

National Commission on Labour

Memorandum received from the Indian Cotton Mills' Federation. *of employers*

<u>S.No.</u>	<u>Section</u>	<u>Page No.</u>	<u>Points for Elucidation</u>
1.	I Recruitment and Induct- ion for the job' training.	5.	Will you reconcile your statement that "most mills have facilities for on-the-job training" for their workers" with the following observation of the Study Group?  "Even to the new entrant, there is no provision in a majority of the mills for any formalised training and induction. The new worker is more or less left to his own devices in picking up his job result, it takes him longer to learn his job and secondly he picks up some of the inefficient methods and operations which are inadvisable. Provision of proper training facilities within the mill before the worker is placed in a job will help to improve productivity in mills".
/ from other workers in the Department. As a			
2.	III. Growth of Registered Trade Unions	2-3	You have suggested that minimum number of membership for registration, in case of a concern employing more than 100 persons should be 30 or 10% whichever is higher. Is not the percentage or minimum limit too high?
3.	Recognition of unions.	5	Who should be the judge to decide the criteria of 'responsible and strong unions which can really deliver goods'?
4.	-do-	6	Often a point has been raised that verification method is cumbersome and prone to influence. Will you suggest measures to insulate the system against this charge?
5.	Office bearers of trade unions	8	Does your observation regarding the stability achieved by the trade union movement refer to Cotton Textile Industry only or has it a general applicability?
6.	IV Conciliation and Mediation	2	In your scheme for the settlement of industrial disputes, what place will you assign to voluntary arbitration and standing tripartite boards?
7.	V Neutralisation	2	Do you agree that lower grade workers should be fully neutralised against increased cost of living and the percentage should taper off for higher income groups?
8.	Ceiling on D.A.	2	Will you elucidate how the principles evolved by Dearness Allowance Commission regarding D.A. lead to a ceiling on the quantum of D.A.
	Frequency of Adjustment	3	In a period of rising prices would annual adjustment of D.A. not entail hardship to labour?

<u>S.No.</u>	<u>Section</u>	<u>Page No.</u>	<u>Points for Elucidation</u>
10	Bonus	4	How far can one generalise on the basis of a few establishments incurring losses, (that also during a short period) that bonus is nothing but an annual addition to wages? Will you evolve a formula of sharing profits on the premise that bonus is a matter of right and not gratuitous?
11.	VI Incentive Schemes & Productivity.	2	<p>Apart from resistance on the part of labour to rationalisation, are there no other factors impeding increase in productivity? In particular, what are your comments on following factors mentioned by the Study Group?</p> <p>"The machinery and equipment used in India are still of the conventional type and their speeds and productions are 30 to 40% lower than in other textile producing countries. The standards of maintenance and working conditions in some of the mills are such that a large increase in productivity would be difficult without an improvement in these areas."</p>
12.	Absenteeism and Earnings	3	As employers what measures would you like to take in order to direct higher earnings into the channels suggested by you viz. reducing indebtedness, improving standard of food etc. and what cooperation/assistance you would like from trade unions and Government?
13.	Automation	5	You have stated that automation is a must in cotton mill industry. What measures you would take to safeguard the interests of labour particularly job security?
14.	VII Social Security Schemes.	1	You feel that labour does not feel obligated to employer for social security benefits. Is sum total of benefits adequate when inflation has eroded his real savings?



# THE INDIAN COTTON MILLS' FEDERATION

ELPHINSTONE BUILDING, VEER NARIMAN ROAD,  
FORT, BOMBAY-1.

No. 34-D/4670-67.

Date: 31, 1967.

Shri B.N. Datar,  
Member Secretary,  
National Commission on Labour,  
D-27, South Extension,  
New Delhi-6.

Dear Sir,

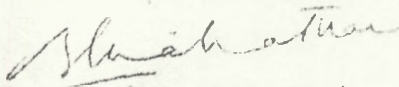
Sub: Questionnaire issued by the  
National Commission on Labour

I am directed to refer to your letter dated 10th April 1967 and to submit herewith 5 copies of the Federation's replies to the Questionnaire issued by the National Commission on Labour.

I have also sent by separate post additional 45 copies of the replies.

Please acknowledge receipt.

Yours faithfully,

  
(Bhaskar G. Kakatkar)  
Secretary-General

Encl. As above.

Vyt/Kag.

## Section I.

### RECRUITMENT AND INDUCTION

#### Method of recruiting workers:

The common practice is that every mill maintains a badli pool to meet its normal manpower requirements in the major departments, so that it is assured of a minimum supply of substitute labour in requisite number, whenever vacancies occur. Badlis are permanently attached to mills. Their names are entered into a register and they are issued badli cards every month. Although they are not regular employees, badlies are required to present themselves at the start of the shift. Departments, which are in need of substitutes to fill in vacancies of permanent workers, who are either on leave or have remained absent from work without prior intimation, send out indents against which senior most badlies, among those present, are given work. An entry is made in the badli card to indicate whether the badli was given work or not. A new badli card is issued on the first of every month and the seniority of a badli is calculated on the basis of the maximum number of days worked by the badli worker. Some variations are, however, observed in the practice of maintaining badli pools from centre to centre, depending upon local conditions.

While the pool of badlis supplies labour to mills in Bombay, Ahmedabad, Sholapur, Kanpur, Coimbatore, Baroda and a few other centres, a Decasualisation Scheme is in operation with a view to helping mills get workers. The salient features of this Scheme are:-

- i) To regulate recruitment of labour with a view to avoiding waste of manpower;
- ii) To increase efficiency and production by reducing labour turnover;
- iii) To reduce the waiting period of unemployed textile workers;
- iv) To encourage the systematic training of textile workers with a view to ensuring a speedy supply of efficient workers, and

v) To eliminate bribery, corruption and favouritism in the recruitment of textile workers.

The Scheme provides for the maintenance of a Master Register of unemployed workers, and whenever mills are unable to get badlis from their own pool, they draw on this Master Register. Workers are supplied to mills according to the serial order in which names are registered. The Decasualisation Scheme, thus supplements the badli pool system in getting workers.

Although the present recruitment arrangement can generally be said to be satisfactory, occasionally mills find it difficult to get sufficient number of recruits even from the Decasualisation Scheme Exchange. In those centres, where the Decasualisation Scheme is not in operation, mills try to get workers either through existing employees, contractors or employment exchanges, when they find it difficult to get sufficient number of persons from their own badli pools.

It is the experience of the industry that during the monsoon period, marriage season and in summer, as well as during period of seasonal sickness or epidemic, when large number of persons are absent, mills are unable to get sufficient badlis.

Short supply of labour:

It is the experience of cotton textile industry that it is difficult to get skilled workers particularly weavers, four-siders and drawers-in in sufficient number. No doubt, some mills have introduced their training schemes for weavers to overcome the problem of shortage, but, by and large, this is not adequate to meet the requirements of the industry. Although one of the objects of the Decasualisation Scheme is to encourage the systematic training of

textile workers for ensuring steady supply of efficient workers, no positive steps seem to have been taken by the Scheme in this direction. It is understood that about 66% of the labour force in Bombay mill industry consists of workers falling in "short categories", i.e. categories for which the Decasualisation Scheme has no workers to supply. The experience at other centres, where such a scheme is not in operation, is also similar. The question of training workers in short categories has been constantly engaging the attention of employers and trade unions alike.

Mobility of labour:

There is no mobility of workers in this industry, particularly in big centres. The problem of shortage of skilled workers can be over-come by introduction of training scheme to which reference has been made above.

Migratory character of labour:

It is common knowledge that most of the industrial labour comes from villages. Although they migrate from villages to cities, they do not sever their connections with the village life and they like to goback to their villages particularly for agricultural operations, festivals, marriages etc. It, therefore, creates a problem of large-scale absenteeism for the management. There are at least two or three peak absenteeism periods in a year.

Women workers:

For a variety of reasons, the percentage of women employees in the total labour force employed in the industry has been falling; it was 7.9 in 1952, 5.9 in 1962 and only 5.05 in 1966.

It has been the practice of the industry generally to employ women workers only in Winding, Reeling and Waste Departments. In some centres like Ahmedabad, however, women

workers were employed as machine tenters in the Speed Frame and Ring Frame Sections of the Spinning Department. With the signing of the Delhi Agreement, 1935, which introduced for the first time rationalisation in the Ring Frame Department, two-sides-to-a-sider system was introduced and for this purpose, where both husband and wife were employed in the same Department the wife was to be retrenched and that side was to be managed by her husband. This resulted in a fall in the employment of women workers. Another factor which contributed to this fall was the passing of the Maternity Benefit legislation. Although it cannot be said that women workers were reduced by mills in order to avoid the payment of maternity benefit, the fact remains that the legislation created a climate against the recruitment of women workers. However, the main reasons for the fall in the employment of women workers may be mentioned as:

1. Installation of high speed machinery and the resultant retrenchment of workers;
2. Increasing use of yarn for weaving with consequent reduction in the complement of reelers, and
3. Preference shown by women workers for employment in lighter industries.

With the growth of industries, avenues of employment for women workers, especially in lighter industries, are expanding and the fall in the employment of such workers in the cotton textile industry is not likely to make any impact on the volume of employment of women in the industrial sector. It may be stated here that, in foreign countries, wage rates for women workers are lower than those for men workers.

So long as a large section of male workers is still without suitable jobs, it really needs consideration whether any special measures are at all necessary for increasing the employment of women workers.

Physically handicapped persons:

It is understood that some of the mills have been employing physically handicapped persons voluntarily on some suitable jobs and their experience is fairly good. Such employment is, however, given on humanitarian grounds. We are, however, opposed to any statutory provision being made for reserving a portion of the vacancies for the physically handicapped.

'On the job' training:

Most mills have facilities for 'on the job' training for their workers.

Promotion policy:

Promotion is essentially a management function. In general, vacancies should normally be filled through internal promotion subject to a judicious combination of merits and seniority. Management's right to recruit directly in the interest of the efficiency of the establishment should be clearly recognised.



## Section II

### Conditions of work

#### Provision of the Factories Act:

We are of the opinion that provisions of the Factories Act are quite adequate in the present conditions of the country and no changes in these provisions are called for. They ensure proper working conditions for the employees.

#### Annual Leave:

We are of the opinion that the present statutory leave provisions are reasonable and adequate. However, there have been instances where the labour unions have demanded additional leave facilities for workers. The Industrial Courts/Tribunals have awarded such additional annual leave. The result is that, although under the Central Labour legislation (which has uniform application all over the country) annual leave is prescribed, workers in different regions/industries have been getting different quantum of annual leave. We feel this is undesirable. Here we would also like to point out that statutory annual leave facilities available to workers under the factory legislation in this country, are not less favourable than those available to workers in European countries. We give below the statutory annual leave admissible to workers in different European countries:

<u>Name of the Country</u>	<u>Statutory annual leave admissible</u>
U.K.	12 days
Belgium	12 days
France	18 to 24 days
Germany	12 days
Italy	10 days
Luxembourg	8 to 18 days
Netherlands	12 days
Austria	12 to 24 days
Denmark	18 days
Norway	18 days
Switzerland	14 to 21 days
Sweden	18 days

We feel that there is no justification in a developing country like ours to grant for any particular industry or region privilege <sup>leave</sup> beyond what is laid down in the factory legislation. ~~It should be uniform all over the country.~~ Besides, the privilege leave <sup>should be uniform all over the country.</sup> It is also our view that it should not be open for industrial courts to award leave more than what is laid down in the Factory Legislation.

#### Festival and National Holidays:

The facility of paid festival and national holidays available to workers in different industries is not governed by any Central legislation. In some States like Kerala, Madras, U.P., Mysore and Punjab, the State Governments have enacted legislation regulating the festival and national holidays. In some regions, the facility is granted under Awards of Industrial Courts/Tribunals or under Agreements or, in some cases, on the basis of custom and tradition. The legislations framed by the States mentioned above have provided different quanta of festival and national holidays. The coverage is also different in different states. The Kerala Industrial Establishment (National & Festival Holidays) Act, 1958, applies only to such industrial establishments which employ more than 50 persons and are engaged in manufacturing, plantation or any other industry which the Government may bring within its purview. The Madras Industrial Establishment (National & Festival Holidays) Act, 1961, covers not only factories but also shops, commercial establishments and plantations. The U.P., Industrial Establishment (National Holidays) Act, 1961, applies specifically to factories as defined under the Factories Act. The scope of the Mysore Industrial Establishment (National & Festival Holidays) Act, 1962, is similar to the Madras legislation. The Punjab Industrial Establishments (National and Festival Holidays & Casual and Sick Leave) Act, 1965, applies to all factories as defined under the Factories Act, and all plantations as defined under the Plantation Labour Act, 1951.

The Kerala Act provides for 7 paid festival and national holidays, the Madras and Mysore Acts provide for 8 days, the U.P. Act prescribes 3 paid holidays and the Punjab Act provides for 7 holidays. The Bombay industry gives 4 paid holidays under an Award of the Industrial Court. A perusal of the paid holidays under the above mentioned Acts shows that they generally include the Republic Day (26th January) and the Independence Day (15th August). The Bombay cotton textile industry gives a paid holiday on 2nd October (Mahatma Gandhi's Birthday) but not on 26th January. The U.P. and Madras Acts also prescribe the 2nd October as the National Holiday, while the Kerala Act specifies 1st May (Labour Day) as the national holiday. We feel that, so far as national holidays are concerned, it should be possible to bring about uniformity in the number of national holidays granted in different regions/industries. The present difference does not appear to be justifiable. However, as regards festival holidays, since different regions have got different festivals, the holidays are bound to differ. We consider that time has come to reduce the number of festival holidays. In this respect, we would like to invite the attention of the Commission to the following observation made by the Second Pay Commission (Jagannatha Das Commission) (p.407):

" There is a widespread feeling among those who take intelligent interest in these matters that there are too many holidays in the country, that these are all not now necessary for religious or traditional social observances, in many of which the educated people particularly are losing interest, and that, in short, many of the public holidays are only a pretext for idleness, which the country can ill-afford".

The Supreme Court of India, while giving decision in the case of Associated Cement Staff Union and other v/s Associated Cement Company and others (L.S.I of 1964 p.12) has observed:

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" While discussing in the other appeals the question of justification for increasing the working hours, we have mentioned the growing realisation in the country of the need for increase in the country's productivity along with the necessity of better distribution of the wealth produced. It cannot be disputed that a necessary step in this direction is the reduction in the number of holidays".

In the case of Pfizer Pvt Ltd., v/s their workmen (1963-64- Vol. XXIV F.J.R. 283), the Supreme Court pointed out that -

" In the face of the present emergency when the whole economy of the country is being put on a war basis and inevitably industrial production must be geared up to meet the requirements of the nation, capital, labour and industrial adjudication alike must be sensitive and responsive to the paramount requirement of the community which is faced with a great danger".

Their Lordship, while dealing with the question of holidays, observed:

" Besides, it is now generally accepted that there are too many public holidays in our country and that , when the need for industrial production is urgent and paramount, it may be advisable to reduce the number of such holidays in industrial concerns".

No additional comments from us are called for on the question of reduction in the number of festival holidays. The Factories Act provides for a weekly holiday. We beg to suggest that the number of holidays, including national and festival holidays , should be allowed to be fixed in such a manner that the total of all such holidays does not exceed fifty-five including weekly holidays, in a year. This could be achieved by adjustment of national and festival holidays against weekly holidays under the Factories Act. In other words, if a national or festival holiday occurs in a week, it should be allowed to be substituted for a weekly holiday under the Factories Act and an employer should not

be called upon to give it as an additional holiday. We may even suggest that, if, for the purpose of such substitution, some relaxation of the provisions of the Factories Act becomes necessary, Government should consider it favourably.

Child Labour:

In a total labour force of over nine lakh employed in the industry, workers below 18 years are not even fifty.

Contract Labour:

In the cotton textile industry, contract labour is employed on certain jobs like loading and unloading, erection of machinery, construction of and repairs to buildings, etc. However, the practice varies from centre to centre. Some cotton textile units consider it necessary to employ contract labour in certain departments for carrying out the work more efficiently and economically. In such cases, the conditions of work are generally the same as those for workers directly employed by the units. The main difference is that contract labour is responsible to the contractor and not to the mill management. However, in the matter of non-monetary benefits, contract labour in industrial concerns is generally on par with regular labour. The protection of Factories Act, <sup>the Employees State Insurance Act,</sup> ~~the Employees' Provident Fund Act, etc.~~, is available to them.

We have no objection to steps being taken to protect contract labour, wherever employed, against possible malpractices and to ensure the observance of fair practices in regard to their employment. Some of the provisions of the Bill introduced by Government in November 1966, however, are likely to cause harm to the industry. For example, the Bill mentions four criteria which are to be taken into consideration by the appropriate Government before it can prohibit the employment of contract labour in an establishment. These are:

- (a) whether the process, operation or other work is incidental to, or necessary for the industry, trade, business, manufacture or occupation that is carried on in the establishment;

- (b) whether it is of perennial nature, that is to say, it is of sufficient duration having regard to the nature of industry, trade, business, manufacture or occupation carried on in that establishment;
- (c) whether it is done ordinarily through regular workmen in that establishment or an establishment similar thereto, and
- (d) whether it is sufficient to employ considerable number of whole-time workmen.

Explanation: If a question arises whether any process or operation or other work is of perennial nature, the decision of the appropriate Government thereon shall be final.

The above four criteria appear to have been based on the observations of the Supreme Court in the case of the Standard Vacuum Refining Company of India Ltd., v/s their workmen (L.L.J. II of 1960 p. 233). In fairness, all these four conditions should be treated as conjunctive, that is, all of them must be satisfied for the abolition of contract labour in any establishment. The Bill, however, seems to suggest that the existence of any single criterion in any establishment would be a sufficient reason for Government to prohibit the employment of contract labour in that unit. The Indian Labour Conference, at its 19th Session held in 1961 at Bangalore, recommended the adoption of these four criteria, but there also, it appeared, the intention was that all the four criteria should be conjunctively fulfilled.

Benefits for workers - Areas of cooperation:

There are certain statutory benefits like canteen facilities, annual leave provisions, safety arrangements, etc. In the implementation of provisions relating to these, the trade unions can play a useful role. The Factories Act provides that the State Government may make rules requiring any specified factory to provide and maintain a canteen for the use of workers. The rules have also to provide for the constitution of Managing Committee for the canteen and representation of workers in the management of the canteen. The

workers on such Managing Committee would be, it is presumed, members of some union or the other.

The Act requires that the canteen shall be run on "no profit" basis. In fact, most industrial canteens make substantial losses. When, however, the losses go on increasing enormously, as is in the present days, some of the managements desire to revise the prices of the commodities sold in the canteens with a view to reducing the losses. This is a reasonable action on the part of the management. Experience, however, shows that even this reasonable action is opposed by the unions.

On the question of discouraging absenteeism also, the trade unions can play an important role by educating workers on the necessity for avoiding abnormal absenteeism in any month which helps none. Again, it may be possible for the unions to work out a scheme whereby the leave allowable to workers in a unit is regulated in such a way that the unit has not to face abnormal absenteeism in any month. In fact, section 79(8) of the Factories Act provides that, for the purpose of ensuring continuity of work, the management, in agreement with the Works Committee or with the representatives of the workers, may frame a scheme whereby the grant of annual leave can be regulated. According to our information, no such scheme has been framed by any unit, obviously because it is not possible to do so without the active cooperation of trade unions.

In the matter of observing safety provisions also, the trade unions can play an active part. This aspect is discussed in Section II A regarding safety and health.

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Section II A.

SAFETY AND HEALTH

We are of the opinion that, in order to secure reduction in the incidence of the accidents, vigorous and sustained efforts must be made at all levels in the industry. Voluntary action must come from all concerned, namely, the management, machine planners, technicians, supervisors, labour unions, and the workers themselves. All have an important contribution to make, in that each of these can and should strive to make the factory a safer place to work. Safety is a matter of developing (i) self-discipline in compliance with the regulations and (ii) standards of safe working conditions and of personal behaviour, which are not amenable to control by statutory regulations.

The statistics relating to the number of industrial injuries in all factories and the corresponding number of injuries for textile factories are as follows:

Year	Fatal Injuries		Non-Fatal Injuries		Total Injuries	
	All factories	Textile Factories	All factories.	Textile factories.	All factories.	Textile factories.
1956	278	55	128177	50093	128455	50148
1957	346	--	131149	-	131495	-
1958	369	--	136031	-	136400	-
1959	341	55	141675	47844	142016	47899
1960	454	--	144549	-	145003	-
1961	474	--	159222	-	159696	-
1962	528	78	168755	62565	169283	62643
1963	496	78	184013	69448	184509	69526
1964	626	96	188956	72376	189582	72472
1965	429	50	156666	64398	157095	64448

(Source - Indian Labour Statistics 1967)



The statistics show prima facie that the number of industrial injuries has been increasing. We also give below the statistics of frequency rates of industrial injuries in all factories and also for textile factories:

Year	Fatal Injuries Frequency rate per 1 lakh Mandays worked		Non-Fatal Injuries Frequency rate per 1 lakh Man-days worked.		Total Injuries Frequency rate per 1 lakh Man-days worked.	
	All fac- tories	Textile facto- ries.	All fact- ories.	Textile factor- ies.	All fact- ories.	Textile factor- ies.
1956	0.03	0.01	15.63	14.74	15.66	14.75
1957	0.04	-	14.42	-	14.46	-
1958	0.04	-	13.86	-	13.90	-
1959	0.03	0.02	13.84	13.97	13.87	13.99
1960	0.05	-	14.34	-	14.39	-
1961	0.05	-	16.13	-	16.18	-
1962	0.05	0.02	16.22	17.40	16.27	17.42
1963	0.04	0.02	16.57	18.57	16.61	18.59
1964	0.05	0.03	16.43	18.67	16.48	18.70
1965	0.05	0.02	19.04	26.22	19.09	26.24

(Source - Indian Labour Statistics 1967)

So far as textile factories are concerned, it would appear that, though the frequency rate of fatal injuries is more or less constant, the frequency rate of non-fatal injuries is on the increase. The importance of making efforts to check and further reduce the frequency rate of fatal as well as non-fatal injuries cannot, therefore, be over-emphasised. The main causes of accidents can be said to be:

- (1) Persons falling;
- (2) Lack of appreciation by the worker of the gravity of a hazard resulting in negligence on his part;
- (3) Lack of sufficient skill to work the safe way;
- (4) Improper or inadequate fencing of machinery;

- (5) Absent mindedness;
- (6) Haste or impatience;
- (7) Overconfidence seen sometimes in not using guards provided for the machine; or temptation to take chances;
- (8) Laziness or lack of interest in the job.

The basic method of preventing accidents lies in making the working environments as safe as possible by:

- a) fencing the machinery properly;
- b) training workers to act in a safe way while at work, and
- c) acquainting them with possible hazards of the machines.

The Textile Committee of the International Labour Organisation, in its 7th Session (6th-17th May 1963) adopted the conclusions (No.48) concerning problems of Apprenticeship, Vocational Training and Retraining in the textile industry which, inter alia, stated that -

"The avoidance of accidents and health hazards should be emphasised in all schemes of training, and workers should be fully instructed on safety and health measures".

"Before entering training for employment in the textile industry, young persons should be given a medical examination; such examinations should be carried out periodically throughout training to facilitate the identification of health factors which might ultimately have a bearing on the employment of the trainee."

"In view of the increasing complexity of textile machinery and changes in the chemicals used in the process of manufacture, particular attention should be paid to safety and health by textile undertakings. In this connection textile machinery makers should incorporate the maximum safety devices in their products, and chemical manufacturers should pay attention to health hazards for the purpose of preventing accidents and injury to health, as the case may be, particularly amongst trainees".

It is generally recognised that there are two main contributory causes to an accident, namely, unsafe act and unsafe condition. One method of preventing unsafe acts is to train the employees in the proper use

of tools and equipments. Similarly, to eliminate unsafe conditions, supervisors are required to be trained to establish and maintain safe working environment. In other words, safety necessitates training of personnel at all levels in the proper work techniques and practices.

This work of training the new entrants, as well as conducting refresher courses for those who are already in employment, should be undertaken by Government or the Employees' State Insurance Scheme or it can be entrusted to voluntary organisations with suitable subsidies from Government. The labour unions, too, can conduct such courses for workers. The Industrial Conditions Enquiry Committee (Bombay State) also emphasised in this regard the need for voluntary organisations which could work in close co-operation with Factory Inspectorate.

Experience in other countries has shown that much can be achieved if non-official agencies develop their activities to educate employers and workers alike in their need to ensure health, hygiene and safety in factories. In Great Britain, it is the Royal Society for Prevention of Accidents which carries on the propaganda regarding the prevention of accidents by publishing posters and bulletins which have been of great value to Government Factory Inspectorate and to employers.

The need to establish a non-official agency to promote industrial safety in factories was felt by the former Government of Bombay as early as 1954. The State Government, with the active co-operation of the Bombay Millowners' Association and other industrial organisations, set up "The Council of Industrial Safety" and also gave it financial assistance to launch upon its activities. It appears that this is the only non-official agency in the country which is doing useful work in the matter of industrial safety in factories.

The Government of India had convened in December 1965, "The President's Conference on Industrial Safety" in which, among other subjects, the need for setting up a National Safety Council was stressed. Accordingly, the Government of India have constituted the National Safety Council, under the Chairmanship of Shri Naval H. Tata. We hope that, with the establishment of this Council the subject of industrial safety would get momentum and the performance of the country in terms of the statistics quoted earlier would show great improvement.

The Safety Committees can also play an important role in the matter of prevention of accidents. Some of the cotton textile units have already set up such Committees which consist of representatives of management and workers. In the matter of formation of such Committees, as well as in their proper functioning, the labour unions can take active part. These Committees can suggest ways and means of improving safety measures at plant level. Even workers making valuable suggestions are rewarded suitably. Incidentally, the Government of India have also framed a scheme giving safety awards to factories, as well as individual workers, every year for their noteworthy performance in the matter of industrial safety.

The provisions of the Factories Act, 1948, in the matter of safety are quite elaborate. How elaborate they are can be shown by an illustration. Section 21 of the Factories Act provides that the machinery referred to therein "shall be securely fenced by safeguards of substantial construction which shall be kept in position while the parts of machinery they are fencing are in motion or in use".

The State Governments have also been given powers to prescribe by rules such further precautions as they may consider necessary in respect of any particular machinery or part thereof, for securing the safety of workers. In exercise of these powers, the State Governments have framed rules specially for cotton textile factories, requiring them to provide safeguards for various types of machinery obtaining in the industry. Also, if, in any mill, the existing safeguards were not considered sufficient by the Factory Inspectorate, the Inspectorate has discretionary powers to suggest additional safeguards to be provided by the mill. Similarly, detailed provisions exist in the Act and/or rules regarding working on or near the machinery in motion, casing of new machinery, hoists and lifts, revolving machinery, pressure plants, precautions against dangerous fumes, explosive or inflammable dust, gas, etc. It does not, therefore, seem necessary to make any amendments to the existing provisions of the Factories Act. With the proper training of new entrants, refresher courses for workers already employed as well as the supervisory personnel, and the proper implementation of the existing provisions of the legislation, the accident rate could be expected to go down substantially.

The nature of working in the cotton mill industry is, however, such that there is no need for installing safety equipment of an elaborate nature. But there are areas where simple protective measures have to be enforced. Thus, workers are required to be provided with such articles as goggles, rubber gloves, breathing masks, etc., when they have to handle corrosive substances like acids, dyes, etc., in the dye department, or have to work in a department where too much fluff and dust are flying in the

workroom - as in the willow department - or where dangerous particles of metals, etc., are flying about - for example on a grinding machine. Unfortunately, it is the experience of mill-management that, inspite of providing such articles, the workers are not very much inclined to make their full use and suffer the consequences. Pressure from departmental heads for the compulsory use of such articles is resented by workers. In this respect, the trade unions can be helpful by educating the workers in the imperative need for scrupulously following safety precautions.

The need for an Industrial Health Service at the place of employment was indicated in the report of the Joint W.H.O./I.L.O. Regional Conference on Industrial and Occupational Health held at Calcutta in November 1958. In this country, the Employees' State Insurance Scheme already provides for curative treatment to the workers covered by the Scheme. It is, however, necessary to pay equal attention or perhaps more to the preventive aspect of the medical aid. The aim of an Industrial Health Service is to maintain an industrial worker in his optimum health. Any such preventive treatment should cover pre-employment medical examination, periodical, and follow up examination during the employment and also specific examinations wherever necessary. It would be more suitable if only one agency looks after both the preventive and curative medical treatment of a worker. As the curative treatment is being given by the Employees' State Insurance Scheme which, incidentally has got good finances, we feel that the preventive aspect of the medical aid should also be handled under the Employees' State Insurance Scheme.

So far as the occupational diseases are concerned, it is necessary to give special attention to both the preventive and curative medical aid. The periodical medical check up of workers is extremely essential here, because many occupational diseases take months or even years for their development. Their slow development leads to their non-recognition in the early stages and this is really harmful to a worker. It may also be necessary to take pathological tests periodically of such workers. Here again, as the Employee's State Insurance Scheme has been looking after the curative aspect of the medical aid, we suggest that it can also arrange for the preventive measures for the purpose.

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### Section III

#### Trade Unions and Employers' Organisations

##### Establishment of Employers' Organisations:

Economic planning and expansion in industrial and economic activity, as well as the strengthening of democratic apparatus in the country, gave a strong impetus for the strengthening and expansion of employers' organisations, for these bodies were useful in placing before Government the industries' points of view on the plans for economic development and on the various controls devised for regulating the progress of industries, as well as for the marketing and pricing of their products. Another important factor that led to this result was the enactment of a series of labour legislation in quick succession, especially in the first few post-independence years. The need for making their united voice felt in moulding their relations with labour and in the various consultative and tripartite bodies appointed by Government and the periodical meetings of these bodies for evolving an agreed pattern of industrial relations based on mutual understanding of employers and employees also engendered among the employers a keener appreciation of organising themselves into associations.

This getting together of employers has on the whole been beneficial to the society, in general, and to the growth of trade union movement, in particular, as it has led to a greater sense of responsibility and discipline among the employers and recognition of the value of healthy trade unions as a prerequisite for cordial relations with workers.

##### Growth of Registered Trade Unions:

The period commencing from Independence witnessed the rapid growth of registered trade unions in the country. For registration of a union under the Indian Trade Unions Act, all that the workers are required to do is to form a union consisting of not less than 7 persons and apply to the



Registrar of Trade Unions for registration. Naturally, the number of registered trade unions has been on the increase in the recent past. In the year 1947-48, the number of registered trade unions was 2,766; by the year 1964-65, this number had risen to 12,801. However, the average membership per union has shown a decline during recent years. The statistics showing the increase in the number of unions and the fall in the average membership per union since Independence are given in the following table:

Statement showing the number of Trade Unions on Register (both Employers' and Workers') in India, Unions submitting returns, Total Membership in Unions submitting returns and Average membership per Union for the years 1947-48 to 1964-65.

Year	Registered Trade Unions		No. of Unions submitting returns		Total membership of Unions submitting returns		Av. membership per union submitting returns	
	Number	Index (1947-48 = 100)	Number	Index (1947-48 = 100)	Number (in thousands)	Index (1947-48 = 100)	Number	Index (1947-48 = 100)
1947-48	2766	100.0	1620	100.0	1663	100.0	1027	100.0
1948-49	3150	113.9	1848	114.1	1960	117.9	1061	103.3
1949-50	3522	127.3	1919	118.5	1821	109.5	941	92.4
1950-51	3766	136.2	2002	123.6	1757	105.7	878	85.5
1951-52	4623	167.1	2556	157.8	1996	120.0	781	76.0
1952-53	4934	178.4	2718	167.8	2099	126.2	772	75.2
1953-54	6029	218.0	3295	203.4	2113	127.1	641	62.4
1954-55	6658	240.7	3545	218.8	2170	130.5	612	59.6
1955-56	8095	292.7	4007	247.3	2275	136.8	568	55.3
1956-57	8553	309.2	4399	271.5	2377	142.9	540	52.5
1957-58	10045	363.2	5520	340.7	3015	181.3	546	53.2
1958-59	10228	369.8	6040	372.8	3647	219.3	604	58.8
1959-60	10811	390.9	6588	406.7	3923	235.9	596	58.0
1960-61	11312	409.0	6813	420.6	4013	241.3	589	57.4
1961-62	11614	419.9	7087	437.5	3977	239.1	561	54.6
1962-63	11817	427.2	7246	447.3	3681	221.3	508	49.5
1963-64	11971	432.8	7245	447.2	3976	239.1	549	53.5
1964-65 (P)	12801	462.8	5980	369.1	3654	219.7	611	59.5

(P) Figures for the year 1964-65 are provisional.

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

We are of the opinion that mushrooming of trade unions is harmful to industrial peace. From this angle, we feel that the minimum number of workers required for registration of a trade union should be raised to a higher level. For a concern

employing more than 100 persons we suggest that the minimum number of membership for registration should be 30 or 10%, whichever is higher.

The year 1947, saw the formation of the Indian National Trade Union Congress. Within a year or so, it was recognised as the most representative organisation of Indian workers. The lead given by the Congress Party of organising unions within the political party was soon followed by the other political parties. The Socialist Party established, in 1948, the Hind Mazdoor Sabha and the radical party set up, in 1949, the United Trade Union Congress. Another important union, viz., the All India Trade Union Congress is associated with the Communist Party of India. Apart from these four central organisations of workers, there are many unions and some federations of unions also, which are not affiliated to any central body.

Role of Trade Unions/ Employers' Organisations:

We consider that the earning of profits is basic to the development and expansion of industrial activities. The industrial relations policy must, therefore, aim at maximising production and productivity, establishment and maintenance of industrial peace, ensuring at the same time improvement of the standard of living of the industrial workers. In this respect, the First Five Year Plan observed on page 582:

" The trade unions have to assume increased responsibility for the success of the productive effort. The whole economic health of the country depends upon rapidly increasing the productivity of labour. Such increases will largely depend on improved conditions of work and improved method and machinery. It will also greatly depend upon the utmost participation by the masses of workers in speeding up and improving production and that improvement can best be effected through modern trade union organisations".

No doubt, this generally pre-supposes good and safe working conditions in factories and a fair day's wage for a fair day's work to the workers. The employers would endeavour to provide

these conditions and also the right of workers to form an association for collective bargaining, etc. The trade unions, on the other hand, should educate the workers to shoulder their responsibilities in the matter of acceptance of fair workloads, observance of discipline, maintenance of industrial peace and ensuring efficiency. The trade unions should have a progressive outlook in the matter of rationalisation, automation, etc., The following observations made on page 255 of the Third Five Year Plan is relevant in this context:

" There is need for a considerable re-adaptation in the outlook, functions, and practices of trade unions to suit the conditions which have arisen and are emerging. They have to be accepted as an essential part of the apparatus of industrial and economic administration of the country and should be prepared for the discharge of the responsibilities which attach to this position".

The relationship of employers with the Government will be that of active participation in the various Consultative and Advisory Bodies and <sup>of</sup> co-operation in the implementation of policies that might be evolved by such joint bodies. As stated in the First Five Year Plan, the passing of the Industrial Truce Resolution in December 1947, whereby both employers and workers agreed to refrain from resorting to lock-outs, strikes, and slow down tactics, the establishment in 1948 of Industrial Committees for important industries on a tripartite basis, the setting up of the Works Committees under the Industrial Disputes Act, the co-opting of labour representatives on the Development Committee where labour matters are discussed, the constitution of Joint Consultative Board on bipartite basis and the establishment of Central Industries Advisory Council on which employers and workers are represented along with other interests, are some of the instances of such co-operation from the employers.

It can be said, generally, that employers in the cotton

textile industry have made all efforts to implement the decisions/recommendations of such joint bodies.

Industrial Disputes:

We feel that by far the best method of settling industrial disputes is that of collective bargaining. This, however, presupposes a strong and representative trade union in every undertaking or industry which alone should have the bargaining power. As regards compulsory arbitration, we agree with the following observation of the Bombay Industrial Disputes Committee (1921):

" No outside agency and in particular the agency of the State should be used until all other means have been employed or unless it is invited by one or the other party to the dispute or unless the situation is such that peace, order and good Government are prejudiced".

Recognitions of Unions:

One can say that the present leadership of the all-India organisations of workers is dominated by politicians and not the working class. The result is that the worker-members of the organisations are divided on political lines. This leads to multiplicity of unions and inter-union rivalry. The management is thus required to face more than one union at the plant level. This causes a hindrance in the production programme of the plant. It is these inter-union and intra union rivalries which have been responsible for many of the strikes. The existing legal framework appears to encourage such rivalries. We have already referred to the provisions of the Indian Trade Unions Act which allow registration even of small unions within an undertaking. The Industrial Disputes Act empowers even such small unions to raise demands which the Conciliation Officer can take up for conciliation. We would suggest that such statutory privileges be granted only to responsible and strong unions which can really deliver the goods. The difficulty arises when one has to judge the capacity and competence of a union to deliver the goods.

We feel that the only rational method of ascertaining the representative character of a union is on the basis on union membership. The union having the highest membership should be considered as the representative union.

We are of the opinion that it is necessary to give statutory recognition to the Code of Discipline in an industry which provides for the recognition of a union to deal with the disputes at a plant level. The Bombay Industrial Relations Act and similar State Legislations in Gujarat and Madhya Pradesh provide for recognition of an industry-wise union. The provisions in the State legislations on this subject are very specific. We suggest that in the matter of recognition under the Code of Discipline also similar specific provisions be made. The following criteria might be considered for the purpose of such recognition:-

- (1) A union applying for recognition must have been functioning for a minimum period of, say, one year;
- (2) During the period of its existence, it must not have resorted to strikes, hartals, or other unconstitutional methods;
- (3) It must have a minimum membership of, say, 30%. If there are two or more unions with 30% of membership, the union with the largest membership shall have the right<sup>of</sup> recognition.

Further, the union which is not recognised should not have any right of dealing with grievances of workers. The rights which can be given to the recognised unions may be similar to the rights provided for in the State legislations. They are:

- (i) Raising of industrial disputes and entering into settlements and agreements on behalf of the employees;
- (ii) Collection of sums payable by members on the premises where wages are paid;
- (iii) Putting up notice boards on the premises of the undertakings and affixing notices thereon;

- (iv) For prevention or settlement of an industrial disputes:
  - (a) To hold discussions on the premises of the undertaking with the employees concerned;
  - (b) To meet and discuss with the employer the grievances of employees;
  - (c) To inspect, if necessary, any place where employees are employed in the undertaking.
- (v) Nominating representatives on Production Committees, Canteen Committees, Works Committee etc.

Office-bearers of Trade Unions:

One of the inherent drawbacks of the trade union movement in India is the presence of "outsiders" who direct the destiny of the union in which, in most cases, they have no interest. Almost all trade unions in the country are led by persons who do not possess any background of the industry. These outsiders are mostly middle-class intellectuals. We refer to the following observation made in para 5 on page 572 in the Second Five Year Plan:

"It is often suggested that dependence of unions on outsiders as their executives is one of the many causes of unhealthy rivalries in the labour movement. While this suggestion is not entirely without foundation, it must be recognised that outsiders have played a notable part in building up the trade union movement in the country. But for their association, the movement would not have reached even its present dimensions and strength. A distinction needs to be drawn here between outsiders who are whole-time trade union workers and those who look upon union work only as a part of their activities. There is still need for devoted workers of the first kind in the trade union organisation and the right of unions to elect such persons to their Executives should not be interfered with. Even so, the unions need to realise that undue dependence in any one not belonging to the ranks of industrial workers must necessarily affect the capacity of workers to organise themselves. It is interesting to note, however, that recently, the number of outsiders managing the trade unions has shown a decline. This trend deserves to be encouraged".

The outsiders generally occupy various key posts in the Trade Union Executive, like President, General Secretary, Treasurer, etc. This is true of even well-developed and stable unions. The General Secretary is usually a full-time key official who really runs the union from day-to-day. However, the majority of office bearers is composed of outsiders. It is true that, as observed in the Second Five Year Plan, outsiders have played a notable role in the building up of the trade union movement in this country. It is, however, to be remembered that these outsiders are associated with more than one union simultaneously. Some times, such extremes are reached that a person may be a President of more than one union, being a national leader of considerable status. Obviously, he will not be able to contribute much to the work of any of the said unions. Now that the trade union movement has attained stability, we feel that the influence of outsiders will have to be kept to the minimum.

It would be relevant here to refer to the Workers' Education Scheme which is trying to develop industrial workers to become trained trade union leaders. The scheme has been in operation for about ten years and it may not, therefore, be difficult for the unions concerned to find sufficient trained workers from within the industry to take over their leadership.

On the question as to who should be considered as an "outsider", we would suggest that any person other than a full-time worker of a union shall be considered to be an "outsider".

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## Section IV.

### Industrial Relations

Works Committees: Works Committees have not been conspicuously successful. Subjects to be dealt with by them should clearly be defined and demarcated in the Industrial Disputes Act. In establishments where a union has been recognised as the sole bargaining agent, the Union should be given the right to nominate representatives of the Works Committees. Where a recognised union does not exist, it is a matter for consideration if any useful purpose would be served by having Works Committees.

### Workers' Participation in Management and Employee Share-holding:

Schemes like workers' participation in management and employee share-holding are neither feasible nor necessary to provide a voice to the workers in the running of the establishment. Collective bargaining, if properly developed, would itself constitute a substantial advance towards affording workers the necessary participation. It is also appropriate that workers should not get any special rights in establishments merely because they become share-holders. They should have no more or no less rights than other share-holders.

Conciliation and Mediation: Where industry and labour are unable to evolve mutually agreed procedures through the process of collective bargaining, the law now provides for the resolution of differences by various methods such as negotiation, mediation/conciliation, voluntary arbitration and adjudication. While direct negotiations must remain as the first step, conciliation as at present prescribed under the statute, is neither effective nor useful. It would, therefore, be advisable to introduce a scheme of mediation. Such mediation should be by a private or public agency, which should be independent of Government and composed of individuals of mature experience, who are familiar with human and industrial relations and who are imbued with a



spirit of public service.

A suggestion that we would like to make in this context is that every State, and preferably every major industrial region, should have standing tripartite boards for specified major industries. Disputes not settled within a prescribed period should automatically go to these boards for mediation and they should try to achieve a settlement between the parties. During the pendency of the matter before such tripartite boards, no party should be allowed to take recourse to lock-outs, strikes or tactics such as go-slow, derationalisation of working etc. which hamper the smooth functioning of the industry. If the Tripartite board fails to bring about a settlement, the dispute should then be referred for compulsory adjudication.

Voluntary Arbitration: Voluntary arbitration is one of the important modes of settling disputes and strengthening the collective bargaining process. For its success, it is essential that standing panels of suitably qualified independent arbitrators should be established and they should be assured of adequate remuneration and status. The question of expenses of arbitration should be left to the decision of the arbitrators. The provisions of the Indian Arbitration Act should apply to these arbitrations.

Adjudication: The future shape of industrial relations should be based on collective bargaining. The Government should be prevented from interfering in those cases where a recognised union and the employer have established sound relationship and procedure for the settlement of their differences. Nevertheless, it is necessary to leave to Government residual power to intervene, after the collective bargaining process is exhausted.

The Scheme outlined above is applicable to cases where collective bargaining has been adopted and has taken root as a result of the establishment of proper bargaining agents, which have been granted recognition and which realise the rights and obligations which flow from such a recognition. In spheres where collective bargaining has not been developed, the existing provisions of the law regarding the settlement of disputes by conciliation, arbitration and adjudication would continue to play.

Industrial Tribunals have been awarding leave, holidays and other benefits to workers, over and above those laid down in the relevant legislation. We consider that no changes in these matters covered by statutes should be permissible except through an amendment of the legislation.

Adjudication authorities: The authority for appointing members of Industrial Tribunals and Labour Courts should vest with the High Courts. Judges of industrial tribunals should be of the status of High Court judges and the judges of Labour Courts should be of the status of district judges. Moreover, Labour Courts should function under the judiciary and not under the executive. To the question whether conciliators should be named arbitrators in disputes handled by their colleagues, our answer is in the negative.

Labour Appellate Tribunal: The Labour Appellate Tribunal should be revived and given jurisdiction over the decisions of all Labour Courts and Industrial Tribunals functioning in different parts of the country, so that appeals can be quickly decided and uniformity in labour practices ensured.

Tripartite Forums: The Indian Labour Conference is the most important tripartite consultative forum. This forum has done useful work in the direction of laying down guidelines for action by all the three bodies, viz., Government, Employers and Workers, represented on it. It is essential that this tripartite body should continue to function in the future with more vigour. ....4

Standing Orders: Standing orders should not provide for matters which are covered by legislative provisions, but should deal only with conditions of work.

## Section V:

### Wages

#### General:

One of the important considerations of wage policy should be to keep the wages of industrial workers in line with changes in the national per capita income. Increases in wages of a limited sector of the economy, viz., organised labour, without regard to its impact on wages and incomes of other sectors, unorganised as well as agricultural labour, has created complications. The National Commission must consider what the relationship should be between the wages of industrial workers, other workers and particularly wages of agricultural labour as well as the <sup>National</sup> income. The wages of industrial workers cannot be considered in isolation.

#### Minimum wage

Our view is that minimum wages should be fixed taking into account the total wage packet. It is not possible to fix a national minimum, but there will have to be regional minima, the regions being demarcated by considerations of commodity price levels and other related aspects. With the division of the country in food zones, restrictions on movement of commodities, prevalence of rationing in certain areas etc., the price structure varies significantly from region to region and it is not therefore possible to have a national minimum wage.

The minimum wage - whether as subsistence or subsistence plus wage - should be worked out for various regions by an independent body of experts, and the computation of the minimum wage should not be left to the decision of the tribunals or other wage fixing authorities. The experts having fixed the minimum wage of the Fair Wage Committee's concept or any other concept, it will be for the tribunals or the wage fixing authorities to give consideration to other factors like the capacity of the industry to pay, the skills, the

the hazards and so on, and to decide what the minimum wage, or the wage structure, should be for the industry or the undertaking in question.

#### Dearness Allowance

The basic purpose of D.A.: We have already put forward our views regarding the manner in which regional minima should be fixed. A part of the wages so fixed will represent the basic wages and the balance the dearness allowance. The basic purpose of dearness allowance, as the Gajendragadkar Commission has pointed out is to mitigate the hardship of the employees in the lower pay ranges in the event of an appreciable rise in prices.

#### Neutralisation

So far as the textile industry is concerned, the level centres /regions in relation to the price level of different of the basic wage has been fixed in different periods such as 1939, 1951 and 1960. Neutralisation percentage assumes different significance when applied to basic wages fixed in relation to different periods and it is not possible for us to mention any particular figure as the percentage upto which neutralisation should be permitted.

We, however, subscribe to the view that the percentage of neutralisation should taper off for higher income groups, according to the principles followed by the Gajendragadkar Commission. The higher income groups should receive a substantially lower compensation for the rise in prices.

Ceiling on D.A.: There should be a limit on the maximum amount of dearness allowance that should be paid to any employee. If a system of dearness allowance is evolved based on the principles set out by the Gajendragadkar Commission, it would follow that there would be a ceiling on the quantum of D. A.

Frequency of Adjustment: The present practice in the textile industry of adjusting D.A. every month should be abandoned. D.A. should be adjusted every year on the average consumer price index figure for the preceding twelve months. It is desirable to take the average index figure of the industrial centre concerned as the basis. The existing practice of computing D.A. on the basis of the all-India index may, however, be continued in the case of industries which have been following such a practice in the past.

Wages/D.A. in kind: The scheme of paying dearness allowance/wages in kind is not desirable, in view of the practical difficulties of implementing schemes of this nature.

#### Fringe Benefits

Certain benefits are available to workers under different statutes, such as the Factories Act (canteen), Employees' State Insurance Act (medical benefit), Maternity Benefits Act, etc. Furthermore, a number of employers have voluntarily undertaken various other welfare activities, such as the provision of subsidised housing, medical benefits, education, concessional supply of articles etc. Where any or some of these benefits, whether statutory or non-statutory, go directly to reduce the expenditure of a worker on items of expenditure which are taken into account for the calculation of the minimum plus or fair wage, they must necessarily be taken into account in fixing the actual wage payable.

#### Wage Differentials

The existing wage structure is the result of historical development and haphazard growth. The only effective way of rationalising the present differentials is to study the present wage-payment system, occupation by occupation, and fix differentials on the basis of a system of scientific job evaluation. The biggest impediment in the development of a

between occupations is the

scientific wage differentials between occupations is the payment of dearness allowance at a flat rate to all employees. It may not be possible immediately to overcome this difficulty.

#### Methods of wage fixation

Wage Boards: Our experience is that the appointment of wage boards does not result in bringing peace on the wage front; demands for increase in wages, dearness allowance, adjustment of wage differentials and so on continue to be made and agitated in the various available forums like the industrial tribunals. We also feel that in an industry like the textile industry spread all over the country, where the conditions of machinery, work methods, customs and usages vary widely from region to region, it becomes extremely difficult for a National Wage Board to tackle the question of proper and scientific wage fixation to suit the widely differing conditions of the mills, as well as the widely differing economic conditions of different regions.

In any case, where Wage Boards are appointed, any recommendations of the Wage Board which are not unanimous should not be statutorily imposed. If the wage board does not succeed in arriving at a unanimous report, further consideration requires to be given as to how the points of disagreement should be resolved.

#### Bonus

It is unfortunate that the Bonus Act has stipulated a guaranteed payment of 4% of basic wages and dearness allowance, even when an establishment has incurred a loss. This is a basic contradiction of the concept of profit sharing. In our view compulsory payment of minimum bonus is nothing but an annual addition to the wage.

As regards the rate of return on paid up capital and reserves, we consider that it should not be fixed at an arbitrary figure, but should be fixed in relation to the bank rate. It should also be clearly laid down that the tax rebate on the amount paid as bonus should be made available to the industry for purpose of reserves, rehabilitation, modernisation, a proper return to the shareholder etc.

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## Section VI.

### Incentives Schemes and Productivity

The need for higher productivity in the cotton mill industry has never been more urgent and important than it is today. With the ever increasing wage bill, increased social security benefits, rising costs of raw materials, stores, high taxes and stagnant market conditions, the urgent need of the hour is higher output per man hour. In the context of our drive to increase export earnings, it is absolutely necessary that the industry should be given every opportunity to attain competitive ability.

So far as the cotton mill industry is concerned, the piece-rate system of payment has been introduced in as many occupations as is possible. Some occupations like those in the folding, dyeing, printing and ring spinning departments might also be converted into piece-rates; but such a change-over is hardly likely to raise productivity and is not worth the complications involved in establishing a piece-rate system for such occupations. In other words, there is little that can be done, so far as the cotton mill industry is concerned, by way of changing the time-rate system to the piece-rate system so as to provide incentive for higher productivity.

On the other hand, there is a lot that can be done in the cotton mill industry by way of allocation of more units of machinery per worker without raising the workloads beyond the permissible limits. It may be stated here that conditions of work in the cotton mill industry have been improving because of installation of modern machines, use of superior raw materials and implementation of Factory Regulations. The survey of workloads undertaken in 1956 in some of the important occupations, such as ring sider, doffer gaiters in the ring spinning frame, and weavers on

the ordinary looms which together account for over 41% of the entire labour force, revealed that 95.4% of operatives were underloaded, 1.2% normally loaded and 3.4% overloaded. This clearly shows the tremendous scope for introducing higher workloads within the permissible limits which would not only increase the earnings of workers but also reduce the cost of production.

It may be mentioned that the wage system prevailing in the cotton mill industry provides for higher wages when a worker looks after a larger number of machines. The fact that in certain centres and in certain mills it has been possible to adopt rationalisation with the willing co-operation of workers goes to show that the incentive provided in the wage system for rationalised methods of working is sufficiently attractive. It is the industry's view that non-acceptance of rationalisation in the remaining centres or remaining mills, as the case may be, is primarily due to the resistance of the unions. The first Wage Board of the Cotton Textile Industry had unanimously recommended adoption of rationalised methods of working throughout the industry, but this has failed to make any significant impact on trade unions. The industry's experience has been that, when it comes to taking actual steps for introducing this reform, the unions' representatives do not show the same enthusiasm they exhibited in subscribing to the unanimous recommendations of the Wage Board.

The Cotton mill industry, therefore, recommends that the unions should be made to agree to accept a practicable machinery, bipartite or tripartite in nature, which can take on-the-spot decisions as to whether a mill which proposes rationalisation in any of its departments has provided the necessary working conditions and other requisite factors.

Gains of productivity:

It is not possible to allocate the gains of productivity to different factors of production since the increase is the result of interaction of many factors. It is the industry's contention that the increase in productivity is mainly due to the installation of new machines and the use of superior cotton. The price of raw materials and the realisation of the finished products fluctuate so widely, and with such rapidity that it is impossible to correlate the changes in productivity with changes in profitability.

Hence it is necessary to adopt rough and ready yardstick to decide the quantum of wage increase that should be given for any degree of rationalisation that is adopted. This has already been done in the wage structure that is prevalent in the cotton mill industry.

Suggestion Scheme:

Suggestion Schemes may be given a fair trial.

Absenteeism and earnings:

Our experience is that higher earnings have not always given rise to better efficiency or more satisfaction to labour. It is our view that labour will have a strong urge for improving their earnings, if they generate a desire for utilising their higher earnings in the following directions:-

- 1) getting freedom from indebtedness;
- 2) improving the standard of food, clothing and housing;
- 3) possession of durable consumer articles like bicycles and radios;
- 4) increased saving and investment.

For want of such motivation, it is found that those workers whose earnings are in excess of what is needed to maintain the standard of living to which they are accustomed tend to fritter away their surplus earnings in various ways or bring down their earnings to their needs by resorting to absenteeism.

Go slow tactics, etc:

In our view, go-slow, work-to-rule, and union's ban on overtime are all coercive measures and resort to such tactics should be banned in the interest of productivity. They have a bad effect not only on efforts for improving productivity but also on the entire gamut of employer-employee relationship.

Retrenchment and rationalisation:

We have earlier stressed the paramount importance of the role of rationalisation in improving productivity so far as the cotton mill industry is concerned.

As regards the recommendations of the 15th session of Indian Labour Conference, we consider it impracticable to insist on 'no retrenchment' of existing employees. While every effort should be made to provide suitable alternative jobs to the surplus employees, even by starting more shifts where scope exists for doing so, a ban on retrenchment for bringing about rationalisation will prove a great impediment to rationalisation and modernisation of cotton mill industry. Rationalisation should be allowed to be introduced on payment of retrenchment compensation to surplus workers as required under the statute.

We, however, whole-heartedly agree that there should be a proper assessment of workload by an expert study.

Automation:

Automation is a must so far as the cotton mill industry is concerned. In the rest of the world, the industry has changed its character from labour intensive to capital intensive and, apart from labour saving to which automation leads, it results in a remarkable improvement in quality and also a reduction in costs. If similar measures are not adopted in India, we shall remain as far behind the rest of the world as the handlooms are behind the mill industry. The cotton mill industry has to compete in international markets for its export, and we have reached a stage when it is impossible to compete in the export markets with out high costs, obsolete methods of working and absence of quality standards possible with automatic machinery. Even as regards supply of textiles to the Indian consumer, it is essential that he is enabled to improve his standards by being provided with superior goods at lower prices. Use of better textiles can be regarded as an outward manifestation of an improved standard of living, and even from this psychological point of view, it would be good to boost the morale of the general public by enabling them to buy more and better textiles at cheaper prices.

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SOCIAL SECURITYSocial Security Schemes & Employment:

In principle, the social security schemes provided under various enactments should help make employees stable, efficient and conscientious, and to improve relations between employers and employees. In practice, how far this actually takes place, we do not know, as no detailed study in the matter has been made so far. The attitude of labour on the whole appears to be that, though social security schemes extend substantial benefit to workers, they are not obligated to the employer who extends such benefit. The general impression is that, after the introduction of E.S.I. Scheme, there is a tendency to remain absent with the help of medical certificates.

It is estimated that the total annual wage bill (basic wages and dearness allowance) of the cotton textile industry is about Rs.200 crores and the cost of E.S.I., E.P.F., and Gratuity to the industry may be computed as under:-

E.S.I. 2.5% of Rs.200 crores ..	Rs. 5.0 crores
P.F. 8% of Rs.200 crores. ..	Rs.16.0 crores
Gratuity ..	<u>Rs.2.5 crores</u>
Total ..	<u><u>Rs.23.5 crores</u></u>

The cost of cloth and yarn produced by the industry is around Rs.750 crores and the cost on account of the aforesaid social security measures works out to three per cent of the total cost of production. It has been proposed that the employers' contribution to the E.S.I. Scheme should be raised from 2.5% to 3% from 1st April, 1967, in which case, the employers' contribution to E.S.I would amount to Rs.6.0 crores - bringing the total cost of social security schemes to over 3.3 per cent.

E. S.I.S Review Committee Recommendations:-

The scope and coverage of the two social security

legislations are different." The Study Group on Social Security appointed by the Government of India in 1958 had recommended that one single agency should be set up which should, at the first stage, assume administrative responsibilities for social security measures incorporated in the E.S.I. Act, E.P.Fs. Act., Coal Mines Provident Funds Act, etc. The unification and integration of the various social security schemes would result in simplification and added convenience to both employers and employees. We are in favour of the E.S.I.S. Review Committee's recommendation to bring about an administrative merger of the E.P.F. Scheme and E.S.I. Scheme. We feel that action on this account, should be initiated forthwith. We are, however, not in favour of extending the scope of the social security measures to cover more benefits. The cost of the social security schemes has already become too heavy, leaving no scope for further additions. Besides, the industrial worker is even now enjoying an unduly privileged position as compared with other wage earners.

It is also pertinent to add here that, apart from these social security schemes, there is a provision for payment of retrenchment and lay-off compensation in the Industrial Disputes Act. This too is a form of **unemployment** relief.

E.S.I. Scheme and absenteeism:

We have already observed that there is a general impression that more and more workers are remaining absent in the cotton mill industry after the introduction of the E.S.I. Scheme. However, adequate statistical data are not available to prove or disprove this. Absenteeism can be ascribed to the ease with which an insured person can get medical certificate and be on authorised leave rather than remain absent without leave as in the past. Their eligibility to get cash benefits at half the average wages is another contributing factor. The fact that there is no

obligation on the part of the Insurance Medical Officers or the insured person to inform the employer that the insured person has been recommended leave, has created several difficulties for the employer. Certificates are not produced for a long time. However, protection is granted to such insured persons under section 73. This undermines the discipline in the unit. It is suggested that it must be made incumbent on the I.M.P. or the I.M.O. to send a copy of the certificate to the employer, say, within three days of its issue. Section 73 will also have to be amended suitably.

#### Administration of Medical Benefits:

On purely theoretical considerations, it would be better if the Corporation undertook to provide medical facilities including hospitalisation under its own aegis. The State Governments may, however, be required to share a part of the expenses as at present.

The Corporation has already built up a reserve fund of Rs.26 crores in a short span of 10 years. It is conceded that, if more hospitals were to be built, the fund would temporarily dwindle down. But it must be realised that the annual surplus is to the tune of Rs.2.5 crores which is equal to over 25 per cent of the total expenditure. In spite of this, there is a proposal to raise the employers' contribution to S.S.I. Scheme from 2.5% to 3%. It is our view that, even with the present rate of contribution, the Corporation will have sufficient funds to carry out this programme.

#### Employees Provident Funds Schemes:

The present structure of the E.P.F. Scheme appears satisfactory and may be continued. The Scheme may be converted into a provident fund-cum-pension scheme, provided



employers' financial liability in this regard is not increased. As regards the pattern of investment of funds in respect of companies which have their own schemes, generally a restriction is laid down for investment of fund monies in Central Government Securities, the yields on which are pretty low. As a result, the return on investments is poor. It is suggested that the Provident Fund Trustees may be empowered to make investments in other suitable securities which might earn them higher rates of interest.

The recent move to delete section 17 of the Employees' Provident Funds Act which provides for exemption of establishments from the provisions of the Act should be opposed. A part of the Employees' Provident Fund may be set apart for giving insurance covers to industrial workers, provided employers' financial burden is not increased, so that, in case of untimely death of members of the Fund, their families might get the benefit. Since the Provident Fund is meant for old age provisions, we feel that there is no necessity for gratuity payments under any social security programme, if a proper life insurance annuity scheme is instituted out of the contributions made to the Provident Fund Scheme.

Where gratuity is paid, there should be no need to give retrenchment compensation in addition. Also in the case of forced lay-offs due to reasons beyond the control of managements such as cotton shortage, power failure etc., the employer should not be made to pay compensation. The burden of compensation, in the case of forced layoffs, fall on the employer at a time when he is worst affected by loss of production and earnings. This is most unfair to employers and they should be freed from such obligations.

Social Security Schemes and Trade Unions.

Both the social security schemes are administered by statutory bodies on which trade unions are also represented. We are not in favour of handing over the administration of any social security scheme to Employers trade unions!

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## Section VIII

### LABOUR LEGISLATION

#### Collective Bargaining:

The Federation generally favours the methods of collective bargaining for governing labour-management relations in a planned economy. However, in the conditions now prevailing in our country, it is necessary to have legislation also for the purpose. This is because human behaviour and motivation are very complex matters and some sort of statutory restraint or control will be necessary to safeguard industrial peace. The methods sometimes adopted by workers and union leaders, such as, strikes, go-slow, pen-down, gherao, etc., go to show that legislation is necessary to check such tactics as they are harmful to the industry.

In any case, the Federation feels that intervention by Government should be kept to the minimum, leaving more scope for collective bargaining. No doubt, in some cases of the type mentioned above, namely, strikes etc., intervention by Government may be inevitable. In order to develop a good climate for collective bargaining, it is also necessary that unions should be free from political bias.

So far as the industry is concerned, it has been taking all possible steps to comply with the provisions of labour laws. One can claim that, by and large, the requirements of such laws are being observed by the industry. This, however, cannot be said of the workers for a variety of reasons such as Inter-union rivalry, interference by politicians and conflicting ideologies of trade union leaders.

Another factor responsible for the non-achievement of the objectives of labour laws is the poor strength and calibre of the enforcement machinery.

Labour as concurrent subject:

The subject "labour" falls in the concurrent list under the Constitution. The Central and State Governments can, therefore, frame laws in the matter. Also, the State Governments can amend the Central laws on the subject. So far as the cotton textile industry is concerned, it may be pointed out that, in some states like Maharashtra, Gujarat and Madhya Pradesh, industrial relations are governed by the State legislation, whereas, in other States, they are governed by the Central legislation, namely, the Industrial Disputes Act. Different legislative provisions governing industrial relations operating in different States create complications and administrative problems, particularly for all-India concerns. Although the number of such all-India concerns may be limited and although the existing arrangements may have worked reasonably satisfactorily, the Federation feels that it would be better if labour legislation were made uniform throughout the country. The power of enactment should be vested only in the Central Government.

During the past several years, case laws have developed considerably, particularly in regard to Industrial Disputes Act and it would be useful to review and amend the labour laws in the light of such case laws. Further, there is a great need for considering simplification and codification of the labour laws with an eye to uniformity in all matters.

Labour Policy -A voluntary approach:

The Federation is of the opinion that the emphasis in labour policy should be on voluntary approach and collective bargaining. Tripartite agreements/decisions have been useful in maintaining industrial truce. It is

on account of the emphasis on voluntary approach that it has been possible to evolve such instruments as code of discipline, industrial truce resolution, etc.

Generally, these instruments have worked fairly well in practice. However, the effect desired out of them and the atmosphere which they were expected to create have failed to come upto expectations.

The main reason for this state of affairs appears to be inter-union rivalry and the political character of the trade union movement

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#### Section IX

##### RURAL AND UNORGANISED LABOUR.

In a predominantly agricultural country like ours, proper attention requires to be given to the question of ameliorating the working and living conditions of agricultural and other rural labour. This labour is now largely unorganised. It will, therefore, be the responsibility of the Government to protect and improve their working conditions. Of the various labour laws framed so far, it is only the Minimum Wages Act, 1948, that has been made applicable to certain classes of agricultural labour and that too only in some States and not all-over the country. Even in States where the Act has been made applicable, all the classes of agricultural labour do not seem to have been covered. The wages of agricultural and rural labour have, therefore, been very low.

On the other hand, industrial labour which is well organised and strongly supported by powerful politicians, has been getting more and more protection and privileges. Their service conditions are also getting improved through the awards of the Industrial Courts and

Tribunal, as well as through Agreements, Settlements, Wage Board recommendations, etc. The net result is that, whereas the organised industrial labour has been securing more and more benefits, the agricultural and rural labour continues to remain neglected. The industrial labour has, therefore, become a privileged class in the society. Any impartial observer will readily concede that this disparity is not desirable and that it is time to cry a halt to the benefits that are being showered on industrial labour.

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## Section-X.

### Labour Research and Information.

The importance of availability of reliable information pertaining to various aspect of labour matters cannot be overemphasised. The 'Indian Labour Year Book' published every year for the past nineteen years by the Labour Bureau, Simla, has come to be recognised as a standard work of reference that tries to present a view of co-ordinated facts which help in formulating labour policies in our country. There are other Government publications on labour statistics and information, such as "the Indian Labour Statistics", the Monthly Abstract of Statistics, Labour Gazettes published by various States, and the Indian Textile Bulletin pertaining to cotton and woollen textile industry, to mention a few. However, these reference books suffer from several discrepancies and shortcomings. The following are some of the glaring instances of the discrepancies found in the latest publication of the Indian Labour Year Book 1965 and the Indian Labour Statistics 1967:

Employment: The employment figures in respect of the factories relate to workers as defined under the Factories Act, 1948, which, apart from the manual workers, cover some categories of clerical and supervisory staff also.

Whether the information in respect of Factories, Mines, Plantation, Railways, Post and Telegraphs or Ports, should categorise the full complement of manual, clerical or supervisory employees, is a point for consideration.

The employment statistics regarding Shops and Establishments are collected by the State Governments under the Shops and Establishment Acts. These Acts are, however,

applicable only to selected urban areas of individual States and even for these areas adequate arrangements for collection of correct employment data are not uniformly satisfactory in all the States.

Absenteeism: Statistically, absenteeism is measured by the percentage of manshifts lost due to absence to the corresponding total manshifts scheduled to work. At present, however, the definition and methods followed by the different agencies do not appear to be uniform. The Labour Bureau series of absenteeism statistics are said to be based on voluntary returns furnished by a few selected large units and, in case a particular unit fails to furnish the return, the absenteeism rate is calculated from the remaining available returns.

Labour Turnover: The statistics regarding labour turnover seem to be available only in respect of the cotton textile industry and that too only for the States of Gujarat and Maharashtra.

Per Capita Annual Earnings: The statistics of per capita annual earnings of persons employed in factories are based on the data received under the Payment of Wages Act, 1936, from various States and Union Territories. This Act is applicable to a limited number of employees earning less than Rs.400/- per month. The employees covered under the Payment of Wages Act are not the same as the workers defined in the Factories Act owing to differences in scope. The relevant information relating to the Railway employees culled out from the Annual Report of the Railway Board. Thus, the data pertaining to per capita annual earnings of workers in factories and of those in railways do not have uniformity.



The figures of earnings of workers in factories, according to the definition of 'wages' under the Payment of Wages Act, include all remuneration capable of being expressed in terms of money which would be payable in terms of the contract of employment but do not include (a) the value of house accommodation, supply of <sup>light,</sup> water etc., (b) the contribution by the employer to any pension fund or provident fund, (c) the travelling allowance or value of any travelling concession, (d) any sum paid to defray special expenses, and (e) any gratuity payable on discharge, unless payable under any law, contract or instrument which does not provide for the time within which payment is to be made. On the other hand, the earnings of staff employed in Government Railways as reported by the Railway Board include (a) pay, (b) allowances, (c) passages, (d) provident fund contributions, (e) gratuities, (f) pensionary benefits and (g) grain-shop concessions..

Moreover, the Labour Bureau itself admits that "it is not possible to say how far returns under the Payment of Wages Act have been based on a uniform interpretation of the term 'remuneration'. It is likely that uniform practice is not being followed by all the reporting units in furnishing data for the component 'money value of concessions'".

Besides, as the information is not being furnished by about 30% of the registered factories, the statistics are vitiated to that extent.

Trade Unions: The statistics of membership, finances, etc., of the registered trade unions are collected under the Indian Trade Unions Act, 1926. It is known that about 40% of the registered Trade Unions do

not submit statutory annual returns and no data are available in respect of unregistered Trade Unions in the country. The data published by the Government do not, therefore, reveal the true picture of trade unionism in the country.

Industrial Disputes: The information set forth in the Indian Labour Year Book regarding the number of industrial disputes, workers involved, mandays lost, total wages lost and total production lost is compiled from the statistics collected by the State Labour Departments and Regional Labour Commissioners. The required information is said to be collected by them on a voluntary basis on uniform lines laid down for the purpose, usually from the units concerned when such occurrence of work stoppage is known, or from Police or other sources, as per the practice in vogue in the respective States. The statistics published; however, do not cover 'political strikes or sympathetic demonstrations and the like' though this information is also stated to be collected separately.

Apart from work-stoppages on account of industrial disputes, data of work-stoppages for other reasons such as hartals on the death of fellow workers, bandhs, etc., should also be collected and published as they are not that negligible to be left out. In support of this, we may point out that the Bombay Millowners' Association collects every year information regarding the number of man-days lost in member mills in Greater Bombay on account of work-stoppages owing to reasons other than industrial disputes. The following table shows the number of man-days lost in the member-mills of the Millowners' Association by work-stoppages on account of industrial disputes as published in the State Government's Labour Gazette and

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those on account of other reasons as collected by the Bombay Millowners' Association:

Year	No. of man-days lost by work-stoppages on account of	
	industrial disputes as published in the State Labour Gazette,	Other reasons (not published in the State Labour Gazette)
1958	31,643	3,19,983
		including 1,93,000 man-days lost by one day's General Strike.
1959	74,424	1,93,529
1960	1,34,782	42,088
1961	16,295	53,222
1962	81,185	40,310
1963	1,57,973	1,36,315
1964	1,57,237	3,81,337
1965	41,658	77,578
1966	1,43,837	3,03,846

It will thus be seen to what extent the information regarding man-days lost published by the Government on the present basis of industrial disputes differs from the facts. The information regarding the total wages lost and the total production lost on account of work-stoppages, which is not published at present, should also be published so that the magnitude of the loss suffered by the nation may be clearly realised by the public.

Comparability vitiated: From what has been stated thus far, it will be noted that, in the compilation of the Labour Year Book, the Labour Bureau has to depend on a number of agencies for facts and figures. A greater part of these statistical data is geared to the administrative needs of the Government. Hence, major readjustments in the administrative set-up are

often likely to require some alteration in the scope and coverage of the statistics which would affect the serial comparison. Amendments to Labour Acts also some times change the character of the data collected. Though the periodical collection of the data in many cases is designed on the basis of complete enumeration of the primary units, what emerges finally is an incomplete census, owing mainly to a large degree of non-response and delay on the part of some of the agencies concerned in preparing and forwarding the consolidated returns to the Labour Bureau. The data collected on different topics also suffer from lack of identical scope and coverage, as they are compiled under different systems of collection. This causes confusion in comparing and co-relating one topic with another.

We feel that so long as (1) the information is collected by different agencies under various Labour Act, (2) definitions of terms differ from Act to Act, (3) scope and coverage of information varies and (4) delay in submitting the collected and compiled information to the Labour Bureau continues, the Labour statistics would not present uniform, correct and complete picture of the state of labour affairs. In spite of implementing the schemes mentioned earlier for improvement in labour statistics, these weaknesses will persist if the primary collection of information is left to different authorities under various Labour Acts.

#### Why Not Centralise Collection of Information?

We, therefore, suggest that the Labour Bureau, India, in co-ordination with the Directorate of the National Sample Survey, should directly take up the work of receiving and compiling labour statistics instead of receiving the

consolidated information from a variety of agencies. For this purpose, it may be considered whether the Labour Bureau should open branches and sub-branches in all States and take the help of some of the statistical staff working at present under various Labour Law authorities or whether any other method be followed. It may also be considered whether a consolidated questionnaire be devised by the Bureau which would cover all the aspects of information required under various Acts. It seems necessary that each item of information should have a fixed, clear definition. This arrangement might perhaps give the following advantages:

- a) The primary information received can be properly checked and corrected so as to make it uniform and identical to a greater extent.
- b) The information would not suffer from overlapping.
- c) The information will be exhaustive and give a correct picture in a proper perspective.
- d) It would be easier for the primary units to fill in such an exhaustive questionnaire once and for all, rather than prepare several combinations and permutations of different items of information for the use of different authorities.
- e) The same exhaustive information can be forwarded to each of the different authorities, who would then select the items as per their requirements.
- f) The centralised collection of information will help cover all primary units, eliminating the deficiency due to non-response, as the Bureau, being in possession of the lists of all primary units with the help of its branches, can concentrate their efforts in collecting the replies. The delay caused by agencies in submitting the information to the Bureau can also be avoided.
- g) The confusion now caused by Labour statistics could be avoided by simplifying and streamlining the information.

Consumer Price Index: The <sup>Price</sup> Consumer/ Index Number for Industrial Workers is one of the important pieces of labour information. At present, such number are published for about 45 centres, based on the results of the family living surveys conducted by the Labour Bureau during the year 1958-59. Such new series for a few more centres and also a new series of All-India Index for industrial workers are yet to be published.

The interim series of All-India Working Class Consumer Price Index Number (Base 1949 = 100), compiled by the Labour Bureau currently, is constructed from the weighted average of the indices for 27 centres. The weights for this purpose are computed from the industrial labour force of a particular centre in the State as is conveniently reckoned. Thus, the All-India Consumer Price Index Number compiled today cannot be considered as an independent series based on a family budget survey of the whole country, nor is it desirable to compile an index number on this basis for the purpose of dearness allowance, because of wide variation in the consumption and expenditure patterns at different centres. Naturally, the All-India Index Number does not, and perhaps cannot, reflect adequately price changes affecting urban working class. The Index Number should continue to be compiled for every region of the country. The new series of Index Numbers which are based on the recommendations made by the International Committee of Statisticians seem to be more scientific. Nevertheless, the correctness of the old Index Number Series and the manner of linking them with the new Series are viewed with scepticism and deserve to be reconsidered.

Research: Together with collection of labour statistics, research in labour matters is also important in modern industrial development.

Although research activity has begun well, there is vast scope for its improvement and expansion. The research work may be undertaken objectively rather than subjectively. Its follow up by examination of its effectual utilisation which itself would "again form a subject of further research" may also be considered.

In conducting various research activities, Government may also take the help of other research institutes like the Tata Institute of Social Sciences, Bombay, and Shree Ram Centre for Industrial Research, Delhi, which are doing very useful work in this field.

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