

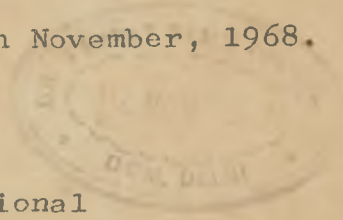
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No. 8(15)/68-NCL(C)  
Government of India  
National Commission on Labour  
D-27, South Extension, Part II  
New Delhi

...

Dated the 7th November, 1968.



To

The Chairman and Members of the National  
Commission on Labour.

Subject:- Observation visits of the Chairman to selected  
Industrial Units in Bangalore and Madras -  
Notes on.

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Sir,

I am directed to forward a copy each of the  
following papers:-

- ✓ 1. Notes on Chairman's Observation visits  
to selected Industrial Units in Bangalore  
on 24.9.1968.
- ✓ 2. Record of Chairman's Observation visits to  
selected Industrial Units in Madras from  
25th to 27th September, 1968.

NATIONAL RESOURCE CENTRE OF LABOUR  
INFORMATION & DOCUMENTATION  
V.V. GIRI N.L.I.  
NOIDA

Yours faithfully,

*P.D. Gaiha*  
(P.D. Gaiha)  
Director.

ACC. No.  
DATE

L-252  
4-2-99

## NATIONAL COMMISSION ON LABOUR

### Notes on Chairman's observation visits to selected Industrial units in Bangalore on 24.9.68

#### I

#### BHARAT ELECTRONICS

Chairman and Member-Secretary visited Bharat Electronics Ltd. at Bangalore on September 24, 1968. They were taken round the unit and thereafter had discussions with management representatives and trade-union leaders of the unit.

Bharat Electronics is a Public Sector unit which started production in 1956. The value of production at that time was about Rs. 6 lakhs. It was planned to expand its output over the years to Rs.4.25 crores. It got a real boost only after 1962 and in the years between 1962 and 1967 the total output has gone up from Rs.3 crores to Rs.12 crores. Only last year there was another 32 percent increase in production and the foreign exchange savings in that year have been of the order of Rs.11 crores. Since the inception of the factory of the unit it has saved Rs.36 crores by way of foreign exchange. Some of the lines already developed and the lines of production proposed to be developed in the coming years are described below:

The manufacture of equipments in Bharat Electronics Ltd. even in major items has always been diversified to meet the special needs of users. They range from Radar to small man-pack wireless sets and from high power transmitters to small ancillaries required for the efficient utilisation of the equipments. Nearly 28 different types of equipments have been manufactured in the last 2-3 years. During the year, besides increasing the indigenous content of existing equipments, a 400 Watt Mobile Wireless Station is being manufactured for the Defence Forces.

Equipments are also supplied to border Security Forces, Police and other Organisations responsible for Law and Order, Posts & Telegraph Department, Meteorological Department, All India Radio etc. Bharat Electronic Ltd., during the year, designed, manufactured and delivered a Storm Warning Radar for the Meteorological Department. This radar is capable of detecting, - using modern techniques - storms within a range of 400 KMS.

The cost of production and selling prices of Bharat Electronics Ltd. equipment has been lower than the cost of corresponding imported equipment. Benefit accruing from cost-reduction has been shared with the customers by periodical review and reduction of selling prices. In the case of some of these items where production in Bharat Electronics Ltd. has been in large quantities, Bharat Electronic Ltd. prices were as low as 50% of the present prices of similar imported equipments.

Bharat Electronics Ltd. will be producing electronic portions of a modern computer as sub-contractor to I.C.T.I.M. Plans are also being finalised for production of T.V. Transmitter and Studio Equipment. To this will be added special naval and maritime equipment which are under consideration by the authorities.

Besides making crystals and other special components for use in manufacture of professional equipment in Bharat Electronics Ltd, Valves, Transistors, Diodes, and Capacitors have been made and supplied by B.E.L.

to the entertainment Radio Manufacturing Industry and Fluorescent Tube Industry in the country in large numbers.

Stepping up of production and release of Receiving Valves to the trade in larger numbers has relieved and overcome the scarcity and black-market conditions which were tending to develop.

Production of Germanium Transistors was considerably expanded and increased during the year and the benefit in cost-reduction arising from increased production has been shared and passed to the customers by way of about 18% reduction in B.E.L.'s selling prices with effect from 1st January, 1968. This has served as an example for the competing units in private sector in this field also reviewing and reducing their prices.

Production of Silicon Semi-conductors started on a small scale during the year and this item will go into regular production with an increased departmental production during 1968-69.

The Transmitting Tube wing in B.E.L. went into regular production turning out many types of transmitting tubes of high quality and to critical specifications. Defence Services as well as other users were till now dependent on imports for this important item. Production of more types and with increased indigenous contents are planned for the future. Ceramic and Vapotron Transmitting Tubes will be introduced in the production line shortly.

A modern automatic plant for large scale production of Ceramic Capacitors, has been set up. Plant, Machinery, etc. for establishing production of X-Ray tubes have been ordered.

Plans for establishing production of Magnetron for the Defence Services and of Picture Tubes for utilisation in T.V. Receiver to be produced by T.V. Receiver Manufacturers in the country have been finalised. B.E.L. will also be making and supplying receiving tubes required by T.V. Receiver makers in India.

Research and Development of modern sophisticated equipment take some time. The Defence Services have to be equipped with most modern of available equipment at the earliest possible time to match with what the enemy possessed or would possess. To comply with this requirement on an urgent basis, it becomes necessary to produce such equipment under licence and meet the Defence commitments at the earliest. As a result of undertaking production of modern equipment under licence, B.E.L. have gained considerable knowledge in the latest production techniques which are utilised in the production of other new equipments as well. This experience has also enabled B.E.L. to acquire considerable knowledge on design of modern equipment and such knowledge is utilised in carrying out modifications to existing equipments to improve their performance as well as in designing new equipments.

Apart from production of equipment under licence - as well as improving their performance through improvement, modifications - to meet urgent requirements of the Defence Services, B.E.L. have also undertaken in its Research & Development Department, development of futuristic requirements of both the Civil departments and the Defence Services. Four types of VHF and two types of HF, modern Transmitters/Receivers designed and developed by B.E.L. will go into production in 1968-69 and many more are expected to go into production during the later years. Bharat Electronic Ltd. also intend to considerably expand its activities to cope up with the future requirements of design and development of equipment including radars.

Many special types of Receiving Tubes, Transmitting tubes and other components with special application for Defence Services have been developed. Action is in hand for establishing a development laboratory for Semi-conductor devices.

With the proposed expansion of Research and Development effort both in the equipment and component fields in Bharat Electronics Ltd. and assistance and contribution of similar effort from Developmental establishments of Ministry of Defence and from National Laboratories, it should be possible to produce and supply more and more indigenously designed modern electronic equipments and components to the Defence Services and other users in India.

Till now B.E.L. has been primarily engaged in expanding and stepping up production to meet the urgent and immediate demands of the Defence Services and Civil Departments and of the Radio Set Manufacturing Industry in the country. A stage has now been reached where B.E.L. is in a position to make available from its production, items for the export market. Export of few equipments and components has been made as a modest beginning. A senior executive of the Company has been sent abroad to study and explore the possibilities of export markets for Bharat Electronics Limited products."

During the visit, we were impressed by the clean surroundings of the factory as also the interest which workers showed in their work. It was also heartening to watch educated women taking to industrial life. Most of the girls who were working on assembly type of production knew their limited job well. They did not require much of a training because the work which they were expected to do could be mastered in about 2-3 weeks. That work did not require them to have the concept of the unit as a whole nor the part which their work played in assembling a complicated equipment.

## II

Discussions with management representatives by :-

- |    |                                |     |                                   |
|----|--------------------------------|-----|-----------------------------------|
| 1. | It. General A.C. Iyappa (Retd) | ... | Managing Director                 |
| 2. | Shri C.R. Subramaniam          | ... | General Manager                   |
| 3. | Shri A. Rangaswami             | ... | Controller of Finance             |
| 4. | Colonel V.M. Bhide             | ... | Chief Commercial Manager          |
| 5. | Shri B.S. Hanuman, I.A.S.      | ... | Administrative Manager            |
| 6. | Shri N.L. Krishnan             | ... | Deputy General<br>Manager (Radar) |
| 7. | Shri K.B.S. Reddi              | ... | Personnel Manager                 |
| 8. | Shri S.H. Mohoskar             | ... | P.R.O.                            |
1. Labour in Bharat Electronics is generally well-behaved and quiet.
  2. It is disturbed more by what happens elsewhere in the Public Sector. For instance, the E.A.L. strike affected their work for some time.
  3. There are two unions, management recognises both but unofficially.

4. Management would prefer in such cases a secret ballot for all workers.
5. If there is a minority union its responsibility should be limited to discussing grievances of their members with the management.
6. There are occasions when political influence seeps in the working of the public sector management. But if the man on the spot is firm such influence can have limited effect.
7. By and large, the difficulties in the public sector arise out of defective communications. These are not common only to public sector but are dependent on the size of the unit and since the public sector units are all large units, effective communications take some time to build up. By its very nature, public sector management cannot be as cohesive as in plants run by private employers. There is inadequate attention given for recruitment at various levels.
8. A part of the reason why public sector was required in India was that left to itself private sector will not have entered into investments of this order.
9. It is not true that only persons with commercial experience in private employments can manage public sector units better. This requires to be examined further.
10. Managers coming from private sector to public sector do not have the real stake for public sector units. Good talent is available at all levels but there has to be a sense of direction.
11. If at any level there is inefficiency including inefficiency at the top, there should be no hesitation in taking suitable action.

### III

Discussions with labour unions represented by:

(1) Bharat Electronics Employees' Union:

- |                       |     |                     |
|-----------------------|-----|---------------------|
| 1. Shri M.S. Krishnan | ... | President           |
| 2. Shri M.S.C. Rao    | ... | Vice-President      |
| 3. Shri S. Aranvil    | ... | Joint Secretary     |
| 4. Shri Rajagopal     | ... | Assistant Secretary |
| 5. Shri Reddy         | ... | Treasurer           |

(2) Bharat Electronics Karmika Sangha (Reg. No.576) INTUC

- |                       |     |                   |
|-----------------------|-----|-------------------|
| 1. Shri D. Rajagopal  | ... | President         |
| 2. Shri D.S. Eshwaran | ... | Vice-President    |
| 3. Shri B. Reddy      | ... | General Secretary |
| 4. Shri P.K. Muscafa  | ... | Joint Secretary.  |
| 5. Shri R.R. Mohite   | ... | Treasurer.        |

1. Lack of communication is the real problem in units of this size.
2. Labour-management relations, however, are generally satisfactory. Over the last two years one of the unions operating in the plant did not have good days.
3. There should be only one union recognised in the unit.
4. If two unions compete for such recognition, there should be a secret ballot and the union polling minority votes should get proportionate representation. (This view was opposed by representatives of INTUC).
5. Both the unions felt that recognition of one union was extremely important.
6. For some time women felt shy in joining unions but the situation is changing now particularly in Bangalore where in many public sector units there is a large complement of women workers.
7. One of the difficulties is delay in taking decisions. This is because the public sector units are not still operating on commercial principles. Government procedures predominate.
8. Many of the bi-partite Committees appointed at the plant level are not effectively functioning.
9. There are rules governing promotion and grant of increment etc. which workers find irksome. (A list of these rules will be sent to the Commission). There is also provision that supervisors cannot be union-members. This also is unhealthy.
10. When the general tendency in the tri-partite ~~with~~ Government as a leader, is against undue recourse to courts, public sector units at least should not make it a practice to go to courts.

#### IV

#### KIRLOSKAR ELECTRICALS

The next to be visited was the Kirloskar Electricals, Bangalore. This is a large private sector unit engaged in the manufacture of electric motors and other electric equipment. The lay-out of the factory is spacious.

2. The discussions in the unit were with the management and union representatives sitting together after an initial talk with the management.
3. There is only one union in the plant and that belongs to the AITUC. It is a recognised union. Over a long period there has been no disturbance in industrial peace. In December last year, however, some serious incident took place. Two cars belonging to the senior management officials were burnt and the top management executive was assaulted. This resulted in bad blood between the management and the union. But after this incident the situation appears to have stabilised again. The discussions therefore, centred round this particular incident. The union leaders, as may be expected, disowned responsibility for it, and placed it squarely on the Government. According to them it was Government which created a situation where workers had to be violent. The only part which the Government played in the incident was to provide protection to the supervisory staff on receiving a request to that effect from the management.

4. Management attributed some inner motives in this upsurge of violence. The whole dispute arose over a difference between labour and management on certain demands. Ultimately the demands were settled on the basis of concessions which management had agreed to even before the incident. Union leaders ultimately went to the top management after the assault and expressed their regret. But this, according to the management, was also a part of the plan.

## V

BANGALORE WOOLLEN, COTTON, & SILK MILLS

In the afternoon of December 24, 1968, Chairman and Member-Secretary visited the Bangalore Woollen, Cotton & Silk Mills Co. Ltd. The details about the factory are as below:

I. (a) Location:	Bangalore-23.		
(b) Financial aspect:	Paid-up Capital	2.49	crores
	Sales Turnover	9.06	"
	Net operating profit	28.44	lakhs
	Total expenditure:	8.33	Crores
	Expenditure on salaries		
	Wages bonus.	1.82	crores
	Expenditure on Welfare amenities:	9.42	lakhs.

II. No. of persons employed	<u>As on 30th June, 1968.</u>		
	Men	....	6632
	Women	....	114
	Total	....	<u>6746</u>

III. Wages	<u>Minimum</u>	<u>Maximum</u>
1) Skilled workers	Rs.2.6250	Rs.6.3000
2) Semi-skilled workers	Rs.1.2126	Rs.2.6249
3) Unskilled workers	Rs.1.1538	Rs.1.2125

N.B.: After the recent Rationalisation Settlement the minimum wages in Grey Warehouse has gone up from Rs.1.1538 to 1.2411 and the maximum wages from 1.8281 to Rs.3.50.

IV. Dearness allowance:	
Fixed D.A.	Rs.43.12
Variable D.A.	Rs.0.20P per point for the number of points by which the Cost of Living Index for Bangalore City exceeds 330.

Total Dearness Allowance for August, 1968: Rs.130.52

V. 1. Incentive Bonus.

(a) In addition to piece-work system in the Cotton Weaving, we have Good Piece Bonus.

(b) In Engineering Department incentive payment is paid for production higher than the standard performance level. Average monthly incentive per worker is Rs.40/-.

(c) Perfect Attendance Bonus.

2. Annual Profit-Sharing Bonus.

1965: 4% of basic wages and dearness allowance.

1966: 2 months basic wages.

1967: 2 months basic wages.

N.B.: In accordance with the Payment of Bonus Act, 1965, the employees were eligible only for 4% bonus for the years 1966 and 1967. Nevertheless the Company paid two months basic wages for the two years concerned which is about 5 lakhs more than what the employees would have been eligible under the Act for each year.

VI. Standing Orders: We have a certified Standing Orders.

VII. Leave facilities: Privilege leave: 15 days for workers with more than 5 years service and clerical staff with more than 1 year service. Others - as per the Factories Act.

Casual Leaves: 10 days per year with dearness allowance only to all employees.

Sick leave: 75 days including the 56 days allowed by the E.S.I. Regulations. The company pays the difference between the cash benefit paid by the E. S. I. Corporation and the sum of half-wages and full dearness allowance if the sickness is certified by the Mill Medical Officer, for sick leave.

Festival holidays: 11- of which 7 are with full wages and dearness allowance and the other 4 dearness allowance only.

VIII. Trade Unions: Recognised Unions

The Binny Mill Labour Association.	Representing workers	Membership About 4000.
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The B.W.C.&S. Mills Staff Association.	Representing Clerical and other monthly-paid Staff.	About 500
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Unrecognised Union

The Binny Mills Employees Union.	All Employees	About 45.
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IX. Industrial Relations:

Cordial with the recognised Unions. Since 1959 we have no strikes excepting two - one relating to Bonus lasting for 17 days and the other regarding the wage-rates of Roto Winders, lasting for 3 days. both in 1965.



2. The discussions centred round some of the usual topics like recognition of union, grievance procedure, procedure for discharge and dismissals, etc. Both the groups more or less stuck to their stated positions. No new point emerged from the discussions.

3. Workers complained about two bad court cases which were being fought more to establish a principle though the employers were convinced that the financial involvement was minor. Such cases create difficulties for a union with a record of maintaining good labour-management relations and also securing benefits for workers. A reason for the good record of industrial relations in the unit is that workers have been with the unit more or less on a hereditary basis. They have developed an affinity with the management which they do not want to destroy. Even now it is possible for a worker to get his son accepted as an employee in the unit provided he is qualified and there are vacancies.

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NATIONAL COMMISSION ON LABOUR

Record of Chairman's Observation Visits to  
Selected Industrial Units in Madras.

25-9-1968.

I

Buckingham & Carnatic Mills Ltd., 7 Armenian Street,  
Perambur, Madras.

The Company owns about 273 acres of land of which operational area is about 80 acres. Large areas of the remaining land are utilised in the housing and welfare of employees. The main productive machinery of the mills consists of 119960 spindles and 2886 looms producing 5.55 lakh kgs. of yarn and 578.52 lakhs metres of cloth for sale in the home and overseas markets. The mills employ over 13,000 persons and produce a wide range of cotton fabrics and substantial quantities of fabrics made from man made fibres including 'Terene' and cotton and 'Terene' viscose and cotton. The Mills are spacious and all operational departments are on the ground floor. Some of the departments are noisy but this perhaps is unavoidable.

(A) Record of informal discussions with the workers and the staff unions represented by:-

(a) Madras Labour Union

- (1) Mr. C.K. Narayanan, Joint Secretary.
- (2) Mr. K.V.N. Rajan, Joint Secretary.
- (3) Mr. K.P. Samundeeswaran, Joint Secretary.

(b) B. & C. Mills Staff Union

- (1) Mr. K.J. Sivaprakasam, General Secretary.
- (2) Mr. Abraham C. Joseph, Vice-President.
- (3) Mr. M. Raghavan Nambiar, Joint Secretary.

1. There are two recognised unions of employees in Buckingham and Carnatic Mills, Madras, which has over 13,000 employees. The Madras Labour Union which is affiliated to H.M.S. is a recognised union of workers. The B. & C. Mills Staff Union which represents the staff is an independent union.

2. Office-bearers of the unions include some outsiders but none of them is paid. It is felt that for sometime to come insiders will not be able to take upon themselves the entire responsibilities of the union work.

3. The Madras Labour Union has a membership of 9 to 10 thousand workers. About 900 employees are members of the staff Union. Members pay a subscription of 50 paise per month. The money collected by way of subscription is used as Welfare Fund for assisting the employees or their families in cases of death, fire, etc.

4. Industrial relations have been generally good.

5. Employees are not happy with the Bonus Act because they were getting more bonus before the Act came into force. According to the latest agreement workers would be getting a bonus of 4 per cent. In addition a sum of Rs. 10 lakhs will be distributed to employees in proportion to their salary.
6. There is no differentiation in the matter of payment of bonus and dearness allowance to the workers and the managerial staff.
7. Adjudication results in delay and is, therefore, not favoured. Compulsory arbitration is considered better.
8. Collective bargaining in the strict sense is not favoured. The present procedure for settlement of disputes is satisfactory but delays should be avoided as these create bitterness between the two parties.
9. It was pointed out that a worker who was involved in a murder case outside the factory premises was dismissed by the management under the Standing Orders for being absent from duty for more than 8 days. The worker had been in police custody and was, therefore, not able to come to work. As the police had not been able to substantiate the charge of murder, the union has been fighting for his reinstatement. The matter had been taken to the labour court.
10. There was another case in which a clerk had been dismissed for committing a mistake during the course of his duties. The labour court had not agreed for reinstatement in this case and the union had taken the case to the Supreme Court.
11. If crime is established, unions do not support the workers.
12. There have not been many cases of dismissal. Thefts and negligence in duties are the main causes of dismissal. Wherever the union is satisfied that worker did commit a theft it does not support the worker.
13. There is no Works Committee functioning in the Mills but there is a Grievance Committee. The Grievance Committee has been functioning satisfactorily. All its members are insiders. Manager is the Chairman of the Committee.
14. Workers' education has been beneficial. This makes the workers conscious of their responsibilities. Workers are also conducting classes after the completion of their training. After training to the workers for a period of three months the management permits the worker to go on training and pays him wages for the period of training. Workers who attend classes for 2 hours after the office hours are paid extra wage for one hour. This is to induce the employees to attend workers education classes.
15. There has been no case of violence during the last 10 years.
16. Some of the workers have been working in the Mills for about 20 years. There are instances where children of the employees have been employed in the Mills.
17. There are cases of dismissal under Standing Orders because of absence from duty for more than 8 days. Sometimes absence becomes necessary because of domestic circumstances. The workers are dismissed irrespective of length of service after two or three warnings. They can represent to Grievance Committee but generally they do not do that. Manager is the Chairman of the

Grievance Committee and workers, therefore, feel that no useful purpose is likely to be served by taking the case to the Committee.

(B) Record of informal discussions with the representatives of management represented by:-

(1) Mr. N.S. Bhat,  
Group Personnel Manager.

(2) Mr. V.G. Ramamoorti,  
Mill Manager.

1. The management has been introducing rationalisation in the various departments of the mills in a phased manner. This has been done in agreement with the union. Only two more departments remain. Rationalisation in these departments will be introduced in about a week or so.

2. One man handles 12 looms. Workers have faith in time and motion studies conducted for fixing norms of work. These have been tested by the South India Textile Research Association.

3. 18 per cent of the gains resulting from rationalisation are allocated to the capital and the rest are distributed on fifty-fifty basis between the employees and the management.

4. Collective Bargaining is not favoured in the strict sense. Safeguards suggested by the Commission's Study Group on Labour Administration (Southern Region) are considered useful.

5. Industrial relations were not so good in the company before independence. There has been an improvement in the relations in recent years. Experience has taught certain lessons.

6. Very few cases go to arbitration or adjudication. Most of the problems are now solved by mutual negotiations. The management has entered into quite a few agreements with the unions.

7. The first union in the company was recognised in 1934. Workers are by and large political minded. Workers' children are also employed.

8. Some of the long drawn out strikes give a lesson to the workers also.

9. Management is running a canteen which serves full meals, snacks, tea etc. at subsidised rates.

10. Tea is supplied at the place of work once in the day-shift and once in the night-shift. Workers in the third-shift i.e. from 11 p.m. to 7 A.M. are given a cup of tea and a bun free of cost.

11. The company has a housing colony in which about 700 tenements have been allotted to the employees on a licence fee ranging from Rs. 1.50 to Rs. 15 per month.

12. The B. & C. Mills Cooperative Society has been in existence for the past 33 years. It has facilities for recurring deposits, thrift deposits and fixed deposits. Loans are given to the members on easy terms.

13. The company is running a store where all employees are allowed to purchase provisions on credit at fair prices.

14. Attention of the management was invited to the case of dismissal of an employee who was involved in a murder case outside the factory but was acquitted. They promised to look into it.

## II

### The Enfield India Limited, "Royal Enfield Building", Tiruvottiyur, Madras-19.

The company produces Royal Enfield Motor Cycles and Fantabulas Scooters. Government of India is one of the bulk purchasers of the motor cycles. Almost throughout the year 1967 working of the company was adversely affected because of labour troubles. This resulted in fall in production and the company incurred a loss of about Rs. 11.2 lakhs during the year ending 31st December, 1967.

(A) Record of informal discussions with the Enfield employees union represented by :-

1. Mr. D. Krishnan,  
Vice-President.
2. Mr. G. Ganesan,  
General Secretary.
3. Mr. M. Paramasivam,  
Joint Secretary.
4. Mr. M.R. Nithyanandan,  
Joint Secretary.

1. The Enfield Employees Union represents the staff as also the workers. President of the union is an M.L.C. It is affiliated to the Labour Wing of the D.M.K. Almost all members of the union are members of the D.M.K. party.

2. Workers getting more than Rs. 200 per month come in the supervisory staff and are, therefore, in the non-union category. Their number is about 600. Of the remaining 2000 employees almost all are members of the union.

3. Members pay a monthly subscription of 50 paise per worker. The union has a balance of Rs. 2084/- in its account.

4. It was pointed out that in November 1966 management declared a lock-out because of the shortage of raw material. This was followed by lay-off. Within 3 days of the lock-out being lifted union declared a strike which lasted for a period of about 4 months i.e. till the month of February 1967. The main issues which resulted in strike were retrenchment and victimisation of selected workers by the management. The union representatives tried to contact the management for discussing the cases of victimisation but none of the management representatives was available for discussion. The union spent a sum of Rs. 11,000 on transport, volunteers etc. during the strike period.

5. A reference is pending before the labour court in regard to payment of wages to the workers for the lock-out period of 28 days. The matter has been pending since March 1967.

6. Out of the 35 workers retrenched by the management 5 have been re-employed, 16 are still unemployed and the union has no information about the rest.

7. No Grievance Committee or Works Committee has been constituted.

8. Vice-President of the union and other office bearers have weekly meetings with the General Manager for discussing matters of mutual interest. Special meetings are also arranged when considered necessary. Management has never refused participating in such meetings when a request is made by the union.

9. At present the production is below the norm agreed to between the union and the management. This is because of the shortage of raw material. The management is treating it as go-slow.

10. Office bearers of the union are not given any specific work so that they can find time to look after the union work.

11. Office bearers of the union are elected by secret ballot. In the last election the Vice-President got 390 votes as against his rival getting 320 votes.

12. The union does not favour collective bargaining.

13. If collective bargaining fails it should be followed by arbitration. Generally speaking, there would be no difficulty in finding an arbitrator agreeable to both the parties.

(B) Record of informal discussions with the representatives of the management represented by:-

1. Mr. S. Sankaran,  
Managing Director.

2. Mr. A. Anantha Raman,  
Welfare Officer.

1. Main reason of November 1966 lock-out was the fall in productivity below the level agreed to between the union and the management.

2. It was pointed out that the office bearers of the union do not come to the factory whenever there is trouble.

3. Elections are held once a year in the company premises at management's expense for electing office bearers of the union. The President of the union changes almost every year. Workers are by and large sincere to the company but they are incited by others.

4. D.M.K. Union was strong even when D.M.K. party was not in power in Madras State.

5. There was violence during the period of lock-out. Some of the workers do not come to the factory because they are afraid of violence and not because they are sympathetic to the strike. They prefer to stay at home and lose wages than being assaulted.

6. Politicians are generally responsible for strained industrial relations.

7. If a strike or lock-out lasts for about a week's time the matter should be referred to arbitration or adjudication.

III

Indian Oxygen Ltd., Madras

Indian Oxygen began operating in the South in 1935. Compression of oxygen started at Cochin in 1936, at Bangalore in 1939 and at Madras in 1944. The first oxygen and dissolved acetylene plants in South India were installed at Madras in 1946. Supplies had to be stepped up to meet the growing demand. A 100 cft. plant was set up at Madras in 1950. This plant was replaced by a 100 cubic metre per hour plant in 1958. A similar plant was added in 1960 to double the production.

Indian oxygen plays a primary role in the preservation of life and the relief of pain. Medical oxygen is produced at Madras, Bangalore and Visakhapatnam. In its expansion programme company has provided for the installation of nitrous oxide plant at Madras. Nitrogen is also manufactured in this plant.

Record of informal discussions with the representatives of the union and the management represented by:-

Indian Oxygen Employees' Union

1. Mr. S.K. Sreedharan,  
Vice-President.
2. Mr. T. Natarajan,  
Vice-President.
3. Mr. S. Krishnan,  
General Secretary.
4. Mr. R. Dorairajan,  
Joint Secretary.
5. Mr. S. Manickam,  
Joint Secretary.

Management's Representatives

1. Mr. N.K.K. Menon,  
District Sales Manager.
2. Mr. A.V. George,  
Branch Personnel Officer.
3. Mr. A.R. Singh,  
District Engineer.

1. About 350 workers are employed in the Madras Unit of the Company. Out of this about 300 are members of the Indian Oxygen Employees' Union, Madras, which is affiliated to National Federation of Oxygen Workers - an affiliate of INTUC. This has been the representative union for the last 12 years.
2. One of the Vice-Presidents of the Union is a matriculate and draws a salary of Rs. 600 per month. He is working in the factory. He has been vice President for 5 years and is unanimously elected. There was a contest when he fought the election for the first time.
3. Generally speaking, industrial relations have been quite good but for some areas of difficulties particularly

in regard to bonus. There have been no instances of violence. Prior to the Bonus Act workers were getting bonus to the extent of 5 months of their pay. After the commencement of the Bonus Act workers are being given less bonus. For 1966-67 workers are being paid 17½ per cent of their pay as bonus. During the current year, company hopes to pay only 4 per cent. An industrial dispute relating to bonus for the year 1964-65 was taken to the National Tribunal. The award of the Tribunal was in favour of the Union but the company has made an appeal to the Supreme Court. The matter is still pending before the Court. The company held discussions with the union and reached agreement about the bonus for the year 1965-66, in April 1967. Union representatives were generally not in favour of the Bonus Act.

4. All office bearers of the union except the President are insiders.

5. The union prefers secret ballot for purpose of determining the bargaining agent, right to vote being given to members only. Even when it was pointed to the union representatives that their Central Organisation is not in favour of the Secret Ballot they said we are for it. It was pointed out that in the Metal Box Company, INTUC got the recognition through the secret ballot.

6. About collective bargaining the management did not favour any change in the existing system.

7. The union representatives favour conciliation failing which recourse may be taken to arbitration.

8. Management representatives feared that it may not be possible always to find an agreed arbitrator. The provision for adjudication should, therefore, be retained.

9. Union representatives pointed out that Indian Oxygen Ltd. being a public utility concern resulted in many restrictions being imposed on the workers but correspondingly they have not given any privileges.

10. Most of the problems between the employees and the management are discussed in the Works Committee. Manager is the Chairman of the Works Committee and attends all the meetings.

11. Union representatives are not very happy about the working of the Works Committee. Last meeting of the Works Committee was held in April, 1968. Since then because of the bonus issue management did not consider the atmosphere as congenial for holding another meeting of the Committee. A meeting has, now been fixed for 26th September, 1968.

12. Union representatives pointed out that at present they have no participation in the Work Studies which were conducted by the management. There had been four strikes in the last 10 years, of them there were three strikes in the month of May 1967 alone.

13. The union representatives felt that trade union protection should also be given to those in the higher pay scales.

14. For doing union work active members are permitted short leave from duty but they have to inform their immediate superior. This is not liked by workers. It was felt that the management should send a note to the section concerned that such and such



person has been permitted to go for union work and the person concerned should not be required to seek permission of his immediate superior.

15. According to the grievance procedure agreed to between the management and the union, all complaints are first dealt with by the Section Leader (Foreman etc.) then by the Head of the Department and finally by the District Manager. At no stage the officer concerned is to hold up the case for more than 7 days. If employee is still not satisfied with the decision he may approach the union to take up the matter with the management. If no settlement is reached within 10 days of the union taking up the matter with the management, the issue in dispute may be referred to voluntary arbitration or adjudication.

16. Workers' Education Scheme has done good to the cause of industrial production.

17. The management gave a note on wage structure etc. in the Indian Oxygen Ltd. The representatives of the union were requested to give their comments on this note.

#### IV

27-9-1968

#### Simpson & Co. Ltd., Madras

1. About 2500 employees are working at Plant I, Mount Road, Madras and about 1200 employees are working in Plant II at Sembian, Madras. The company has its branches at Trichi, Ooty, Bangalore and Hyderabad.

2. The company produces several types of tractor and industrial engines. Recession which affected automobile truck market and engineering industries in general during the year 1967 had also its impact on the company's operations. The off-take of engines and other equipment fell very steeply. However, the market has since picked up and normal working of the company has been resumed. While going round the plant it was observed that this is one of the labour intensive plants. The pictures of Gods and Goddesses had been displayed in various sections. The workers have to work in a very noisy atmosphere but this is perhaps unavoidable because of the nature of machinery used.

Record of informal discussions with representatives of union and management represented by:-

#### Simpson & Group Companies Workers and Staff Union

1. Mr. K. Gurumurthi,  
President.
2. Mr. K. Seethapathi,  
General Secretary.

#### Management

1. Mr. S. Anantharam,  
Director & General Manager.

2. Mr. J. Sankaran,  
Comptroller & Treasurer.
3. Mr. R. Viswanathan,  
Industrial Relations Officer.
4. Mr. K.S. Ganesh,  
Facilities Manager.

1. There is one recognised union for staff and workers. Management of the union is entirely in the hands of insiders. The President of the union is working in the assembly department and draws a salary of Rs. 600 per month. He is not interested in going to a managerial post because that will be a hindrance for him to do union work.
2. Company permits office bearers of the union to go out for union work. President of the union is given free time to devote himself to the union work.
3. President of the union is a member of the Congress Party but the union is not affiliated to INTUC.
4. AITUC attempted to start its branch in Simpson & Group Companies but hasnot been successful so far.
5. There has been no instance during the last 14 years for taking any industrial dispute to a labour court. All matters were settled by mutual negotiations.
6. Union claims a membership of almost 100 per cent. The members have to pay a subscription of Re. 1 per month.
7. For the benefit of its members the union is running a cooperative credit society as also a consumer society. The credit section advances loans to members on easy terms. It has a working capital of nearly Rs. 35 lakhs and it has 70 whole-time employees. The salient feature in the credit society is the accumulation of workers' savings to the extent of Rs. 17 lakhs through thrift fund collected from workers. The contribution towards the fund ranges from Rs. 2 to Rs. 8 per month on the basis of pay. The consumer section supplies essential commodities of day-to-day need at reasonable prices.
8. President of the union observed that the second line of leadership has been trained and there is no fear of the union work being affected in the event of some leading office bearers going out.
9. There was a lock-out for about 2 weeks in May 1968 because of the suspension of certain workers. But for this, the relations between the management and the workers have been cordial. The management felt that even this incident could have probably been avoided had Mr. Gurumurthi been in Madras in those days.
10. The management is of the view that adjudication should not be scraped. There must be some room if negotiations fail.
11. Joint Council of Management has been working well in the company.

12. In the matter of recruitment in the company preference is given to retrenched employees and sons or direct dependents of the employees.
13. In the matter of disciplinary action there is a tradition that no punishment is meted to the employees without the concurrence of the union.
14. When management wants to introduce a new machine the entire issue is discussed with the workers before hand.
15. Union representatives felt that if collective bargaining fails, recourse should be taken to arbitration after a certain cooling-off period.
16. According to an agreement reached between workers and the management in 1958, if the management differs with the union representatives on a particular issue, such as, wage revision, bonus etc. the matter is take up to the Chairman. There are instances when the Chairman has agreed with the views expressed by the union and has over-ruled the management.
17. There has been no strike since 1955.
18. The company pays a bonus of about 30 per cent. No importance has been given to the Bonus Act.
19. The union does not support cases of workers who are involved in theft. Union representatives participate in the enquiries conducted against the workers.
20. Only in cases where representatives of the union and management agree, recourse is taken to dismissal.
21. For purposes of determining the bargaining agent election is not considered as appropriate because this is likely to result in creating chaos at the place of work.

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