans: Having regard to the growing volume of disputes that are required to be handled by the conciliation machinery, the number of conciliation officers will have to be increased in many states. It has also been noticed that handling of disputes by junior and inexperienced officers often create a deadlock between the parties and the disputes instead of being

resolved in initial stages are likely to be prolonged indefinitely which further embitter relationship between employers and employees and renders settlement of disputes almost impossible. It is, therefore, suggested that conciliation officers should have practical training in industrial relations and also the technical experience of the industry as well as in the working of trade unions before they are deputed for handling industrial disputes in conciliation. It would also improve matters and help in bringing about a more expeditious and effective disposal of conciliation work if there is proper division of labour among the conciliation officers. It is felt that important disputes involving strikes or lockouts, work stoppages and go-slow, wages and grades, bonus, retrenchment, discharge and dismissals should be handled by a senior officer of the rank of Dy. Labour Commissioner while other matters relating to other minor disputes should be dealt with by junior officers of the rank of Asstt. Labour Commissioners and Labour Officers. Further, proper screening of disputes will curtail a lot of unnecessary work and time and energy involved. The procedure to be conducted for this purpose would be that after a dispute has been referred to the conciliation machinery by either party, the conciliation officer concerned should hold a preliminary hearing and after hearing both parties, he should be able to decide whether the dispute is at all fit to be entertained in conciliation. Such a procedure is actually followed by the Government of Maharashtra and there is no reason why other State Governments should also not adopt it as it would save a lot of time and harassment to the parties. Further, in most cases, particularly where there is no recognised union, it will be desirable to meet the parties separately before meeting them at a joint conference so that conciliation officer freely and frankly

can talk to the parties concerned and persuade them to arrive at an amicable settlement.

Q.101. Should conciliators be named arbitrators in disputes handled by their colleagues?

Ans: It will be wrong in principle if the conciliators are allowed to act as arbitrators even in disputes handled by their colleagues because by the very nature of duties performed by them, they cannot instil confidence in the parties if they act also as arbitrators. Once they act as arbitrators they will certainly not be in a position to act as effective conciliators. Besides, section 10A of the Industrial Disputes Act already provides for appointment of arbitrators and they have been recognised as separate independent authorities. As such, the question of appointing conciliation officers as arbitrators should not arise at all.

#### Adjudication.

Q.102. What are the criteria for assessing the suitability or otherwise of the present system of adjudication? Do you think the system has played an important role in maintaining industrial peace? Should the system be retained?

Ans: While in the initial stages, the system of adjudication helped in maintaining industrial peace and enabled creation of case laws by the Supreme Court and the High Courts, now it has become a dead-weight on the growth of healthy relations between the industry and the labour since the trade unions know howsoever fantastic and unreasonable their demands may be, they will be referred to adjudication. They generally refuse to adopt reasonable or realistic attitude. If it is made known to them that adjudication will not be available except in extreme cases, there will be greater tendency towards adopting reasonable attitudes.

Q.103. In case adjudication machinery is to be retained, what powers should it have in industrial disputes relating to discharge and dismissals?

Ans: The recent amendment of the Industrial Disputes Act



empowering adjudication machinery to go into the merits of discharge and dismissals even where a fair enquiry has been held, is likely to lead to greater indiscipline and increase in labour disputes. It should be provided in the Industrial Disputes Act that wherever action has been taken under the Standing Orders, the court should have no power to go beyond the same. Further even when a worker has been found to be wrongfully dismissed by an employer if his reinstatement is likely to further strain the relationship between the employer and the employee concerned, then he should be paid compensation instead of being reinstated. There should be a provision in the law to this effect.

Q.104. Are the existing arrangements for reference of disputes to adjudication satisfactory? If not, how can the arrangements be improved?

Ans: The existing arrangements for reference of disputes for adjudication are far from satisfactory. The present practice of referring almost all the disputes to adjudication without proper screening only proliferates industrial disputes. It is suggested that model principles for reference of disputes to adjudication as evolved at the Indian Labour Conference should be strictly adhered to before the disputes are referred for adjudication. Besides this, before a dispute is referred for adjudication, the parties should have a further opportunity of expressing their views before a senior officer of the Labour Department of the appropriate Government so that reference of disputes to adjudication on flimsy grounds may be avoided.

Q.105. Should the authority for appointment of industrial tribunals be vested in the Labour Departments? If not, where should it lie?

Ans: As mentioned by us in our answer to Q.71. only a sitting judge of the High Court should be appointed as the Presiding Officer of the Industrial Tribunal. The Labour Department of the State Government should not have authority for appointing the Judges of the Industrial Tribunals.

Q.106. There is a section of opinion that the existing procedures and practices involving in different stages like conciliation, adjudication, etc. in settlement of disputes take an unduly long time. What measures would you advocate for expeditious settlement of disputes?

Ans: While conciliation and adjudication proceedings may be expedited, it is felt that the different stages laid-down in the Industrial Disputes Act for investigation and settlement of disputes cannot be cut down to any great extent. The remedy lies in increasing the number of industrial tribunals and labour courts where increased load of work justifies the same.

Q.107. Do you think the revival of the Labour Appellate Tribunal would help in the expeditious settlement of disputes?

Ans: Since the disposal of appeals by the Supreme Court generally takes an unduly long time, it is desirable to revive the Labour Appellate Tribunal for purposes of expeditious settlement of disputes.

Q.108. How should the cost of adjudication to the parties be reduced.

Ans: The cost of adjudication goes up if too many adjournments are granted by the tribunals or labour courts. It is suggested that the parties may be allowed to represent their case through legal practitioners. This will introduce some clarity in the proceedings and will lead to less adjournments and thus on the whole will reduce the cost of adjudication.

Q.109. What measures should be taken to ensure full and speedy implementation of tribunal awards and agreements?

For non-implementation of an award or agreement, the various laws already provide for suitable action and hence no further measures are deemed to be necessary.

#### Code of Discipline.

Q.110. Has the Code of Discipline served its purpose?

The All-India Trade Union Congress has publicly disowned the code and the trade unions affiliated to other

central organisations are only giving lip services to the code. Multiplicity of trade unions, inter-union rivalries and non-adherence to the inter-union code of conduct have rendered the code largely ineffective. Employers alone cannot make the code an effective instrument for creating a favourable climate for speedy settlement of disputes.

Q.111. Which provisions, if any, of the Code of Discipline should be given a legal shape? (See also Q.57).

Ans: Having regard to the voluntary character of the code of discipline, none of its provisions can be given a legal shape as the principles embodied therein have to be followed in spirit and not in letter only. Unless the voluntary forces become sufficiently responsive, giving legal shape to any of the provisions of the code would only create difficulties for the parties in arriving at a settlement. However, <sup>99</sup> despite its drawbacks the code has played an important role in bringing about a healthy climate of industrial relations, it is suggested that effective steps should be taken to improve the working of the code and its implementation thereof.

#### Voluntary Arbitration.

Q.112. What is the role of voluntary arbitration in the achievement of good industrial relations? In what way can the Central Organisations of the employers and workers promote voluntary arbitration? Should a provision for voluntary arbitration be incorporated in all collective agreements?

The system of voluntary arbitration has not made any appreciable progress because of the existing system of adjudication under the Industrial Disputes Act. It has often been argued that the system of compulsory adjudication does not replace voluntary arbitration but it just extends and supplements the same but in reality the very provision for compulsory adjudication undermines voluntary efforts of the parties in arriving at an agreement on their own. Besides, the trade unions have been exploiting the provisions regarding

voluntary arbitration by insisting on arbitration whenever it suited them. Often, the trade unions and even Government Officers have overlooked the implication of the term 'voluntary arbitration' which implies willingness on the part of both the parties to submit issues for arbitration. Instances are not wanting where threats have been held out by the trade union leaders in order to coerce the management to agree to submit certain issues to arbitration. The general tactics employed by unions has been that ~~whenever~~ they wanted to raise certain disputes, they got the matter referred to the Labour Commissioner and as soon as the conciliation proceedings were over, they would come out with a suggestion that as per the Code, there should be voluntary arbitration after conciliation. If the management refused to agree to this demand, the conciliation officers would term this refusal as a violation of the Code. In such circumstances, voluntary arbitration would become worse than adjudication.

The Central organisations of employers and workers can promote voluntary arbitration only by advising their members to accept this procedure in suitable cases but the acceptance thereof will depend on the facts and circumstances of each case and the existing relationship between the employers and employees in a particular establishment. It will be desirable, however, to incorporate a provision in collective agreements to the effect that in the event of any difference between the parties over the interpretation of any clause of the said Agreement, the differences may be resolved through voluntary arbitration provided that an arbitrator is acceptable to both the parties.

(s113-114. Please indicate the areas of industrial disputes where voluntary arbitration could be preferred to adjudication.

Are you in favour of setting up standing arbitration boards? If so, indicate (a) their composition, (b) procedure for setting up of such board and (c) subjects to be referred to them.

Ans: Industrial disputes relating to the following are not considered appropriate for reference to voluntary arbitration:

- a) Matters involving heavy financial stakes or in which new rights are likely to be created or in which substantial questions of law are involved;
- b) Cases where workmen have been dismissed or discharged under the Standing Orders; and
- c) cases where either party is guilty of breach of the provisions of the code of discipline or industrial truce resolution.

The Association does not favour the idea of setting up standing arbitration boards inasmuch as such a machinery will be almost similar to the adjudication system. Further the most important principle underlying the system of voluntary arbitration is that the arbitrator or arbitrators should be selected by the parties concerned in a dispute.

Q.115. What professional group provides the best arbitrators. Civil Servants? Lawyers? Academicians? Businessmen? Trade Unionists? Technicians? Others?

It is felt that persons who are appointed as arbitrators should have sufficient experience of the industry, knowledge of labour laws and industrial finance and principles of industrial relations. Civil Servants, lawyers, businessmen and trade unionists who have such experience can be appointed as arbitrators.

Q.116. What should be the arrangements for meeting the expenses of arbitration?

The expenses of arbitration should be equally shared by the parties concerned.

Strikes & Lockouts.

Q.117. Do you consider that the existing restrictions on workers' right to strike and the employers right to declare a lockout need to be modified in any way? If so, please indicate these modifications together with reasons in support of these modifications.

Ans: In case of illegal strikes or go-slow, the penal provisions of the Industrial Disputes Act should be strictly applied. It may be pointed out that under Section 18 of the Indian Trade Unions Act, the Unions enjoy immunity from civil suits in respect of any act in furtherance of trade disputes. As experience has shown, this privilege is very often mis-used by the trade unions as illegal strikes are sponsored and instigated by them for political reasons and not in furtherance of trade disputes as such which cause incalculable damage to the industry and immense hardship to the community as a whole. There, Section 18 of the Indian Trade Unions Act should be suitably amended so that it may not be applicable in cases of illegal strikes or sympathetic strikes or go-slow.

Regarding lockouts, it is suggested that in special circumstances involving problems of law and order, lockouts should be permissible during the pendency of adjudication proceedings or conciliation proceedings in the case of public utility concerns.

Qs.118 & 119. Do union rules provide for a procedure to be gone through before giving a call for strike? If so, to what extent is this procedure observed in practice?

If a strike is called/lockout is declared, is prior notice always given to the other party? In what cases, if any, no such notice is given?

Ans. The trade union rules do not generally provide for a proper procedure to be gone through before giving a call for strike and, as experience shows, even if the rules provide for such a procedure, it is hardly observed in practice. In a majority of cases, strikes are resorted to without prior notice

but a lockout is generally declared in pursuance of a strike or for reasons of safety and security of plant and personnel.

Q.120. In how many cases within your knowledge have workers been able to secure wages for the strike period when the strike is declared legal? Are there cases where strike pay is given when the strike is illegal?

Ans: Wages can be paid only when there is production. Stoppage of work involving loss of production does not justify payment of wages. Merely because a strike is legal, it does not mean that wages should be paid for the strike period.

The Association is not aware of any cases where payment of wages has been made for the period of the strike which was illegal.

Q.122. Are there instances of workers going on strike without sanction of the union?

Ans: There have been many instances of workers going on strike not only without the sanction of the union but also without its knowledge. But when once a strike has been resorted to, the Union concerned fully supports the strike as a matter of policy and mainly for political reasons.

Q.123. In what way in practice do trade unions and managements keep in touch with each other during a strike in order to facilitate a settlement? What is the role of Government machinery in such cases? Should Government intervene in cases where a strike is (i) legal, (ii) illegal?

Ans: During a strike, the trade unions and managements keep in touch with each other only in an informal manner and all attempts to facilitate a settlement are made through the Government Labour Department. Since the Government machinery has an important role in maintaining industrial peace and bringing about a settlement as expeditiously as possible, it is suggested that even if the parties do not approach the Government Labour Department in the event of a legal strike, it should be the bounden duty of the conciliation officers to keep in constant touch with the parties concerned and try to

bring about a settlement. The same procedure should be adopted by Government in case of illegal strike and the penal provisions of the Act should be invoked as a deterrent measure for the future.

General.

Q.124. What has been the role of tripartite committees like the Indian Labour Conference, Standing Labour Committee, Industrial Committees etc., in evolving through mutual discussions and agreements acceptable arrangements in the various fields of labour relations? (See also Q.31).

Ans: In the sugar industry tripartite committees have played a very important role in bringing about settlement of industrial disputes and in improving industrial relations. This is a tribute as much to the industry as to the labour and the Central Trade Union Organisations which control majority of the trade unions. Given reasonable and responsible attitude on both sides, the tripartite committees can continue to play a very useful role.

Q.126. How should public utilities be defined in the context of a planned economy? Should there be any special provisions for avoiding work stoppages in public utilities?

Ans: Industries which play a vital role in the national economy and particularly those which cater to food and defence requirements must be declared as public utilities under the Industrial Disputes Act so that strikes and work-stoppages do not take place on extraneous considerations or without notice. Special provisions for avoiding work-stoppages in public utility concerns already exist under the Industrial Disputes Act but because the penal provision for resorting to an illegal strike or instigation thereof are not generally invoked, there is no deterrent to such work-stoppages or strikes in public utility concerns. It is, therefore, suggested that the existing penal provisions should be invoked and trade unions should have no immunity from civil suits if their representatives are found to have resorted to illegal



strikes in public utility services.

Q.128. For the purpose of labour-management relations, is there a case for treating the public/cooperative sector differently from the private sector?

There should not be any differentiation in principle between the public/co-operative sector and the private sector for purposes of labour-management relations.

WAGES.

Qs. 130 - How does the current availability of unskilled labour affect the level of wages?

What has been the relationship between wages in agriculture and other unorganised sectors and wages in industry?

Should wages in agriculture and unorganised industries be allowed to influence wages in industry?

The bulk of the sugar industry was started after the Tariff Protection of 1931. At that time, the wages in the sugar industry were almost on a par with that of agricultural labour. But now there is no relationship between the wages paid in the sugar industry and that in agriculture. Under the Minimum Wages Act, agricultural wages generally are Rs.1.50 per day to Rs.1.75 per day while in the sugar industry, the Minimum wage exceeds Rs.4.50 per day. It is felt that unless parity is maintained between the wages of workers in the organised and unorganised sectors including agriculture, it will be exceedingly difficult to achieve the objectives of a planned economy and neither the standard of living of the working class in general can be improved nor can the present inflationary spiral be checked. As the sugar industry is situated in rural areas and is closely linked with the rural economy of the country, there should be some relationship between the wages paid for unskilled workers in agriculture and the agricultural processing industries like sugar.

Q.133. To what extent is the existing level of wages a result of the traditional mode of wage settlement, collective bargaining, awards etc.?

Ans: The existing level of wages is as a result of the Wage Board Recommendations.

Minimum Wage.

Qs.134 to 136. As set forth in the report of the Committee on Fair Wages, "The minimum wage must provide not merely for the bare sustenance of life, but for the preservation of the health and efficiency of the worker. For this purpose, the minimum wage also provide for some measure of education, medical requirements and amenities." Should this concept of minimum wage be modified in any way?

The 15th Session of the Indian Labour Conference accepted certain norms (Appendix IX) in regard to the size of the worker's family and minimum requirements of the family relating to food, clothing, housing and other items of expenditure. Attempts made by some wage fixing authorities to quantify this minimum wage have brought out the difficulties in implementing the formula. In what respects do the standards require reconsideration?

If it is not feasible to provide the minimum wage referred to above to the working class, is it possible to suggest a phased programme for implementing the need-based minimum as recommended by the Indian Labour Conference?

Ans: The concept of the minimum wage as set forth in the report of the Committee on Fair Wages does not call for any change but the norms of the need-based minimum wage as evolved at the 15th Session of the Indian Labour Conference are unrealistic, impracticable in their application in the present context of the country's economic development and very difficult to implement because of the inflationary spiral through which the country is passing.

The norms envisaged in the concept of the need-based minimum wage formula are simple ideals and not intended to be enforced rigidly without proper consideration of the prevailing circumstances. Even the Government is not

committed to regard these norms as binding and has in fact disowned the need-based formula. The Supreme Court and other wage fixing authorities who had occasion to consider the formula have set aside the question of fixation of wages on the basis of these norms on the simple ground that in the existing economic set up and developmental requirements of the country, the said norms cannot be given effect to. It should be remembered that since the time the recommendations of the Fair Wages Committee were made in 1948, our expectations for economic progress and industrial development have not materialised and in fact inspite of 15 years of planning, our economy has not moved forward. It should certainly not be fair and reasonable to fix a wage structure on the basis of nutritional requirements and other norms laid down in the said formula because in that event many small and medium-sized units will have to go out of existence as their limited resources do not permit payment of high wages as envisaged therein. In fact very few industries in India can afford to pay minimum wages on the basis of the said norms. This being the position, the question of a phased programme of implementation of the need-based minimum wage does not arise unless positive steps are taken to hold the price line and check the inflationary trend.

Q.137. The Committee on Fair Wages made its recommendations about minimum wage against the background of conditions in the industrial sector. Do these ideas require modification if they are to be relevant to non-industrial workers who predominate in the economy?

Ans: The recommendations made by the Fair Wages Committee about the minimum wage may require certain modifications if they were to apply to non-industrial workers.

Q.138: If the idea of fixing a National Minimum Wage is to be accepted taking into account the replies to questions 134 to 137 above, how is it to be worked out in practice ?

Q.139: As between different regions in the country it is not only that prices of consumption goods vary, but the content of the minimum needs themselves can be different. How are these variations to be provided for in arriving at the National Minimum ?

Ans. As it is not practicable or feasible to completely eliminate regional variations or differences in wages, the Association do not favour the idea of fixing a national minimum wage. It is felt that the narrowing down of these variations and differences will depend upon the economic situation of each region. Having regard, therefore, to the process of wage evolution, which has taken place in different industries including sugar, wage fixation will have to proceed on region cum industry basis. The First Sugar wage Board has applied this principle in fixing wages.

Having regard to regional variations and differences in wages and the fact that it is not only that the prices of consumption goods vary but the content of the minimum needs themselves can be different, as between different regions, it is extremely difficult to fix a national minimum wage in the present context of the country's economic development. But it seems highly desirable that some parity should be maintained between the minimum wage payable to industrial workers on the one hand and the workers employed in agricultural and other unorganised sectors on the other.

Q.140 Would you favour any change in the definition of 'minimum', 'fair' and 'living' wage given by Committee on Fair wages? What in your opinion could have been the concept of 'living wage' referred to in the Constitution ? (Appendix A)

Ans. The definition of 'minimum', 'fair' and 'living wage' as given by the Fair Wage Committee seems to be satisfactory and does not require any change.

Dearness Allowance:

Q.141 Considering the need for protecting real wage, how should one provide for revision of wages/wage rates for changes in price level? Should this be by revision of the wage itself or by a provision of a separate component to absorb price changes?

Q.142 In view of the prevalence of several methods to provide or the payment of a separate allowance to meet changes in cost of living, is it feasible to apply any one system on a uniform basis? Which system would be most appropriate?

Ans. In the sugar industry, real wages are protected by linking Dearness Allowance with the cost of living index. As has been done by the wage Board relating to rubber, there should be a ceiling beyond which the Dearness Allowance should be de-linked with the cost of living index.

Q.143 If a system in which dearness allowance adjusted to changes in cost of living is favoured -

(a) which index number viz. (i) All India, (ii) regional, or (iii) local should be preferred?  
(b) what should be the frequency at which revision should be made - monthly/quarterly/half-yearly, etc.?

(c) what should be the extent of change in the index which should warrant such revision in dearness allowance - each point/slab of 5 points, etc.? Give reasons.

Ans. The First Sugar Wage Board has taken into account the All-India Consumer Price Index Number. This is considered to be satisfactory.

The revision of Dearness Allowance is made on a rise of 10 points and is done once in a year.

Q.144 In determining the quantum of dearness allowance, what should be the principles governing the rate of neutralisation of price rise?

Q.145 Considering that payment of a cost of living allowance is meant to ensure that real wage of employees is not eroded by price increases, should the capacity to pay of an industry/unit be a relevant consideration in fixing the rate of dearness allowance?

Ans. The rate of neutralisation of price rise should naturally depend on the paying capacity of the industry but in no case can 100% neutralisation be allowed for a rise in prices mainly

for two reasons, viz. (a) industrial workers should also share the burden and make sacrifices like other citizens affected by the rising prices, and (b) complete neutralisation would tend to accelerate the inflationary spiral. Therefore, 100% neutralisation for the rise in the cost of living index is out of question. Having regard to these considerations and the urgent need for adequate mobilisation of the country's resources and checking inflationary tendencies, it is suggested that only a portion of the increase in the cost of living should be neutralised.

It is wrong to assume, nor was it ever contended by any wage fixing authorities, that "payment of cost of living allowance is meant to ensure that real wage of employees is not eroded by price increases". As mentioned in the preceding paragraph, the purpose of dearness allowance is only to neutralise a portion of the rise in the cost of living index as far as possible and practicable and as such, the paying capacity of the industry concerned has got to be taken into consideration while fixing the rate of dearness allowance.

Q.146 In areas/activities where part of the wage is in kind, what adjustments should be made in fixing the quantum of dearness allowance?

Ans. In the sugar industry, the wages are not paid in kind. So, the question does not arise.

#### Fringe Benefits

Q.147 How should fringe benefits be defined? What should be their scope and content? To what extent do such benefits affect production costs?

Ans. In the sugar industry, fringe benefits vary from factory to factory. The First Wage Board went into great details about these benefits and decided that in fixing wages, those benefits which directly form part of the cost of living, should be taken into account. However, a large number of fringe benefits have not been taken into account in fixing wages. Besides these,

the rent for house for unskilled worker in the sugar industry has been fixed at only Rs. 5/- per month as against the subsidised rate of Rs. 12.50 per month allowed under the Subsidised Industrial Housing Scheme. Due to this extremely inadequate rent, there is no incentive to build houses for the workers in the sugar industry. The fringe benefits do affect the production costs. Consequently, generous employers who introduced fringe benefits have to suffer in comparison with those who have not done so. It may however be difficult to define the fringe benefits, as any attempt to do so will lead to further controversy..

Q.148 How far can the fringe benefits be a substitute for higher money earnings ?

Ans. Ultimately, the objective should be to gradually substitute fringe benefits by money wages. But in actual practice, this has not happened so far to any significant extent.

#### Wage Differentials

Q.149 Do the existing wage differentials in the plants within your knowledge appropriately reflect the considerations mentioned in the report of the Committee on Fair Wages, viz. degree of skill, strain of work, length of work, training requirement, responsibility undertaken, mental and physical strain, disagreeableness of the task, hazards of work and fatigue ?

Ans. The considerations mentioned in the Report of the Committee on Fair Wages for fixing wage differentials were considered by the First Sugar Wage Board. The main criterion adopted was the same as taken by the First Central Pay Commission which has said "the assignment of a particular worker to one category or another should largely be a matter of opinion based on standards recognised in industry". The First Central Pay Commission also followed this criterion. Any violent disturbance of the existing wage differentials would have created greater industrial unrest. Hence we are not in favour of disturbing the same.

Q.150 What has been the effect of the existing systems of dearness allowance on wage differentials? What steps would you suggest to rationalise present arrangements ?

ans. The existing system of Dearness Allowance has been mainly responsible for upsetting wage differentials. Substantial increases in dearness allowance as a result of variations in the cost of living indices, play an important part on the question of wage fixation and the significance of wage differentials in terms of percentages is ignored. An important step for rationalising the present arrangement would be to fix a ceiling on increase in dearness allowance beyond a certain point.

#### Methods of Wage Fixation

Q.151 As between different methods of wage fixation obtaining at present, namely, statutory wage fixation, wage fixation through collective bargaining, fixation through wage boards, and wage fixation resulting from adjudication, etc., which method or methods would be more suitable for adoption in future? If one or the other arrangement is needed for different sectors, indicate sector-wise the arrangement needed.

Q.152 In collective bargaining for wage fixation, should the principal emphasis be laid on national agreements? If so, what adjustments should be made to meet local needs?

Q.153 Tripartite wage boards came in vogue because it was felt that an arrangement by which parties themselves can have a hand in shaping the wage structure in an industry could be more enduring than the one when an award is handed down by a third party. Has this expectation been fulfilled?

Q.154 (a) In what respects should the operation of wage boards be modified to improve their working?  
(b) Should wage board recommendations have legal sanction?

ans. When the First Sugar Wage Board was appointed, the wage of an unskilled worker in the sugar industry in North India was Rs. 55/- per month. Today, with increase in dearness allowance and annual increments, the same has gone up to Rs. 124/- per month. The appointment of the Second Wage Board has been more a matter of ritual rather than a necessity. It has created false hopes in the minds of the workers though the majority of the workers themselves feel that there is hardly any scope for any further increase in wages, specially as the dearness allowance is linked with the cost of living index. The stage has been reached in the sugar



where a further increase in wages can only come by increasing productivity. In view of this, wage fixation through Wage Boards is not a proper method for adoption in future. This should be done through collective bargaining.

The Wage Boards' recommendations should not have legal sanction for two main reasons, (a) such a step would defeat the very object of introducing the system of wage boards and (b) any recommendation of a Wage Board that does not take into consideration the capacity of the industry to pay and other established principles of wage fixation, even if given legal sanction, would in all probability be struck down as unconstitutional by the High Courts or the Supreme Court in a writ proceeding.

#### Wage Policy

Q.155

(a) How could the criteria of fairness to labour, development of industry, capital formation, return to entrepreneur, etc. be taken into account in wage fixation?

(b) It is said that in the balance between fair wages to workers, fair profits to entrepreneurs and fair returns to treasury, the consumers are often left behind. How far is this criticism valid? How best can the situation be remedied?

Ans.

Wage increases in recent years have only led to increase in inflationary spiral because they have been unaccompanied by increased productivity. In the sugar industry, due to inadequate return on capital employed, capital formation has gone down. The return on capital employed which was fixed by the First Tariff Commission at 12%, which included the managing agents' remuneration, bonus to labour, income tax, gratuity, dividend on preference capital, interest on borrowed capital and dividend on equity capital has remained unchanged even though the interest rates on borrowed capital have gone up from 6% to 9.5% and income tax rates have gone up from 45% to 55%. Thus, while the wages are continuously rising, the net return on capital employed is extremely poor. The cost of fixed assets of a new sugar plant of 1250 Tonnes capacity is now about Rs. 325 lakhs as against less than Rs. 20 lakhs before the War, but the return on the same is grossly inadequate.

The situation can be remedied by providing several criteria in the terms of reference of the Wage Boards. It is suggested that one of the criteria should be the necessity of providing fair profits to the industry, as would enable payment of a reasonable dividend to the shareholders and promote the development of the industry.

Q.156 In the context of planned development, the question of taking an integrated view of policy in regard to wages, incomes and prices is often emphasised. What should be the objective and scope of such a policy? Indicate the guidelines for such a policy in the light of the perspective for the growth of the economy. Changes in the existing institutional arrangements for implementation of such a policy may also be indicated.

Q.157 Do you suggest a policy of 'wage freeze'? If so, how can it be implemented under the existing system? What are the implications of this policy for other incomes?

Ans. Until the prices are stabilised, it is not possible to have an income policy or freeze of prices, wages and profits. As long as the Central and State Governments continue with their inflationary and unproductive fiscal and economic policies, it is meaningless to talk of incomes policy and consequently of freezing prices, wages and profits.

Q.158 Is there a need for sectoral balance in wage structure between the public and private sectors? If there is, how should it be achieved?

Ans. We are in favour of a uniform wage structure in respect of all factories in an industry irrespective of the sector.

#### Mode of Wage Payment

Q.159 What are the existing practices in regard to payment of wages in kind? Would you suggest its extension to units where it is not obtaining at present?

Ans. The practice of paying wages in kind is not common and same does not exist in the sugar industry.

Q.160 To what extent is the method of paying unskilled workers on time scale of pay common? Would you favour its extension?

Ans. In the sugar industry, there is a time scale of payment to unskilled workers, but in textile and some other industries,

there is no time scale. We consider that for unskilled workers, there should be no time scale because the nature of the work itself being unskilled, time scale does not lead to increase in efficiency.

Q.161 Do you favour the suggestion that the total wage packet should consist of three components, namely, the basic wage, the other depending on price changes and the third which takes into account productivity changes? If so, how should this suggestion be made operative?

Ans. While in theory, it sounds reasonable that the total wage packet should consist of three components, viz. basic wage, the other depending on price changes and the third, which takes into account the productivity changes, in practice, it would be difficult to implement the same.

General

Q.162 How far can the administration of the Minimum Wages Act, 1948 be considered to be satisfactory? Outline in detail the difficulties experienced in its implementation. Offer suggestions against each difficulty on how best it could be overcome. (See also Q.210)

Ans. Minimum Wages Act, 1948, does not apply to the sugar industry.

Q.163 Is the scheme for payment of annual bonus embodied in the Payment of Bonus Act, 1965 satisfactory? If not, what are your suggestions? How does the latest decision of the Supreme Court affect the Scheme of the Act?

Q.164 What should be the place of bonus payments in the future system of remuneration?

Ans. The scheme for payment of annual bonus embodied in the Payment of Bonus Act, 1965 is not satisfactory. The provision for minimum bonus of 4% based on workers' annual earnings, even when there are losses, is against the well-established law and practice of 'no profit, no bonus'. It means loading a concern with further losses and ignores the production and productivity aspects of the country's economic development. It is only logical that there should be no question of paying any bonus if there are no profits.

Further, after allocation of available surplus for distribution as bonus, a meagre balance of 40% is left to be used for gratuity, reserves for rehabilitation, payment of taxes etc. This seriously hinders capital formation as well as the future growth and expansion of the industry. It is suggested that the distribution of allocable surplus should be made at least in the ratio of 50:50 so as to enable the employer to meet the various obligations.

Further, the Bonus Act provides payment of a minimum of Rs. 40/- to a worker if he has worked for all the working days during a year. As the majority of the sugarmills work only for about 4 months during a year, for the sugar industry, the minimum bonus should be Rs. 13/- or Rs. 15/- instead of Rs. 40/-. The Bonus Act should be amended accordingly. Besides, disputes have also arisen about the method of calculation of income tax. The Bonus Commission provided that the saving of income tax on bonus paid or payable, will remain with the industry for rehabilitation, etc. But some Industrial Tribunals have awarded that the said saving should be shared with the workers. The matter has gone to the Supreme Court, whose clarification is awaited. In any case, it would be advisable to clarify that the saving of tax on bonus paid or payable, should remain with the industry.

#### VI. INCENTIVE SCHEMES AND PRODUCTIVITY

Q.165 What steps should be taken to introduce a system of payment by results in industries/activities where this system would be appropriate?

Ans Rising emoluments to labour must be related to increasing productivity which means production per worker. In other words, wage increases should be linked to productivity through a system of payment by results. In introducing payment by results, certain prerequisites have to be ensured. These include (a) work study comprising method study and work measurement, (b) job evaluation to evolve a rational and equitable wage structure, (c) restudy

and review of job contents at regular intervals, (d) willing cooperation and participation of trained staff and workers in operating the scheme smoothly and (e) an integrated approach to the problem of raising productivity. Among these, method study and work measurement are most fundamental. On the organisational side, the first and foremost thing is the existence of good relations between the management and the workers concerned which alone can pave the way for necessary collective bargaining between the parties for introducing an incentive plan. It is, therefore, necessary that scientific studies should be undertaken by qualified industrial engineers in respect of all occupations before introduction of schemes of payment by results.

Q.166

Please state your views on the following guiding principles for introduction of incentive schemes.

- (a) Employers and workers should formulate a simple incentive system at the unit level and implement it on some agreed basis through collective bargaining. In every case, introduction of incentive schemes should be preceded by an agreement with trade unions.
- (b) In evolving wage incentive schemes, it should be ensured that these do not lead to rate-cutting. The worker's normal wages should be protected where it is not possible for him for circumstances beyond his control to earn an incentive.
- (c) Individual or group incentives can be framed to cover both direct and indirect groups of workers.
- (d) An incentive scheme cannot be evolved without a work study undertaken with the cooperation of workers. Nevertheless, it should always be open to employers and workers to evolve a scheme by agreement or any other acceptable basis.
- (e) Efforts should be made to reduce time-rated categories to the minimum. This will ensure that all employees have an equal chance to increase their earnings with increase in productivity.
- (f) Wage incentives should generally provide extra earnings only after a mutually agreed level of efficiency has been achieved.
- (g) To ensure quality of production, incentive payments should be generally allowed only if the output has been approved on inspection by the management.

(h) Incentive earnings should not fluctuate very much. This requires a certain degree of planning so that material delays, machine-breakdown etc., are controlled.

(i) The scheme should itself safeguard adequately the interests of the worker if he is forced to remain idle due to circumstances entirely beyond his control such as non-supply of raw materials, machine-breakdowns, etc.

(j) Apart from financial incentives, non-financial incentives like better security of employment, job satisfaction, job status, etc., have also a place in increasing productivity.

As the sugar manufacture is a continuous process, it will be difficult to apply incentive schemes on the basis of the above guiding principles in the sugar industry.

Q.167

What should be the respective roles of labour, management and Government in raising productivity?

Ans.

Labour has an important role in raising productivity through active and willing participation in incentive scheme and full-fledged cooperation in all management efforts to increase productivity. The workers must develop an identity of interest with the management's objective and a sense of belonging for the organisation and should make all possible efforts to reduce delays, idle-time, absenteeism, wastage etc. Above all, they must maintain perfect industrial discipline and create a healthy climate for achieving increased output and productivity.

The management on their part should evolve a sound organisational structure, enlightened labour policy and personnel practices, rational wage structure and encourage and support the application of the various productivity techniques which would go a long way in raising productivity. The Government on its part should create productivity consciousness amongst labour and management; provide positive assistance in carrying out Work Study and other scientific studies in industries with a view to fixing work-standards or norms for different occupations; adopt rational labour, economic and industrial policies; and above all help in maintaining industrial harmony and discipline.

Q.168

How should the gains of productivity be measured? Can they be allocated to different factors of production? How should the gains be shared?

Q.169

Have increases in productivity matched with wage increases in the years since Independence? Please give supporting statistics.

Ans.

while it has not been difficult to measure the overall productivity in the sugar industry by dividing the total production with the number of man hours employed during manufacture, it is however difficult to allocate the same to different factors of production. Raw material i.e. sugarcane availability also plays an important part in increasing productivity. There were, however, seasons when adequate or even abundant cane supplies were available; even in those seasons, productivity per man-hour has been found to be considerably low, as compared to the productivity obtained by sugar industry in other parts of the world. The sharing of the gains of productivity will have to be done in this industry in each region by collective bargaining. We do not think that any set formula can be implemented in this matter.

During the War years, the sugar prices were kept at very low levels. The result was that the cane supplies were very inadequate. Soon after the end of the War, India attained Independence and sugarcane prices were raised. This has resulted in greater supply of raw material viz. sugarcane, to the sugar industry. Whatever increase in productivity has taken place during the period after Independence, the same has been mainly due to comparatively better availability of raw material. So far as productivity purely from the point of view of the efficiency of the worker is concerned, there has hardly been any increase because the wages have not been linked with productivity.

According to page 242 Appendix XXV of the First Sugar Wage Board Report, the average number of employees in a sugar factory in U.P. was 1228 and in Bihar 1128. The total strength

of employees at present is not materially different from these figures. The figure of Bihar based on 1964-65 season is 1098 while for U.P. the average for 1964-65 was 1235. In the Northern region as a whole, as against 1195 calculated by the First Wage Board, the average for 1964-65 was 1191. As productivity actually means production per man hour, there has hardly been any increase in productivity.

Q.171 What place would you assign to suggestion schemes and institution of awards for outstanding work to improve productivity?

Ans. It is useful to have suggestion schemes and institution of awards for motivating the workmen but their application has only a very limited effect.

Q.172 What are the factors contributing to labour turnover and absenteeism? How do they affect improvement in productivity? (See also Q.163)

Q.173 What is the place of the motivation of worker for improving his standard of living in the successful working of incentive schemes?

Ans. In the sugar industry, 99% of the labour employed in the previous season goes back to the same factory in the subsequent season. This shows that the workers regard the wages paid in the sugar industry as very satisfactory and there is a great job security. This has not however contributed to improving productivity for which time and motion study and modernisation of plants are necessary.

Q.174 What is the effect of (a) 'go-slow', (b) 'work to rule' and (c) 'unions' ban on overtime' on creating a climate for improving productivity?

Ans. 'Go-slow' and 'work to rule' methods are adopted by the workers to bring pressure upon the management and are simply intended to paralyse normal production and smooth running of the establishment. These negative attitudes do not help in creating a healthy climate for improving productivity but are largely responsible for creating an atmosphere of lack of confidence, mistrust and confusion resulting in reduced output.



Ban on overtime is desirable as it encourages workers as well as supervisors to give out their best during normal working hours. Considerations of health, safety and the quality of production also indicate feasibility of such a ban. However, at present, when labour productivity is low, a rigid ban on overtime work may not serve the purpose

Q.175

What is the role of rationalisation in improved productivity? The 15th Session of Indian Labour Conference had made some recommendations (Appendix XI) for regulating the process of rationalisation. Have these recommendations helped rationalisation? Do these recommendations still provide a useful framework for the purpose? If not, what changes would you suggest?

Ans.

Rationalisation of methods of work, equipment, materials and men should be a continuous process for achieving higher productivity particularly in the face of fast technological changes and improved production processes. Schemes of rationalisation based on work study or adjustment of work-load with the assurance that there will be no mass retrenchment, should not be opposed by Trade Unions as it helps labour to increase its earnings through higher productivity. The recommendations of the 15th Session of the Indian Labour Conference for regulating the process of rationalisation do provide a useful framework for the purpose.

Q.176

(a) What should be the place of 'automation' in the perspective of development?

(b) How would automation affect labour-management relations?

(c) Should there be a special machinery to study the problem?

Ans.

In the sugar industry, the new sugar factories which are mainly cooperative have got modern equipments such as high speed centrifugal machines, high pressure boilers, etc. While complete automation in the present conditions in India is not feasible and the high capital cost, will not justify the same, the existing older factories have to modernise themselves as otherwise they will go out of existence. Such modernisation is not likely to

affect labour management relations adversely because the labour knows that the same has become inevitable. Due to the increasing sugar requirements of the country, expansions of capacity are taking place and hence there is no fear of any mass retrenchment due to modernisation.

Q.177 How far has the National Productivity Council been effective in generating enthusiasm among employers and workers in increasing productivity?

Ans. National Productivity Council has been doing useful work in selling the ideas and techniques of productivity through various training programmes, seminars and conferences to the employers. But the workers have not responded favourably.

#### VII. SOCIAL SECURITY

Q.178 (a) What effect do the social security schemes have on stability of employment and on industrial relations?

(b) Have some of the benefits, based as they are on a qualifying period for entitlement, led to larger labour turnover? If so, what should be the remedial measures?

Ans. In the sugar industry, there is employees' provident fund but employees' State Insurance Act does not apply. Introduction of employees' provident fund has not made any impact on stability of employment or on industrial relations. Because once an employee becomes a member of the provident fund, he retains his membership irrespective of the number of times he changes his job.

Q.179 The Convention on Minimum Standards of Social Security adopted by the International Labour Organisation refers to the following branches of social security, namely, medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivor's benefit.

(a) To what extent is each one of the above benefits available at present?

(b) What is the cost of existing social security schemes in relation to the total cost of production? How has it varied over the last 15 years?

(c) Are the scope and coverage of each one of the benefits mentioned above adequate?

(d) What should be the priority for enlarging the scope and coverage of the various existing benefits?

(e) How should the programme for introduction of the benefits not currently available be phased?

Ans. In the sugar industry, the cost of labour per unit of production is already among the highest in the world and hence this is hardly the proper time to consider extension of social security in the sugar industry.

Q.186 Should the Employees' Provident Fund Scheme be continued as at present or should steps be taken to convert it into either a pension scheme or a provident fund-cum-pension scheme?

Q.187 If it is to continue in the present form, would you suggest any change in the pattern of investments of the funds and in the rate of interest accruing to beneficiaries?

Ans. The Employees' Provident Fund Scheme should be continued as at present because conversion of a part of provident fund into pension is not likely to be appreciated by the workers as they would prefer to have lump sum payment at the time of retirement rather than periodical pension.

As regards the pattern of investment of the funds, it is suggested that the existing restriction on investing the provident fund monies in Central Government securities only should be relaxed and the scope of investment of the fund monies widened so as to enable the earning of higher rate of interest with consequent benefit accruing to provident fund members.

Q.188 Are any changes called for in the Scheme to make the administration more satisfactory?

Ans. The administration of the E.P.F. Scheme should be simplified and recourse to penal action or certificate proceedings if at all should be taken as a last resort.

Q.189 Should <sup>a</sup> part of the provident fund be set apart for giving insurance cover to the members of the EPF scheme?

Ans. It will be desirable if a part of the provident fund is set apart for giving insurance cover to the members of the E.P.F.

Scheme so that in the unlikely event of early death of the worker, his family may get the benefit.

Q.190 What should be the place of gratuity payments in an overall social security programme?

Ans. In the sugar industry, there is a gratuity scheme in all the factories as per recommendations of the First Sugar Wage Board, in addition to the Employees' Provident Fund Scheme. The same should be continued.

Q.191 Would you suggest any changes in the existing provisions relating to lay-off and retrenchment provided to employees against the hazards of job insecurity resulting from temporary employment and other fluctuations?

Ans. The existing provisions relating to lay-off and retrenchment as contained in the Industrial Disputes Act are already quite liberal and no further improvements are called for.

Q.192 Should the administration of some of the social security benefits be handed over to trade unions? What pre-conditions should trade unions satisfy for being eligible to take over such administration?

Ans. Since the trade unions are already associated with the administration of social security benefits and are adequately represented on the ESI Corporation and the Central Board of Trustees, Employees' Provident Fund, there is no need to hand over the administration of the social security benefits to the unions. In other industrially advanced countries also, administration of social security benefits is vested in Government or autonomous bodies but not in the trade unions.

#### VIII. LABOUR LEGISLATION

Q.193 To what extent should labour-management relations in planned economy be governed by legislation/collective bargaining (See also Q.85 and 90)

Q.194 What have been the factors that have affected the proper and effective implementation of the various labour laws? (Appendix XII). Have these laws achieved the purpose/objectives for which they were enacted? If not, what factors have hindered the achievement of these objectives? (See also Q.12).

Ans: Labour legislation in India has largely resulted in fostering a sort of unstable truce in labour management relations rather than creating a stable peace or harmony. While some legislation is unavoidable, any attempt to regulate everything by legislation has led to intransigence both in the minds of the labour as well as the management. The method of collective bargaining should have been allowed much greater scope than at present. Unfortunately, inter-union rivalries have prevented collective bargaining in most of the cases. The single largest factor which has vitiated labour management relations is inter union rivalry.

Q.195 (a) How have the existing legislation and other provisions for protecting the interest of labour worked in practice?

(b) To what extent have the above provisions helped to implement the Directive Principles of State Policy on labour matters as embodied in the Constitution?

(c) What changes or further improvements in the existing arrangements would you suggest for fuller realisation of the Directive Principles (Appendix XIII) keeping in view the present state of our economy and the country's development in the foreseeable future?

Ans. The existing labour legislation in India is heavily weighted in favour of labour and has gone a long way to protect the interest of labour. Another important feature legislation which stands out prominently is the lopsided bias in favour of industrial labour against non-industrial labour including agricultural workers, traders and other self-employed persons.

Q.196 Are the present constitutional arrangements under which labour is a concurrent subject satisfactory, particularly from the point of view of the administration of labour laws? Are any modifications by way of centralisation/decentralisation of certain activities and functions necessary?

Ans. The present constitutional arrangements under which Labour is a concurrent subject are not satisfactory inasmuch as the State Governments can enact their own labour laws and in fact some State Governments have already enacted legislation to govern industrial relations. Legal provisions varying from State to State

obviously create complications and problems in the administration of labour laws. In several cases, State laws are passed often ignoring overall economic conditions or industrial relations pattern sought to be evolved in the country. There is already a well-established convention in terms of tri-partite recommendations that the proposals involving any major policy or principles should be undertaken only after consulting the Indian Labour Conference or the Standing Labour Committee. If 'Labour' continues to be a concurrent subject, this healthy convention must be adhered to. The State Governments should not be permitted to pass any labour laws on subjects covered by the Central Acts or inconsistent with the principles and policies adopted at tripartite meetings. Otherwise, various complications are bound to arise.

Q.197 What has been the influence, direct or indirect, of international labour conventions on the progress of labour legislation in India? To what extent has the Constitution helped or hindered such progress?

Ans. The conventions and recommendations of the various International Labour Conferences and the Industrial Committees of the ILO have profoundly influenced the progress of labour legislation in India. Since a number of those conventions and recommendations have been ratified by the Government of India, the constitution does not appear to have caused any hindrance in this direction.

Q.198 On the basis of the principles evolved out of case law over a number of years, what are your suggestions for reviewing and amending labour legislation in this country?

Ans. We are giving below a few suggestions for reviewing and amending the existing labour legislation :-

(1) The term 'industrial dispute' as defined in Section 2(k) should mean only such disputes as are sponsored by a substantial number of workmen, say, at least one-third of the workmen.

(2) The definition of 'strike' in Section 2(q) of the Industrial Disputes Act should include 'partial strike' and 'go-slow'.

(3) Section 2A of the Industrial Disputes Act inserted by the Amendment Act of 1965 empowering individual workmen to raise disputes regarding discharge and dismissal is bound to increase the incidence of industrial disputes, undermine discipline and adversely affect the process of collective bargaining.

(4) Matters settled by direct negotiations with the recognised trade unions and the memorandum of settlement having been signed under Section 18(1) of Section 12(3) of the Act should not be the subject-matter of any further conciliation or adjudication.

(5) Issues concerning wages and emoluments should not be referred to adjudication during the pendency of proceedings before the Central Wage Board.

(6) A provision should be made in the Act for giving at least 14 days' notice for a strike in all cases i.e. in non-public utility concerns as well.

(7) The penal provision of the Act regarding illegal strikes should be strictly enforced.

Q.199 Has there been too much legislation in the field of labour? If so, what are the aspects in regard to which there is over-legislation?

Ans. During the last two decades, there has been a spate of labour legislation in India concerning industrial relations, social security measures, working conditions, terms and conditions of service, notification of vacancies, payment of bonus, etc. Besides, labour laws have been so frequently amended that there is no time for consolidation or even proper implementation. It is, therefore, suggested that further legislative measures should not be undertaken and once a law has been passed, frequent amendments thereto should be avoided.

Q.200 Is there need for consolidation and codification of existing labour laws? Please suggest the lines on which codification should be undertaken?

Ans. There is considerable scope for consolidation and

codification of existing labour laws. As for example, definition of the term 'workman' under the Industrial Disputes Act, 'employees' under the Payment of Bonus Act, Employees' Provident Funds Act and the salary limit for the purpose of coverage of the employees under these enactments may be amended to reconcile to one another.

Q.201 Since 1958 the general emphasis in labour policy has been on voluntary approach in preference to legislation. This has resulted in fashioning tripartite instruments like the code of discipline, industrial truce resolution, etc. Has this policy been successful? Should it be continued?

Q.202 Please comment on the suitability of (i) labour legislation so far enacted and (ii) voluntary arrangements so far built up.

Ans. Although the general emphasis in labour policy on voluntary approach in preference to legislation is desirable, the effects of such policy have not been satisfactory. One very important factor in the current labour situation is the division in the ranks of trade unions resulting in rivalry between unions and also at times within the same union. These rivalries are often at the root of many industrial disputes and the voluntary approach in this field has not been of much avail. The question of recognition naturally becomes the central point of conflict when a number of unions contest with each other. There is no Central Law in force on the subject at present. Some agreed principles for recognition have been incorporated in the Code of Discipline but this has not been properly observed by the parties. In fact, the Code is being violated by unions with impunity and certain trade union organisations have openly disassociated themselves from the Industrial Truce Resolution. Voluntary arrangements evolved in the shape of the Code of Discipline, Industrial Truce Resolution, etc. cannot succeed unless these are voluntarily accepted by the parties and followed in spirit. What a developing economy requires is employer-employee relations which are constructive and cooperative and, therefore, although legislation may have to be relied upon for the present for regulating industrial relations, in course of time, things have to be effected more through voluntary arrangement rather than by



legislation.

Q.203

What is the extent of enforcement of labour legislation in public sector? Are exemptions from the applicability of certain provisions of labour laws more common in the public sector? What is the rationale for claiming such exemptions?

Q.204

Are there instances of political or other rights which are normally available to an individual being denied to employees in the public sector and their dependants? How are such denials justified?

Ans.

There can be no basis for differentiation in matters of wage fixation or enforcement of labour legislation in the public and private sector undertakings.

#### IX. RURAL AND UNORGANISED LABOUR

Q.205

Rural labour faces two inter-related problems which demand urgent solution: one is social, centering round its low social status in the rural hierarchy and the handicaps resulting therefrom, and the other is economic, resulting from chronic lack of sufficient employment opportunities. What is your assessment of the effectiveness of the remedial steps taken by Government?

Q.206

It is suggested that in countries with vast rural under-employment special emphasis should be placed on a broad-based programme for the promotion of productive employment in rural areas by a combination of technical and institutional measures, relying to the extent possible on the efforts of the people concerned and based on adequate study of the nature, prevalence and regional distribution of rural under-employment. How should such a broad-based programme be framed for implementation?

Q.207

With a view to creating incentives and social conditions favourable to fuller and fruitful utilisation of local manpower in rural areas, the International Labour Organisation suggested the following action programmes:

- a) Local capital-construction projects, more particularly, projects making for a quick increase in agricultural production, namely, small and medium irrigation and drainage works, storage facilities and feeder roads;
- b) Land development and settlement;
- c) Labour intensive methods of cultivation and animal husbandry;
- d) Development of other productive activities, such as, forestry and fishing;

e) Promotion of social services, such as education, housing and health services;

f) Development of viable small scale industries, such as, local processing of agricultural products and manufacture of simple consumers' and producers' goods needed by rural people;

g) Special efforts to develop rural manufacturing activities that are ancillary and complementary to large scale urban industry, etc.

Which of these suggestions are feasible in the Indian context?

Q.208

a) There is a considerable body of workers, largely unorganised and employed in small industries in rural/urban areas, not covered by the protective provisions of the present labour legislation. How should such protection as is desirable be reached to them?

b) Specifically, considering the nature of their employment, the size and location of the units/industries in which they are engaged, please suggest practical methods by which their position can be improved in regard to their employment, wages and working conditions.

Ans.

Government's industrial and labour policies have focussed continuous attention on industrial labour completely ignoring the other section of the population including the rural and unorganised labour which has obviously led to lop-sided development without much improvement in the general standard of living of the population. This is more obvious in the sugar industry which is basically a rural industry processing a perishable agricultural raw material. The wages paid in the sugar industry have now ceased to have any relation with the agricultural wages. It is suggested that the Commission should take an overall view of the entire economic development of the country and recommend suitable methods for improving the lot of rural and unorganised labour as otherwise the gap between them and the industrial workers will be further widened which should certainly not be conducive to a balanced growth of the country's economy.

Q.209

What steps should be taken towards progressive reduction of contract labour? How should contract labour be brought effectively within the scope of state action (see also Q.16)

ns. In the sugar industry, the contract labour is not employed on operation of the machines. It is mainly employed on handling of materials such as loading and unloading sugarcane, baling and transport of bagasse, storage and despatch of sugar bags, removal of press-mud and also on stray and intermittent jobs. In U.P., there has been a tripartite agreement defining the jobs which are permitted to be handled by contract labour. In this connection, please refer to our replies to Question No. 16.

X. LABOUR RESEARCH AND INFORMATION

Q.212 Most of labour statistics are a bye-product of labour legislation. They suffer, therefore, inter alia, from the limitations arising out of lack of uniformity in the concepts, coverage and frequency of collection. The time-lag in their publication, non-response from primary units, inaccuracy of returns, changes in industrial classification are further difficulties in making labour statistics more useful. What steps should be taken to remedy the situation? Is the implementation of the Collection of Statistics Act, 1953, the answer?

Q.213 There is a feeling that the practice of entrusting the administration of labour laws to different officials, the statutory requirements of maintenance of different registers and sending of different filled-in returns under these Acts, result in a good deal of unproductive work and unnecessary duplication. If this feeling has a basis, what steps should be taken to improve the situation?

ns. The various forms and returns prescribed for collection of labour statistics should be simplified and streamlined. It is felt that codification of different labour laws will surely help the process of simplification of forms and returns, ensure uniformity in concept, coverage and frequency of collection and also avoid unnecessary duplication. Further, it should be possible to have amalgamation of different forms and returns used for administration of different labour laws. In the absence of such simplification and amalgamation and the increasing number of labour laws, the volume of statistical information required by Government for administration of these laws would be a stupendous task not only for management but also for different agencies engaged in the

compilation of labour statistics. It is, therefore, suggested that if the Collection of Statistics Act, 1953 is brought into force, the forms and returns required under various labour enactments should be done away with.

Q.214

Does the all-India Consumer Price Index Number currently compiled reflect adequately price changes affecting urban working class? Should consumer price index numbers be compiled for every region of the country for the purposes of wage fixation? What principles should be followed in compiling the 'all-India' and regional indices?

Ans.

In the sugar industry, the dearness allowance is linked with the all-India Consumer Price Index Number for the working class. Generally, there has been no serious opposition to this either by the employers or by the workers except in a few cases.

Q.215

Data presently collected and compiled in respect of work-stoppages (strikes and lockouts) mostly consist of: (a) number of work stoppages (b) number of workers involved, (c) number of man-days lost, (d) total wages lost in rupees, and (e) total production lost in rupees. Are they adequate for measuring industrial unrest in the country? If not, what other aspects of industrial unrest require quantifications?

Q.216

At present statistical data are collected only in respect of work-stoppages arising out of industrial disputes. Is it necessary to collect similar information on work-stoppages due to reasons other than industrial disputes?

Ans.

Statistical data on work-stoppages due to reasons other than industrial disputes and strikes of short duration by workers in different industries is not collected. Since such work-stoppages and strikes also affect production, it is suggested that statistical information in this respect should also be collected. 'Go-slow', 'Bandhs' and hartals also result in considerable loss of production and it is necessary that relevant data must be collected for statistical purposes.

Q.217

The current emphasis in the collection of labour statistics is on data which will help in understanding the economic aspects of workers' life. Social and sociological aspects have been comparatively

neglected. What are your suggestions for filling up the gap? For better comprehension of labour problems which particular aspect of these statistics would you emphasise?

Q.218

Statistical data (employment, unemployment, consumption expenditure, etc.) are being collected in respect of rural population annually by the National Sample Survey. Would it be feasible to make these data available separately for rural labour for each State/region? What other statistics would be required for framing an operational programme?

Ans.

Collection of statistics as required under the existing labour legislation is cumbersome and difficult. It is, therefore, felt that unless the forms and returns required under various labour enactments are simplified or amalgamated or done away with, as the case may be, no attempt should be made to enlarge the scope of labour statistics.

Q.227

How do trade unions/employers' organisations inform the public of their activities? To what extent do they succeed (See also Q.31).

Ans.

Employers' Organisations inform the public of their activities generally through the press and speeches delivered at the quarterly or annual meetings or other such Conferences, etc. These methods have been found quite useful.

Q.228

It is often said that while industrial conflict gets more than its share of publicity, industrial harmony does not. Do you agree with this view? What are the reasons for this?

Ans.

It is correct to say that while industrial conflict gets some publicity, industrial harmony does not. It is suggested that adequate arrangements should be made to publicise all long term settlements arrived at between the employers and their employees, either by way of bi-partite settlements or tripartite agreements signed in the presence of Government Conciliation Officers. Various other constructive activities carried on by employers and employees in consultation and in cooperation with each other should also be given wide publicity.

Q.229

What role has the press played in educating the public on labour matters and with what results? Would you suggest any improvement? If so, how should this be brought about?

Q.230

What role has the press played in shaping decisions on industrial disputes? Has it helped or hindered the promotion of just and good industrial relations?

Ans.

Generally, the public do not take much interest in labour matters unless any serious conflict between the labour and management is reported in the press. It is felt that in order to properly educate the public on labour problems and current background of labour disputes, the views of both sides of industry i.e. labour and management, should be publicised at the same time instead of intermittant reporting of incidents relating to such disputes. This would undoubtedly help in promoting the causes of good industrial relations.

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ksv/sn.

ksv:bs

Copy of Notification No.1249(HI)/XXXVI-C-121(HI)-66 dated the 17th May, 1967 issued by the Government of U.P., Labour.

Whereas, on the recommendations of the State Labour Tripartite Conference (Sugar) held at Ranikhet in June 1957, a Standing Tripartite Committee on Sugar Industry was constituted under G.O. No.6734(ST)/XXXVI-A-223(ST)-66 dated November 30, 1957, to provide a forum for discussions of various problems of mutual interest relating to the Sugar Industry with a view to finding agreed solutions thereof;

And, whereas, the said Standing Tripartite Committee on Sugar Industry has been reconstituted vide G.O.No.8337(HI)/XXXXI-C-112(HI)-66 dated September 20, 1966, for the same purpose;

And, whereas, the said Committee in its meeting held on December 18, 1966, have inter alia recommended that all the vacuum-pan sugar factories in the State shall enforce the unanimous agreements arrived at in the 14th and 15th meetings of the Standing Tripartite Committee on Sugar Industry held on October 29 and 30, 1963 and January 23, 1965 in respect of contract labour;

And, whereas, in the opinion of the State Government it is necessary to enforce the said recommendations of the Standing Tripartite Committee on Sugar Industry for securing the public convenience and the maintenance of public order and supplies and services essential to the life of the community and for maintaining employment;

Now, therefore, in exercise of the powers under clause (b) of section 3 of the U.P. Industrial Disputes Act, 1947 (U.P. Act No. XXVIII of 1947), the Governor is pleased to make the following order and to direct with reference to section 19 of the said Act that the notice of this order be given by publication in the official Gazette:

#### ORDER

1. The vacuum-pan sugar factories in the State whose names have been mentioned in the Annexure shall employ labour on the following jobs in the manner stated against each job:

Sl. No.	Description of the job.	Type of Labour to be employed.
1	2	3
1.	Unloading of sugar cane wagons.	Regular labour.
2.	Loading of sugar into wagons when large number of wagons and/or trucks are supplied.	May be contractor labour.
3.	Stacking sugar bags from Drier House to sugar godown and loading from godown to wagons.	Regular labour.
4.	Sugar bagging and stacking in Drier House.	Regular labour.
5.	Shunting of wagons	Contractor labour. However, till such time that the existing regular labour which might be in employment on this job was not absorbed status quo to be maintained, viz. they were not to be removed from service.

1	2	3
6.	Construction and repairing of buildings.	For permanent nature of work regular labour to be employed but work of casual nature or uncertain quantum, i.e. annual repairs of quarters, new construction of quarters and bungalows, etc. may be got executed by contractor labour.
7.	Road construction	Contract system may continue.
8.	Sawmen & carpentry jobs	Status quo be maintained.
9.	Collection and disposal of press mud	Regular labour.
10.	Filling of molasses in distillery	Where mechanically done, by regular labour; otherwise viz. for filling with the aid of buckets, etc. contractor labour might be employed.
11.	Removal of boiler ashes, Ra and clinker	Contract system may continue
12.	Cleaning of ponds	Contract system may continue.
13.	Painting of chimney	Contract system may continue.
14.	Periodical cleaning of evaporators & juice heaters	Regular labour except when not available.
15.	Fabrication and erection of machinery.	Usual repairs and overhauling by regular labour; otherwise by contractor labour.
16.	Conducting major alterations, additions or extensions	Usual repairs and overhauling by regular labour; otherwise by contractor labour.
17.	Breaking lime stone and hard coke into proper sizes and filling the same in bins	Status quo be maintained.
18.	Supply of firewood	In emergency and where normal feeding by bagassees, contract labour may continue up to the boiler stage. If auxiliary fuel wood or coal is used usually for boiler feeding, its carrying up to boiler should be executed by regular labour.
19.	Filling dunnage bags	Contract labour may continue.
20.	Bagasse baling and stacking.	Where regular labour is working on the job of bagasse baling and stacking and loading of sugarcane at sugarcane purchasing centres, the same would not be replaced by contract labour; otherwise the status quo would be maintained.
21.	Loading of sugarcane at sugarcane purchasing centres.	

2. No workmen employed on contract labour on any job would be retrenched as a result of this Order.

3. The Order shall remain in force for a period of one year in the first instance with effect from the date of its publication in the official Gazette.



ANNEXURE

1. Neoli, 2. Shahganj, 3. Raja Ka Sahaspur, 4. Buzpur, 5. Bous,
6. Dhampur, 7. Bareilly, 8. Baheri, 9. Majhola, 10. Amroha,
11. Kashipur, 12. Pilibhit, 13. Rampur, 14. Bijnor, 15. Soohera,
16. Balrampur, 17. Basti, 18. Walterganj, 19. Gauri Inzar,
20. Kathkuiyan, 21. Padrauna, 22. Deoria, 23. Pipraich,
24. Anandnagar, 25. Laxmigunj, 26. Bhatni, 27. Chhitauni,
28. Munderwa, 29. Siswa Bazar, 30. Ramkola. M.K., 31. Nawabganj,
32. Ghughli, 33. Mairwa, 34. Ramkola(R), 35. Jarwal Road,
36. Sardarnagar, 37. Babnan, 38. Captainganj, 39. Khalilabad,
40. Baitalpur, 41. Tulsipur, 42. Seorahi, 43. Khedda, 44. Burhwal,
45. Aira, 46. Gola, 47. Motinagar, 48. Maholi, 49. Hardoi,
50. Hargaon, 51. Berabanki, 52. Biswan, 53. Rohana Kalan.
54. Baghpat, 55. Daurala, 56. Sakoti Tanda, 57. Deotand,
58. Doiwala, 59. Meerut, 60. Sarsawa, 61. Saharanpur, 62. Iqbalpur,
63. Mawana, 64. Modinagar, 65. Panninagar, 66. Laksar,
67. Mohiuddinpur, 68. Simbhaoli, 69. Mansurpur, 70. Khatauli,
71. Shamli.

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KSV/SSC.