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TABLE OF CONTENTS.

	PAGES
1. Dispute between the workers and management of Spencer and Company, Limited, Madras	1–12
2. Dispute between the workers and management of City Motor Service, Madras	13–16
3. Dispute between the workers and management of Textile Mills in the Province—Award on interim relief	17–22
4. Dispute between the workers and management of Motor Transport Companies in Nellore district	22–39
5. Dispute between the workers and management of Buckingham and Carnatic Mills, Madras	39–46
6. Dispute between the workers and management of Sri Rama Vilas Motor Service, Limited, Madura	6–90
7. Dispute between the workers and management of Madras Electric Tramway Company, Limited	90–103
8. Dispute between the workers and management of the Madura Mills at Madura and Vikramasingapuram	104–117
9. Dispute between the workers and management of Rajah Mills, Madura ..	118–147
10. Dispute between the workers and management of the Indian Metal and Metallurgical Corporation, Limited, Mettur	148–156
11. Dispute between the workers and management of the Coimbatore Cement Works, Madukkarai	156–182
12. Dispute between the workers and management of the Buckingham and Carnatic Mills, Madras	183–184
13. Dispute between the workers and management of Hotels in Madras ..	184–185
14. Dispute between the workers and management of the Aaron Spinning and Weaving Mills, Pappinesori, Malabar district	186–190
15. Dispute between the workers and management of the Spencer and Company, Limited, Madras	191–194
16. Dispute between the workers and management of Chrome Leather Company, Limited, Pallavaram	194–195
17. Dispute between the workers and management of the Rickshaw-pullers and Rickshaw-owners in Madras City	195–198

RECOMMENDATIONS OF ADJUDICATORS AND BOARDS OF CONCILIATION ON LABOUR DISPUTES IN 1946.

(1)

BEFORE THE ADJUDICATOR:

SRI P. MARKANDEYALU, M.A., B.L.

(Principal Judge, City Civil Court, Madras.)

[Under rule 81-A of the Defence of India Rules.]

Between

THE MANAGEMENT OF MESSRS. SPENCER & Co., LTD., MADRAS

and

THE WORKERS OF MESSRS. SPENCER & Co., LTD.

Messrs. JOHN & ROW—*Advocates for the Management.*

Mr. V. G. ROW—*Advocate for the Workers' Union.*

[*Subject.*—Illegal strike—Lock-out by management.]

Held that the dispute regarding the holidays is a trade dispute and that the strike without notice in connexion with a trade dispute is illegal.

Held that though the lock-out declared by the management is technically justified, their action was vindictive and harsh. Recommended reinstatement of all the workers or in the alternative, payment of wages and dearness allowance from 12th April 1946 till the date of order to those not reinstated.

Bonus.—Held that Labour has a right to share in the increased profit made in any particular period.

Adjudication awards of Justice K. S. Krishnaswami Ayyangar and Justice Navavathi, I.C.S., cited and approved.

Recommended payment of two months' wages as bonus.

G.O. Ms. No. 2680, Development, dated 10th July 1946.

[Labour—Disputes—Dispute between the workers and management of Messrs. Spencer & Co., Ltd., Madras—Recommendations of the Adjudicator—Orders passed.]

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READ—the following papers :—

Report of the Adjudicator in the trade dispute between workers and management of Messrs. Spencer & Co., Ltd., Madras.

The following report from Sri P. Markandeyulu, M.A., B.L., Principal Judge, City Civil Court, Madras, to the Secretary to Government, Development Department, dated Madras, the 8th July 1946, is published :—

I have the honour to submit herewith my award in the trade dispute between the management and the workers of Messrs. Spencer & Co., Ltd., Madras, which has been referred to me for adjudication by G.O. Ms. No. 2308, Development, dated 14th June 1946.

I gave notice to both sides to file statements of their case in writing on 26th June 1946, commenced the inquiry on the 26th and closed it on the 28th June 1946. Three witnesses were examined for the management and four for the workers, and the preparation of the award occupied me a week.

AWARD.

By G.O. Ms. No. 2308, Development, dated 14th June 1946, I was appointed adjudicator in a trade dispute between the workers and the management of Messrs. Spencer & Co., Ltd., Madras. The appointment was made under rule 81-A of the Defence of India Rules read with the Notifications of the Government of India, Department of Labour, No. L. 3005, dated the 20th May 1942 and No. L.R. 16, dated the 11th December 1943. The order appointing me adjudicator says that the matter was previously referred to a Board of Conciliation consisting of a sole member and that the conciliator had reported that his efforts at settlement had failed and that the dispute might be referred for adjudication.

2. The G.O. Ms. No. 2308 referred to above does not specify the matters in dispute that have been referred to me for adjudication but it says that the conciliator has stated that the following items of dispute have emerged from his investigation and have to be settled after due enquiry :—

(1) Whether the management's failure to reply to the workers' letter of the 6th April demanding a holiday on Tamil New Year's Day is a sufficient and valid reason for cessation of work on the afternoon of 12th April 1946.

(2) Whether the notice marked (A) constitutes a lockout and is legal. If so, whether the imposing of new conditions of service as in (B) invalidates the lockout.

(3) On what conditions were bonuses paid and were those conditions published or intimated to the workers or the Union ?

(4) What relief will be justifiable ?

3 I take it that the four points specified above constitutes the matters in dispute between the management and the workers of Spencer & Co., Ltd., and have been referred to me for adjudication.

4. The facts that have given rise to the trade dispute are briefly these. There are about 11 departments of the company in the City of Madras, and many of the employees of these departments formed themselves into a Union and got it registered in 1945 under the Trade Unions Act, but the management have declined to recognize the Union as such. The Secretary of the Union is one Mr. Chintan, who is a trade unionist but not an employee of Spencer & Co. On 2nd March 1946 the Secretary of the Workers' Union addressed a letter, Exhibit P-2, to the managing director of the company making a number of demands, one of which is that every employee of the company should be paid two months' wages as bonus. Another of the demands is that eight full holidays should be granted to the workers on account of festivals and it is admitted that the Tamil New Year's Day is included in these eight holidays. The letter further states that the workers will go on strike after fourteen days if the demands are not conceded. A copy of Exhibit P-2 was sent to the Commissioner of Labour, who intervened and effected a settlement between the workers and the management of the company. Exhibit P-3, dated 11th March 1946, is the memorandum of the settlement and it is initialled by Mr. C. K. Vijayaraghavan, the Commissioner of Labour, and Mr. Edwards, the Managing Director of the company, and signed by Mr. V. P. Chintan, the General Secretary of the Workers' Union. Paragraph 1 deals with bonus and it is as follows :—

"The management have already arranged to pay two months' wages to their workers based on attendance, satisfactory service and conduct. They will publish a notice embodying the conditions relating to the grant of bonus to their workers."

From this it would appear that the management of the company have been given full discretion in the matter of the payment of bonus and that it is open to them not to pay it to any worker or workers whose attendance, service or conduct is, in their opinion, not satisfactory. All that is required is that a notice should be published by the company embodying the principles on which the bonus has been paid. It may be stated at once that pursuant to this term in the settlement some of the workers were paid in the first week of April 1946 two months' wages as bonus, some less, and some not at all. But the notice embodying the principles has not yet been published.

Paragraph 3 entitled "Holidays" is as follows :—

"The management agree to grant 14 days casual leave with pay to all employees with one year's service and over and 14 days sick leave under company's doctor's medical certificate on half pay in addition to all employees with five years service and over."

5. It will be seen that there is absolutely no reference to the holidays for festivals in this memorandum though there is a demand for them in the notice of strike, Exhibit P-2. The Secretary of the Union deposes as the third witness for the workers that he was persuaded by the Commissioner of Labour not to press the demand for holidays in the interests of a settlement and that he accordingly did not press it. The Secretary placed the terms of settlement before the general body of the workers but they did not approve of them. Exhibit P-4, dated 20th March 1946, is a letter written by the Secretary to the management in which the demand for holidays for festivals is reiterated. With regard to bonus, this is what the letter says :—

"Regarding the question of bonus, we accept the two months' wages as bonus but we would like to know the terms for the grant of bonus. Vague terms like satisfactory service, conduct, etc., cannot be accepted as satisfactory terms. As bonus is taken and meant as profit-sharing bonus, we claim that every worker is entitled to one-sixth of his total earnings. Further we demand that the bonus should be paid before the next pay day. Last year 14 active Union workers were not given the bonus. This was one of the points of dispute between the Union and the management ever since last year. This question was also raised when we gave the strike notice but no answer has been given to this. Bonus should be paid to them. We are afraid that the management wants to follow the same tactics this year too by just introducing the questions of conduct, service, etc., to deprive one section of workers of their legitimate bonus."

To this, the management sent a reply, Exhibit P-5 (27th March 1946), in which it is stated, among other things, that no further concessions will be made and that "further correspondence on the subject will be ignored." This applies to all the demands contained in Exhibit P-4 including the demand for holidays and the demand for the payment of bonus to all the workers without exception. But the workers held another meeting of the general body on the 28th March 1946 and unanimously approved of the terms of the settlement embodied in Exhibit P-3, dated 11th March 1946. This means that for the time being at any rate, the workers withdrew the demands made by them in their letter, Exhibit P-4. Exhibit P-6 (29th March 1946) is the letter sent by the Union to the managing director of the company informing him that the terms of the settlement of 11th March 1946 have been approved by the general body and that it has been decided to withdraw the notice of strike, Exhibit P-2.

6. But on 5th April 1946, barely a week after the sending of Exhibit P-6, the Union sent another letter, Exhibit P-8, in which a demand is again made for the grant of a full holiday for the Tamil New Year's Day which fell on Saturday, the 13th of April 1946. It may be mentioned that for a very long time the company has been giving only a half holiday for the Tamil New Year's Day and that, if it fell on a Saturday, no holiday was declared at all as Saturday is always a half holiday. It will be recalled that the demand for a full holiday was given up by the workers at the settlement of 11th March 1946 (Exhibit P-3). With regard to bonus, it is stated, Exhibit P-8, that though some of the workers have been paid two months' wages as bonus, still some have not been paid any bonus at all, and some have been paid only paltry amounts and a request is made for the payment of the full bonus to all the workers. It is a matter for regret that no reply was sent by the management to this letter. Mr. Rajeswara Rao for the company takes his stand on the letter, Exhibit P-5, dated 27th March 1946, and argues that the management was not bound to send a reply to Exhibit P-8 because it had already stated in Exhibit P-5 that no more concessions would be made and that further correspondence on the subject would be ignored. This argument may be technically correct, but unfortunately the failure to send a reply has embittered the relations between the management and the workers.

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7. On the morning of 12th April 1946, Mr. M. Ganesan, the President of the Workers' Union, and the first witness examined by the workers personally delivered a letter, Exhibit D-1, to Mr. Stephenson, the Secretary of the company, in which a reply is requested to the communication of 5th April 1946 and to some other communication. Mr. Ganesan deposes that the Secretary returned the letter to him saying that he would not reply to any letter, bearing the letter head of the Workers' Union. This means, as already stated, that the company refuses to recognize the Union as such. But Mr. Stephenson, the first witness examined for the company, denies having received the letter, Exhibit D-1. But the version of Mr. Ganesan is probabilised by the fact that on the same day, 12th April 1946, the Workers' Union sent a letter, Exhibit D 4, to the Commissioner of Labour in which it is complained that no reply has been received by the Union to the request for a full holiday on the 13th of April.

8. At about 2 o'clock on the afternoon of 12th April 1946 the workers in the laundry department, ærated waters department and the house-furnishing department, about 350 in all, downed their tools and staged a stay-in strike. At about 4 or 4-30 in the evening the management put up a notice, of which Exhibit P-13 is a copy, informing the workers by indulging in a strike without giving the requisite notice they had broken their contract of service with the company and that the company had consequently put an end of the contract and terminated their employment. The notice also says that the employees who have resorted to the strike will not be admitted into the premises until a new contract is entered into and accepted by the company. The practical effect of the notice is that the company declared a lockout and that all the strikers were dismissed from service.

9. The conditions under which the company was prepared to take back the strikers into service are contained in Annexure B to G.O. Ms. No. 2308 referred to above. These new conditions are more favourable to the management than to the workers. According to these, the workers will be employed on a daily basis, instead of on a monthly basis and they will be entitled to resign their appointments without giving any notice to the management and the management also will be at liberty to terminate the appointment of the workers without notice. This is a greater hardship on the workers than on the management. Another result of these conditions is that the workers will not be entitled to casual leave and sick leave to which those employed on a monthly basis would be entitled. It is said on behalf of the management that even those who are employed under the new conditions are being given casual leave and sick leave, but the grant of such leave depends on the pleasure of the management and the workers are not entitled to it as a matter of right.

10. It is necessary to mention that after the declaration of the lockout by the company the strikers offered to resume work at about 5 o'clock in the evening but the management did not agree to it. (*See* the evidence of Mr. Stepehsnon, the first witness for the management and of M. K. Swamy, the second witness for the management.)

11. The strike spread to the other departments also and by 15th April 1946 the number of strikers increased to 809. But, out of these, about 80 persons have since been taken back by the company but subject to the new conditions. The rest of the strikers have been replaced by new hands in all the departments except in the laundry department and the furniture department.

12. Before dealing with the points for determination, I shall have to consider some preliminary objections raised by Mr. Rajeswara Rao, the learned counsel for the company. It is argued that this reference for adjudication under rule 81-A of the Defence of India Rules is incompetent in that the conditions mentioned in it are not satisfied. The rule in question says, among other things, that if in the opinion of the Central Government it is necessary or expedient so to do *for maintaining supplies and services essential to the life of the community*, it may, by general or special order, make provision for referring any trade dispute for conciliation or adjudication in the manner provided in the order. Now the Government Order appointing me adjudicator says that in the opinion of His Excellency the Governor

of Madras it is necessary for the maintenance of supplies essential to the life of the community to refer the trade dispute for adjudication. It will be noticed that the words "Supplies and Services" are not mentioned in the Government Order but only the word "Supplies." It is argued that as the result of the omission of the words "and Services" from the Government Order the reference is incompetent and *ultra vires*. I cannot accede to this contention. It is conceded that Messrs. Spencer & Co. supply to the public many essential articles mentioned in the schedule in rule 81-D of the Defence of India Rules, such as bread, sugar, meat, fish, medicines, etc. In my opinion the sale of essential articles to the public is both a supply and a service and the word "Services" in rule 81-A means very much the same thing as the word "Supplies." I am of opinion that the words "Supplies and Services" in the context are synonymous and there is no need to mention the word "Services" also in the order referring the trade dispute for adjudication.

13. The second objection raised on behalf of the company is that in spite of the strike the company has been able to supply essential articles to the public as before, that there was never a cessation of supplies at any time and that therefore the local Government had no power to refer the dispute for adjudication. This contention also is equally unacceptable. It is not necessary that the supply of essential articles should actually be cut off and the public be put to considerable inconvenience before a trade dispute could be referred for adjudication. It is sufficient if there is a danger or threat to the maintenance or continuance of supplies and services. In the present case, it is conceded that there were about 800 workers on strike about the middle of April 1946. Their feelings must have been considerably excited by the fact that they had been suddenly thrown out of employment by the notice published by the company on 12th April 1946, of which Exhibit P-13 is a copy. The existence of a large body of disgruntled workers who might get out of hand at any time is certainly a danger to the maintenance of supplies and services essential to the life of the community. In this view, the reference for adjudication is justified.

14. Another argument advanced on behalf of the company is that when G.O. No. 2308 was passed by the Government on 14th June 1946 referring the matter for adjudication there was no relationship of employer and employed between the management and the strikers and therefore the reference is incompetent. The argument is that it is only a trade dispute that can be referred for adjudication, that a trade dispute arises only between employer and employed and that there was no relationship of employer and employed between the management of the company and the strikers on 14th June 1946 when the reference was made. Even this argument cannot be accepted. The relevant dates for judging whether the relationship of employer and employed subsists between the parties is not the date on which the reference for adjudication is made but the date on which the workers went on strike and their services were dispensed with. On 12th April 1946, at any rate till about 4 p.m., the relationship of employer and employed subsisted between the management and the workers and the reference for adjudication can be made at any time subsequently. This objection also is untenable.

15. I shall now deal with the questions referred to me for adjudication.

Question 1.—I have already stated that the workers demanded a full holiday for the Tamil New Year's Day in their notice of strike, Exhibit P-2, dated 2nd March 1946, and that this demand was given up, at any rate temporarily, at the settlement of 11th March 1946 evidenced by Exhibit P-3. The general body of the workers objected to the terms of the settlement at their meeting held on 13th March 1946 (*see* Exhibit P-4) but subsequently they unanimously endorsed the settlement at the meeting held on 28th March 1946 and communicated the same to the management of the company (vide Exhibit P-6) Exhibit P-6 was sent on 29th March 1946. But hardly a week later the workers sent a letter to the company, Exhibit P-8, dated 5th April 1946, again demanding a holiday for the Tamil New Year's Day. I am of opinion that this request for a holiday, so soon after the settlement and almost immediately after the settlement was approved of by the general body of the workers, was unreasonable. It may be that the failure of the company to reply to their letter, Exhibit P-8, provoked the workers considerably, but in my opinion

they were not justified in going on strike on the afternoon of 12th April 1946. At any rate the stay-in-strike staged by the workers on 12th April 1946 is illegal in that the requisite 14 days' notice was not given to the management. Rule 1 of the Government of India Order, Department of Labour, L.R. 16 (10), dated 19th December 1945, is as follows :—"No person employed in any undertaking shall go on strike in connection with any trade dispute without having given to his employer within one month before striking not less than 14 days' previous notice in writing of his intention to do so." But it is argued by Mr. Ramachandran for the workers that the strike in the present case is not illegal inasmuch as it was not connected with any trade dispute. He contends that the dispute between the management and the workers was only with regard to a holiday and that that does not amount to a trade dispute. He relies on two decisions of the Industrial Court of Bombay reported in the *Labour Gazette* of December 1945 at pages 267, 268 and 269 in which it has been held that where a section of the workers in a mill absent themselves on a particular day because their request for a holiday on that day has not been conceded by the management it does not amount to an illegal strike. The reason given is that the dispute about a holiday does not amount to an *industrial* dispute. These two decisions are given under the Bombay Industrial Disputes Act of 1938 but not either under the Trade Disputes Act or under section 81-A of the Defence of India Rules. A trade dispute is defined as follows in section 2, clause (*j*) of the Trade Disputes Act, 1929 : "Trade Dispute" means "any dispute or difference between employers and employers or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or the terms of the employment or with the conditions of labour of any person." In my opinion the question whether a holiday should be given for the Tamil New Year's Day or not is a matter connected with the terms of the employment of the worker and the conditions of his service, and it therefore amounts to a trade dispute. I would add that if the question whether a holiday should be granted on the 13th of April or not did not amount to a trade dispute, this reference for adjudication itself would be incompetent. According to clause (*c*) of rule 81-A of the Defence of India Rules it is only a trade dispute that could be referred either for conciliation or for adjudication. For the foregoing reasons I hold that the strike indulged in by the workers on the afternoon of 12th April 1946 was not justified and is illegal.

16. *Question* 2.—There can be no doubt that the notice, Exhibit P-13, given by the management to the strikers on the evening of 12th April 1946 amounts to a lockout. By this notice the strikers are told that they have been dismissed from service and that they will not be admitted into the premises except under a new contract of service. According to the strict letter of the law, the lockout in the present case is quite illegal and the management was within its rights in terminating the services of the strikers as they had staged the strike without giving the requisite 14 days' notice. And I do not see anything illegal in the management putting up a notice to the effect that the strikers have been dismissed from service and that, if they want re-employment, they will be taken only on new conditions. For the lockout declared by the management, 14 days' notice is not necessary, for, according to clause (ii) of L.R. 16 (10) of the Government of India Order, dated 19th December 1945, no previous notice for a lockout is necessary *where a strike already exists in the undertaking*. In the present case a section of the workers went on strike at about 2 p.m. on 12th April 1946 and the notice, Exhibit P-13, was put up at about 4 or 4-30 p.m.

17. I shall pause here and observe that though the management was technically justified in declaring a lockout and dismissing the strikers from service, their action, in, *my opinion*, was vindictive and harsh and has resulted in a great hardship on about 700 workers and their families. There can be no doubt that the management wanted to teach the workers a lesson for having staged a stay-in-strike and they must also have been incensed by the activities of the Workers' Union with Mr. Chintan as its Secretary. The attitude of the management can be judged by the fact that though the strikers offered to come back at about 5 p.m. on 12th April 1946 they were not permitted to do so, and the evidence of Mr. Ganesan, the first

witness examined by the workers, is to the effect that even on 13th April 1946 the strikers offered to resume work but that the gates were closed against them.

18. I have gone through a number of awards given by adjudicators in Bombay and other places and find that the adjudicators have decided trade disputes not on strictly legal grounds but on grounds of equity, natural justice, fairplay and public policy. The fact that about 700 workers who were till recently leading a contented and happy life in the service of the company have been suddenly thrown out of employment is a matter of grave public concern and cannot be viewed by the Government with equanimity. I am of opinion that all the workers who went on strike on the 12th of April 1946 and on subsequent dates should be re-instated in their places under the old conditions of service and that some penalty should be imposed on them for having indulged in an illegal strike. The loss of wages for the period from the date of the strike till their reinstatement would, in my opinion, be a sufficient penalty. But I realize that there are practical difficulties in reinstating the 700 or more strikers as most of them have been replaced by new hands since 12th April 1946. I sincerely hope that the management will make every effort to take back the strikers into their employment subject to the old conditions of service within a month from the date of the publication of this award in the *Fort St. George Gazette* If for any reason it is not possible to reinstate all or any of the strikers then they should be paid some reasonable compensation for the termination of their employment. I am of opinion that the payment of wages and dearness allowance from 12th April 1946 till to-day would be a reasonable compensation. In the case of those who may be reinstated, though they are not entitled to their wages during the period of their absence from duty, they be deemed to have been in the service of the company during that period for all other purposes.

19 *Question* 3.—This relates to the claim of the workers for bonus for the financial year 1944–45 ending with 30th June 1945. It may be mentioned that according to the evidence in the case the claim for a bonus had nothing to do with the strike or lockout of 12th April 1946. But it is an item of dispute between the management and the workers. In the notice, Exhibit P-8, sent by the Union to the management on 5th April 1946, it is stated that the bonus of two months' wages declared by the company has not been paid to all the workers but only to a few and a request is made for the payment of bonus to all the workers without exception. There is, of course, also a demand in the letter for a holiday on the Tamil New Year's Day.

20. According to the evidence, the company has been giving bonuses to its employees only from the year 1941 or thereabouts. M. K. Swamy, the second witness examined by the management, deposes that he has been in the service of the company from 1933 and that he was paid for the first time in 1943 a bonus which consisted of a month's salary. In October 1945, the company paid a victory bonus of 1½ months' salary to most of its employees. But there is reason to believe that some were paid much smaller amounts and that some were paid nothing at all—vide Exhibit P-20. It is said that the amounts paid as bonus depended upon the length of service, the days of attendance and satisfactory conduct. In January 1946, the Board of Directors passed a resolution sanctioning a further bonus of two months' salary to all its employees but added that the bonus would be paid only for good work and regular attendance and that its payment was entirely at the discretion of the Board—vide page 43 of Exhibit P-16. The bonus that was paid in October 1945 and the bonus that was declared in January 1946 related to the profits made in the financial year 1944–45. Pursuant to the said resolution, a bonus was paid to many of the employees but not to all. Some were paid smaller sums than two months' salary and some were paid nothing at all. There is no satisfactory evidence to show how many of the employees in all the eleven departments have been paid the bonus declared in January 1946. The only reliable document on this point is Exhibit P-21 which shows that many of the workers in the house-furnishing department have been paid a bonus and the oral evidence is to the effect that the payment was in the first week of April 1946 prior to the sending of the letter, Exhibit P-8, dated 5th April 1946.

21. I have already stated that the workers claimed in their letter, Exhibit P-2, dated 2nd March 1946, that two months' salary should be paid as bonus to all the workers and that this and other matters were amicably settled on 11th March 1946 between the workers and the management in the presence of the Commissioner of Labour. Exhibit P-3 is the memorandum of settlement and it says that the management have already arranged to pay two months' wages to their workers based on attendance, satisfactory service and conduct and that they will publish a notice embodying the conditions relating to the grant of bonus to their workers. I have already pointed out that under this clause the payment of bonus has been left entirely to the discretion of the management and that the workers have no say in the matter. But they have at least this safeguard, viz., that the management should publish a notice setting out the principles adopted by them in the payment of bonus. This would at least enable the workers to state their objections, if any, with regard to the payment of bonus on future occasions. But it is a matter for regret that the promised notice has not been published by the company to this day, and I am of opinion that by not publishing the notice, the management have broken the agreement relating to bonus contained in Exhibit P-3. In this connexion, it has to be noticed that Mr. Harris Fletcher, the Labour Conciliation Officer, wrote a letter, Exhibit P-10, dated 8th April 1946, to the managing director of the company requesting that a copy of the notice embodying the conditions relating to the grant of bonus might be sent to him. But the company's reply, Exhibit P-11 (15th April 1946) is very unsatisfactory. It simply says that the bonus has been paid as stated in the memorandum of settlement but there is absolutely no reference to the notice contemplated by it. I am of opinion that all the workers who were in the service of the company on 31st December 1944 and continued to be in service till 12th April 1946 should be paid a bonus of two months' salary without exception. If any of the workers have already been paid the bonus, they need not be paid again. But those who have been paid less and those who have been paid nothing at all should get the balance due to them. This bonus is, of course, for the year 1944–45 ending with 30th June 1945.

22. It is argued by the learned counsel for the company that bonus, as the term itself implies, is an *ex-gratia* payment and that it cannot be claimed as of right. This contention is perfectly correct and no court of law will allow the claim. But as already stated, learned adjudicators in trade disputes have invariably granted bonus to the workers on grounds of equity and natural justice though the claim is not enforceable in a court of law. Mr. K. S. Krishnaswami Ayyangar, formerly a Judge of the Madras High Court and now the Chief Justice of Cochin, was recently appointed adjudicator by the Cochin Government in a trade dispute between the *Burmah-Shell Oil Storage and Distributing Co. (Branch) at Ernakulam* and *The Mineral Oil Factory Workers' Union, Ernakulam*. His award is published in the *Cochin Government Gazette*, dated 27th Makaram 1121 (9th February 1946), Part I at page 387. With regard to bonus, the learned adjudicator observes as follows at page 390 :—

"It is, however, strongly urged that bonus, is, as the term itself indicates, an *ex-gratia* present of money payable at the will and pleasure of the employer and not demandable as of right by the employee. Judged by the rules of positive law, the legal position here taken up must be conceded to be correct. My jurisdiction, however, is wider and I am entitled, as other ajdudicators before me in similar inquiries had done, to take into account factors other than those which a court of law would recognize and see what is just and fair in all the circumstances of the case and not what are the limits of a legally enforcible right of liability as between the parties. It is from this wider angle that the question has been considered by almost all the learned adjudicators with only a few exceptions in the several cases which are found reported in the *Indian Labour Gazette* of Bombay. The dissentients will generally be found among persons who still cling to the theory that bonus is a form of present made out of pure generosity. Within the last few years, however, the position of labour in the social and economic structure of the community has attracted wide attention all over the world and there can be no gainsaying that the contribution which labour makes to the economic well being of society has

largely come to be recognized. Steadily and step by step, labour is coming to its own. Traditional notions regarding the relative value of capital and labour in the production of profits are, it seems to me, undergoing a change under our very eyes, the change being in favour of labour. In the large majority of cases, in which bonus has been claimed, at any rate, during the period covered by war, adjudications have been rendered allowing the claim though in some, it has been rejected. In the trade dispute between the Standard Vacuum Oil Company, Bombay, and its employees and the Caltex (India), Limited, and its employees both of which disputes came up before Nanavutty, Esq., I.C.S. (vide *Bombay Labour Gazette*, 1944, September Part, page 36), the question of bonus has been approached and dealt with in conformity with what, I consider, are the modern notions of fairness and equity as between labour and capital. The same learned Adjudicator had previously made two awards of bonus against the Standarad Vacuum Oil Company and when bonuses in respect of the years 1942 and 1943 were claimed by the workmen, the claim was opposed and that led to the matter being again placed before the Adjudicator who was as here appointed under rule 81-A of the Defence of India Rules. His opinion to which I attach very great value is that trade disputes concerning bonuses should be rescued from the sordid antipathies, inevitable and tacitly inherent in the every-day relationship between capital and labour and should be lifted on to the clear and serene atmosphere of broad, economic and political consideration. He said 'whether we liked it or not, for good or evil, socialistic and communistic ideas are gaining ground all over the world.' He then referred to the restraints under which the labourers in industries brought under the Essential Services (Maintenance) Ordinance suffered and pointed out that the freedom of the workman to do what he considers best in his own interest has by that Ordinance been severely curtailed. He also called attention to the approval by the Bombay Government of the decision of the Mill Owners' Association, Bombay, to grant a cash bonus to their employees as tending to show the proper attitude which employers should assume towards labour. He was also much influenced by the weighty pronouncement of Mr. Justice Changla of the Bombay High Court in the Industrial Dispute between the General Motors (India), Limited, and its employees, where he said :

'It is almost a universally accepted principle now that the profits are made possible by the contribution that both capital and labour make in any particular industry, and I think it is also conceded that labour has a right to share in *increased profits* that are made in any particular period.'

"I am glad to say that I find myself in complete agreement with the view here expressed. . . . "

I would respectfully follow this decision and hold that the workers are entitled to a bonus in the present case.

23. *Question* 4.—My award is as follows :—

(i) All the workers who went on strike on the afternoon of 12th April 1946 and the subsequent days should be reinstated in their places subject to the old conditions of service within a month from the date of the publication of this award in the *Fort St. George Gazette*, and the strikers will not be entitled to their wages or dearness allowance during the period of their absence from duty, i.e., from the date of the strike till their reinstatement. But they will be deemed to have been in the service of the company for all other purposes.

(ii) If, for any reason, it is not possible to reinstate within the time allowed all or any of the workers who went on strike on 12th April 1946 and subsequently, they should be paid their wages and dearness allowance from 12th April 1946 or any subsequent date till to-day.

(iii) All the workers who were in the service of the company on 31st December 1944 and continued to be in service till 12th April 1946 should be paid a bonus of two months' wages without exception.

Witnesses for the management.

1, C.-W. Stephenson.
2. M. K. Swamy.
3. C. R. Narayanaswamy Ayyar.

Witnesses for the workers,

1. M. Ganesan.
2. S. Harris Fletcher.
3. V. P. Chintan.
4. C Arumugam.

Documents filed on behalf of the management

P-1 1— 8—1941	List of holidays sanctioned by Messrs. Spencer & Co., Ltd., Madras, to its workers.
P-2 2— 3—1946	Letter written by the General Secretary, Spencer & Co., Workers' Union, to the Managing Director of the company.
P-3 11— 3—1946	Terms of settlement of the dispute between the management and the workers of the Spencer & Co.
P-4 20— 3—1946	Letter written by the General Secretary of the Workers' Union, to the Commissioner of Labour, Madras.
P-5 27— 3—1946	Letter written by the Secretary of Messrs. Spencer & Co., Ltd., to the General Secretary of the Spencer & Co. Workers' Union, Madras.
P-6 29— 3—1946	Letter by the General Secretary, the Spencer & Co. Workers' Union, to the Managing Director of the company.
P-7 2— 4—1946	Do.
P-8 5— 4—1946	Do.
P-9 1— 4—1946	Letter by the Secretary, Messrs. Spencer & Co., Madras, to the General Secretary of the Workers' Union.
P-10 8— 4—1946	Letter written by the Labour Conciliation Officer, to the Managing Director of the Spencer & Co.
P-11 15— 4—1946	Reply letter by the Secretary of the Spencer & Co., to the Labour Conciliation Officer.
P-12 12— 4—1946	Letter by the Secretary of the Spencer & Co., to the Commissioner of Labour, Madras.
P-13 12— 4—1946	Notice issued by the Secretary of the Spencer & Co. to their employees.
P-14 18— 4—1946	Do.
P-15 4— 6—1946	Copy of letter sent by the Secretary of the Spencer & Co., Madras, to the Minister for Industries and Labour,
P-16	Minutes book of Messrs. Spencer & Co., Ltd., Madras.
P-17 series	List containing the names of persons to whom bonuses were paid in April 1946.
P-18	Tamil translation of notice put up by the Secretary of Messrs. Spencer & Co.
P-19	Printed copy of balance sheet of Messrs. Spencer & Co., Madras, for the year ending with 30th June 1945.
P-20	File containing the bonus sheets for October 1945.
P-21	Acquittance sheet containing the signature of M. Ganesan for bonus paid to him.
P-22 27— 4—1946	Letter by the Deputy Secretary to Government, Public Works Department, to the General Secretary, Messrs. Spencer & Co. Workers' Union.

Documents filed on behalf of the workers.

D-1 12— 4—1946	Letter by the President, the Spencer & Co. Workers' Union, to the Managing Director of the company.
D-2 15—12—1944	Printed copy of balance sheet for the year ending 30th June 1944.
D-3 5— 4—1946	Copy of letter written by the General Secretary, the Spencer & Co. Workers' Union, to the Commissioner of Labour.
D-4 12— 4—1946	Letter written by the President of the Spencer & Co. Workers' Union, to the Labour Commissioner, Madras.

Adjudicator.

Order—No. 2680, *Development, dated* 10*th July* 1946.

A trade dispute arose on certain matters between the workers and management of Messrs. Spencer & Co., Ltd., Madras. As the parties to the dispute were unable to arrive at an amicable settlement, the Government referred the dispute to a Board of Conciliation, for settling the dispute. After investigation of the dispute, the Board reported its inability to effect a settlement of the dispute and also stated that, in its opinion, the following points were matters for adjudication and that it could not express any opinion on them without further enquiry :—

(1) Whether the management's failure to reply to the workers' letter of the 6th April 1946 demanding a holiday on Tamil New Year's day was a sufficient and valid reason for cessation of work on the afternoon of 12th April 1946.

(2) Whether the notice marked 'A' constituted a lockout and was legal. If so, whether the imposing of new conditions of service as in the notice marked 'B' invalidated the lockout.

(3) On what conditions were bonuses paid and were these conditions published or intimated to the workers or the union ?

(4) What relief would be justified ?

The Government then referred the trade dispute to Sri P. Markandeyulu, Principal Judge, City Civil Court, Madras, for adjudication under clause (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules. The adjudicator has made the following observations :—

Item (1) *above.*—The adjudicator considers that the strike by the workers on the afternoon of the 12th April 1946 was not justified and is illegal in that the requisite fourteen days' notice was not given to the management as required by clause (1) of order No. L.R. 16 (10), dated the 19th December 1945, framed by the Government of India under rule 81-A of the Defence of India Rules. The Government agree with this opinion.

Item (2) *above.*—The adjudicator is of the opinion that the lockout declared by the company was legal and that the management was within its rights in terminating the services of the workers on strike, as they had staged the strike without giving the requisite fourteen days' notice and as, according to clause (ii) of the order referred to in item (1) above, no previous notice for a lockout is necessary where a strike already exists in the undertaking. The adjudicator has also added that there was nothing illegal in the action of the management in putting up a notice to the effect that the workers on strike had been dismissed from service and that, if they wanted re-employment, they would be taken on new conditions. He has, however, observed that though the management was technically justified in declaring a lockout and dismissing the workers from service, the action of the management was vindictive and harsh and has resulted in a great hardship on about seven hundred workers and their families. The Government agree with all these observations.

Item (3) *above.*—In the settlement made between the workers and management in the presence of the Commissioner of Labour, the management agreed to pay a bonus of two months' wages to their workers based on attendance, satisfactory service and conduct and to publish a notice embodying the conditions relating to the grant of bonus to the workers. The adjudicator points out that the promised notice was not published by the company up to the day of adjudication and he is of the opinion that, by not publishing the notice, the management has broken the agreement relating to bonus. He concludes by saying that labour has a right to share in the increased profits that accrue in any particular period. The Government agree with the views of the adjudicator.

Item (4) *above.*—The adjudicator has passed the following award :—

(i) All the workers who went on strike on the afternoon of the 12th April 1946 and the subsequent days should be reinstated in their places subject to the old conditions of service within a month from the date of the publication of the award in the *Fort St. George Gazette*. The strikers will not be entitled to their wages or dearness allowance during the period of their absence from duty, i.e., from the date of strike till their reinstatement. They would, however, be deemed to have been in the service of the company for all other purposes.

(ii) If for any reason, it is not possible to reinstate within the time allowed, all or any of the workers who went on strike on the 12th April 1946 and subsequently, they should be paid their wages and dearness allowance from 12th April 1946 or the subsequent day of strike till the day of adjudication, viz., 8th July 1946.

(iii) All the workers who were in the service of the company on the 31st December 1944 and continued to be in service till the 12th April 1946 should be paid a bonus of two months' wages without exception.

The Government consider that the awards of the adjudicator are just and reasonable.

2. The Government make the following order on the recommendations made by the adjudicator :—

ORDER.

Whereas in the opinion of His Excellency the Governor of Madras it is necessary for the maintenance of supplies and services essential to the life of the community that the decisions of the adjudicator appointed in Development Department Notification No. 382, dated the 14th June 1946, published at page 402 of Part I of the *Fort St. George Gazette*, dated the 18th June 1946, in regard to the trade dispute between the workers and management of Messrs. Spencer & Co., Ltd., Madras, should be enforced ;

Now therefore, in exercise of the powers conferred by clauses (*b*) and (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules, read with the notifications of the Government of India, Department of Labour, No. 3005, dated the 20th May 1942 and No. L.R. 16, dated the 11th December 1943, His Excellency the Governor of Madras hereby directs—

(i) that the decisions specified in the annexure to this order shall be in force and shall be binding on both the said management and its workers from the date of this order and until so long as the Defence of India Rules, 1939, continue to be in force, and

(ii) that neither the said management nor the workers nor any person shall contravene or abet the contravention of any term of the said decisions.

3. With reference to sub-rule (1) of rule 119 of the Defence of India Rules, His Excellency the Governor of Madras hereby directs that this order be sent by post to both the said management and the Spencer & Co. Workers' Union representing the said workers.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

ANNEXURE.

(1) All the workers who went on strike on the afternoon of the 12th April 1946 and subsequent days should be reinstated in their places subject to the old conditions of service within a month from the date of the publication of the award in the *Fort St. George Gazette* and the strikers will not be entitled to their wages or dearness allowance during the period of their absence from duty, i.e., from the date of the strike till their reinstatement. But they will be deemed to have been in the service of the company for all other purposes.

(2) If, for any reason, it is not possible to reinstate within the time allowed, all or any of the workers who went on strike on the 12th April 1946 and subsequently, they should be paid their wages and dearness allowance from the 12th April 1946 or any subsequent date of strike till the date of adjudication, viz., 8th July 1946.

(3) All the workers who were in the service of the company on the 31st December 1944 and continued to be in service till the 12th April 1946 should be paid a bonus of two months' wages without exception.

(2)

BEFORE THE ADJUDICATOR:

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(Retired District and Sessions Judge.)

[Under rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE MANAGEMENT OF THE CITY MOTOR SERVICE,

and

THE WORKERS OF THE CITY MOTOR SERVICE.

Mr. V. C. GOPALARATNAM (Advocate), and Mr. SUNDARAM AYYAR, Managing Director, City Motor Service—*For the Management.*

Mr. R. VENKATARAMAN, M.A., B.L. (Advocate)—*For the Workers.*

Subject.—1. Whether Carpenter Kuppuswami alleged to be a victimized worker should be reinstated with back pay.

Held carpenter lost his job on account of his own wrongful act and not on account of any spite on the part of the management. Hence no question of reinstatement arises. But as he is penitent, he is recommended for being considered for employment by the management whenever there is a necessity to employ a carpenter.

2. Whether dearness allowance should be based on the cost of living and, if so, whether arrears of dearness allowance should be paid to those who were not paid any dearness allowance—Cost of living index is the determining factor for dearness allowance.

Held that dearness allowance should be fixed at As. 2 (two annas) per point above 100 and should vary from month to month according to the cost of living index. Two annas per point above 100 allowed from 1st November 1946.

3. *Casual leave.*—Fourteen days casual leave with pay (inclusive of the statutory period of 10 days leave) recommended.

4. *Festival holidays.*—Workers working on festival days should be paid double wages for that day. Festival days increased from 10 to 12 as per list.

5. *Whether two months' bonus should be paid immediately.*—Not called upon to decide the principle on which the company is to declare bonus—Union may write to company for particulars.

6. *Discharge of 72 workers of Body Building section whether justified—if not, what remedy.—Held* on the facts that the discharge of workers was justified.

Disciplinary action on a worker who gave evidence.—Held that it is these small pin-pricks that lead to large conflicts.

G.O. No. 4265, Development, dated 18th November 1946.

[Labour—Disputes—Dispute between the workers and the management of the City Motor Service, Madras—Recommendations of the Adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. No. 3870, Development, dated 11th October 1946.

II

Letter from Sri Rao Bahadur M. VENKATARAMAYYA, B.A., B.L., Adjudicator (Court of Enquiry), Fort St. George, Madras, to the Secretary to Government, Development Department, Fort St. George, Madras, dated 11th November 1946, No. Misc./46.

[Labour—Dispute between the workers and the management of the City Motor Service at Madras—Adjudication proceedings—Report. *Reference.*—G.O. Ms. No. 3870, Development, dated 11th October 1946.]

I submit my report in the above enquiry.

1. *Whether Carpenter Kuppuswami alleged to be a victimized worker should be reinstated with back pay.*—The City Motor Service is a joint stock company and has a workshop. Kuppuswami was a carpenter in it for over a year. He was removed from service and was given a termination notice (Exhibit A) on 16th May 1946 and was finally discharged on 1st June 1946. The complaint is that he was asked not to have anything to do with the labour union but as he refused to give up his connexion with it he was victimized. The facts are quite otherwise.

He gave evidence before me and has admitted that he, without the knowledge of the management, made two time-piece stands with wood belonging to the company and one of them, he says, he made for the use of one Aravamudu. Aravamudu was not examined. It looks as if he surreptitiously made these two stands with the intention of selling them and making some money. This is nothing short of theft and such conduct naturally cannot be lightly passed over. Though his conduct in Exhibit A was reported as good, the misconduct is admitted. The Managing Director says that he noted the reason for termination as 'retrenchment' and conduct 'good' so that he might get employment elsewhere. Thus, it is clear, that Kuppuswami Achari lost his job on account of his own wrongful act and not on account of any spite on the part of the management. Now as Kuppuswami is in a penitent mood, the management may consider if they cannot take him back into service whenever there is a chance to employ a carpenter. I make this as a recommendation and no question therefore of reinstatement arises.

2. *Whether the dearness allowance paid should be based on the points of cost of living as in the S.R.V.S. Co., Ltd., etc., and, if so, whether arrears of dearness allowance should be paid to those who were not paid any dearness allowance.*—Two points arise in this issue. First, as to the rate of allowance. The company was paying Rs. 7-8-0 only. In February-March 1946, this question was taken up with the Commissioner of Labour and the management agreed to pay a dearness allowance of Rs. 15 a month. It was being paid and now the Union on behalf of the workers demand that the dearness allowance should be as on the S.R.V.S. scale. There is no question of *res judicata* in matters such as this. The only manner in which this point can be considered is whether what is being paid is or is not reasonable. Generally speaking, in matters such as this, every endeavour should be made at uniformity. If in the same industry a particular wage or rate of allowance exists, one should recommend that that should be adopted. It is not that whatever S.R.V.S. Co., Ltd., is giving should be adopted by every other company but it is well known that in Madras as well as in several other places, the cost of living index is taken as a factor for determining the dearness allowance. Mr. Anantaramakrishnan of the S.R.V.S. has produced a copy of the standing orders and it is seen that from about 1944 the dearness allowance paid is linked to the cost of living index. Both are transport companies I am of opinion, that the City Motor Service should also pay dearness allowance at 2 annas per point above 100. At present the City Motor Service Company pays Rs. 16 a month, and I am now recommending an increase to Rs. 17-8-0 a month. It varies from month to month according to the cost of living index prepared by the Government.

The second point in this issue is whether arrears should be paid. In view of what has taken place in the past, which shows gradual increase from Rs. 7-8-0 to Rs. 15 and from Rs. 15 to Rs. 16, no arrears need be paid. The Dearness allowance at 2 annas per point above 100 shall be paid with effect from 1st November 1946.

3. *Whether casual leave for ten days should be given to all workers.*—On behalf of the Labour Union Mr. Venkataraman urges that ten days which is the statutory obligation was not meant in this demand and that the Union will be content if seven days besides the statutory ten days are granted. The S.R.V.S. grant fourteen days casual leave after a completed service of twelve months. I recommend that fourteen days casual leave with pay be granted, and this is inclusive of the statutory provision of ten days leave.

4. *Whether fourteen festival holidays should be given as in the S.R.V.S. and whether those who work for half a day on festival holidays should be given full pay and those who work for full day should be given double wages.*—The assumption in the first part

of this issue is not correct, because Mr. Anantaramakrishnan has clearly stated that the S.R.V.S. do not give any festival holidays and this is now conceded and the demand is also withdrawn. What is being done in the S.R.V.S. is that if on fourteen days which are festival days, a worker is asked to work, he is paid double his normal wage. This is not giving a holiday but giving extra pay. The Managing Director of the City Motor Service has informed me that he too is following the same method of paying double wage on a festival day if the man is asked to work on that day, from April this year. Thereby he admits the demand practically and therefore I would decide this issue by stating that no festival holidays need be given but that if, on a notified festival day, a worker is made to work he shall be paid double wages for that day.

The S.R.V.S. notifies fourteen days as festival days whereas the City Motor Service notifies ten days as festival days. To the ten days I recommend an addition of Mahasivaratri and Krishna Jayanthi as festival days, thus increasing the number of such festival days from ten to twelve. (*See* list appended.)

5. *Whether two months bonus should be paid immediately.*—The company has paid bonus thus (going backwards).—

On 6th July 1946 ..	..	Half month's wage.
On 16th May 1946 ..	..	Do.
On 27th February 1946	..	Rs. 30 to those who got Rs. 30 and above. Rs. 20 to those whose pay was between Rs. 20 and Rs. 30. Rs. 10 to all others.
On 16th October 1945	..	Same as above.

Thus, this year, i.e., in 1946 one month's bonus has been paid in February and one month's bonus subsequently. What should be paid at the end of this business year 1946–47 I need not decide. I am not called upon to decide the principle upon which the company should be asked to declare bonus. The Union may write to the company and get such particulars as they may furnish.

6. *Whether the discharge of 72 workers of the Body Building section was justifiable and, if not, what remedy will be justified.*—On the 1st October 1946, 72 workmen in the Body Building section of the workshop have been discharged. The Union thinks that this was done on account of spite because they joined the Union. I do not think that this is correct from the facts that have been placed before me. This work was being done in the Whites Road. The neighbours of the workshop seem to have objected to this being done on the ground that it was public nuisance. The Corporation officials inspected the locality and Mr. Chengalvaroyan, a member of the Town-Planning Committee, was of opinion that it was a public nuisance and that the work should be stopped. No order to that effect was issued but it was not necessary. The question arose upon an application for construction put in by Mr. N. Sundaram Ayyar on behalf of the company along with a plan. It was in connection with the building of the workshop that this question arose, and the matter seems to be still pending. Mr. Chengalvaroyan says that the other members of the Town-Planning Committee also inspected the site along with him and they all were of opinion that body building should not be done in that place. This is one reason why the work had to be stopped. Such work as the company had on hand was shifted to a locality in Triplicane and the work is now going on there.

Along with this there is said to be a fall in the amount of work. Now orders are not being taken up by the company because of want of materials. I do not think that a company would lose the chance of building up their business in order to wreak vengeance on workers. As a matter of fact, about 30 of the 72 people have again been taken back and Mr. Sundaram Ayyar tells me that if the business should increase and additional hands are required he will take all the 72 men whom he discharged on the 1st October. I have no doubt that he will keep his word in this matter, and he assures me that until now he has not taken even one extra hand outside the 72. Under the circumstances the discharge of the 72 workmen cannot be said to be unjustifiable.

At the close of these proceedings it was brought to my notice that Appavoo who gave evidence received a warning to the effect that his work was not good on 7th November 1946, i.e., while the enquiry was going on. While it may not be a sort of threat that he should not give evidence such action is likely to be misunderstood. It is complained that this is a clear case of victimization. I regret the management at this psychological moment should take an action such as this by giving a notice of warning and it is these small pin-pricks that lead to large conflicts. Anyhow I hope that Appavoo will not be victimized for giving evidence in this enquiry.

APPENDIX.

List of festival days to be observed in the City Motor Service. A worker who is to attend to work during these days shall be paid double the usual wages.

1 New Year's Day.	7 Vinayaka Chathurthi.
2 Pongal.	8 Krishna Jayanti.
3 Mahasivaratri.	9 Ayudha Puja.
4 Telugu New Year's Day.	10 Deepavali.
5 Tamil New Year's Day.	11 Vaikunta Ekadasi.
6 Mahalaya Amavasai.	12 Christmas.

N.B.—It is represented that the workers are not in favour of having the Christmas Day as a festival day. If they all agree the Christmas Day may be omitted and in its place the birth day of Mr. N. Sundram Ayyar be substituted. This was suggested in the course of the discussions.

Order—No. 4265, *Development, dated* 18*th November* 1946.

Whereas in the opinion of His Excellency the Governor of Madras it is necessary for maintaining supplies and services essential to the life of the community to enforce the award of the adjudicator, namely, Sri Rao Bahadur M.Venkataramayya, Retired District and Sessions Judge, appointed under G.O. No. 3870, Development, dated the 11th October 1946, to adjudicate in the trade dispute then existing between the management of the City Motor Service and their employees;

Now, therefore, in exercise of the powers conferred by rule 81-A (1) (*d*) and (*e*) of the Defence of India Rules, as continued in force by section 2 of the Emergency Provisions (Continuance) Ordinance, 1946 (Ordinance No. XX of 1946), His Excellency the Governor of Madras hereby makes the following order and directs with reference to rule 119 (1) of the said rules that notice of this order shall be given by communication of copies of the order to the employers and the workers' Union and by exhibition in the factory of at least one copy of the order on the notice board.

ORDER.

The said award shall remain in force and shall in respect of the matters covered by the award bind the said management of the City Motor Service and its employees for a period of one year in the first instance and shall thereafter remain in force subject to such conditions as may be imposed for such period as the Provincial Government may specify.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

(3)

BEFORE THE ADJUDICATOR:

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(Retired District and Sessions Judge.)

[Under rule 81 A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

WORKERS OF THE TEXTILE MILLS IN THE PROVINCE OF MADRAS

and

THE MANAGEMENT OF THE TEXTILE MILLS.

INTERIM AWARD.

Subject.—1. *Whether textile workers in the Province require immediate relief.*—*Held* that the complications like rise in price of cotton, decrease in the margin of profit and increase in the cost of production have arisen owing to causes for which the workers are not to blame, that there has been no deficiency of production in many mills, that the wages of the textile workers in the Province should be fixed on a rational if not a scientific basis and that the time has arrived for an examination of the wages.

2. *Quantum of relief.*—*Held* that a percentage increase will benefit the higher paid incomes more than the lower paid workers, that an increase to lower paid workers should be *pro rata* higher than those in the upper grade and that a flat rate of increase should be added to the rates of the wages as they stood on 1st September 1946.

Held further no dearness allowance is admissible on the interim relief—*Held* that the bonus declared by several mills is adequate. For details of rates—vide report.

Held that the recommendations are liable to variation as a result of further investigation. Smaller mills employing not more than 100 workers exempted from the award as per list.

G.O. Ms. No. 4637, Development, dated 18th December 1946.

[Labour—Disputes—Dispute between the workers and managements of textile mills in the Province on interim relief—Recommendations of the adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. Ms. No. 4153, Development, dated 6th November 1946.

II

Letter from Sri Rao Bahadur M. VENKATARAMAYYA, B.A., B.L., Court of Enquiry and Adjudicator, Fort St. George, Madras, to the Secretary to Government, Development Department, Fort St. George, Madras, dated 9th December 1946, No. R.C. 39/46.

[Interim Relief to Textile labourers—Award—Submission of. *Reference.*—

G.O. Ms. No. 4153, Development, dated 6th November 1946.]

While in the course of duties as the Court of Enquiry I was appointed adjudicator in G.O. Ms. No. 4153, Development dated 6th November 1946, for granting of interim relief to textile labourers. I submit herewith my award.

AWARD.

The first point to be considered is whether the workers in the textile mills in this Province require an immediate relief, behind which question is another, viz., whether relief, interim or otherwise, is necessary at all. The latter was raised by the South Indian Mill Owners Association whose representatives have urged some points not directly bearing on the question of adequacy of wage. The dearness

allowance that is being paid by some mills is as much as 150 per cent of the wage, but there are mills which do not pay any dearness allowance at all. Further, the variations in dearness allowance are both glaring and interesting—

Nil, Rs. 14, 16, 20, 21, 26, 29 and 30.

150 per cent of the basic wage ; and

75 per cent, 100 per cent, 120 per cent and 130 per cent.

It is obvious that in the percentage category, the lower paid gets the least benefit Percentage allowance on basic wage means that he that hath shall be given more. The man on Rs. 8 and Rs. 12 got dearness allowance of Rs. 12 and Rs. 18 at 150 per cent while the man getting Rs. 50 gets a dearness allowance of Rs. 75. Most mills of this category, however, have adopted a maximum dearness allowance limit of Rs. 30. Thus dearness allowance on this basis has been of little help to the low-paid man.

2. The margin of profit is said to be dwindling as, on the one hand, production is going down and, on the other, cost of production is increasing. Price of cotton is going up while—due to controls, price of the product has not proportionately risen. I can dismiss this argument summarily that these complications have arisen owing to causes for which the worker is not to blame. Rather, the allegation is emphatic that the industrialists (of course not all) are themselves responsible and should clean their stables to avoid controls, etc. I should also add that the mills in Udamalpet, Dindigul, Madura and Madras and in Kovilpatti and Malabar have not complained of any deficiency of production of a noticeable character. In some mills, production has actually risen. There may be a decrease in some mills, but it is nothing abnormal. Old machinery, too heavy strain on it during war-time, reduction of labour time, are common to all mills.

3. I am convinced that it is high time that the wages of the textile workers in this Province should be fixed on a rational, if not scientific basis. They are low, incredibly low in some cases. I believe it is enough to point out that the wages in some mills are still Rs. 8 a month ; and of a vast majority of workers, Rs. 11, 12 and not more than Rs. 16 a month. The wage rates fixed in 1938 still obtain in mills of the Coimbatore group. In Madras, there has been revision of some sort from time to time. There was lowering of rates and in some cases the lowering was later abandoned. The glaring fact, however, is that whereas the workers were getting an increase of 4 per cent in their wages, they are getting 1 per cent. The management say that the 4 per cent increase was optional ; it was not always an annual increase ; the management was not bound to give it, but they were giving it—a gesture of generosity. It comes to this—the uncertain 4 per cent has given place to a certainty of 1 per cent annual increase.

4. The necessity for an increase in wage without further delay, was recognized by the Madura mills and its group who have, from 1st October 1946, given effect to their revision, the essence of which is that no worker gets, as his basic wage, less than Rs. 26 a month. The Sree Meenakshi Mills followed suit, though not to the same degree, in revising wages in November. My opinion that the time has arrived for an examination of the wages is thus fortified by the action of those mills.

5. The next point of objection raised was that the Court of Enquiry is sitting and will give its report and an interim relief is not called for. The simple answer to it is, that the Court of Enquiry conducts a comprehensive enquiry into labour conditions and that may take time. Month after month, prices of commodities are showing an upward trend. War-weariness has left many a worker in a state of mental depression. Months heve elapsed and year too, after the termination of the war, but the expected, and as some have said, the promised relief is not forthcoming and the workers as a class have not laid by much money during war, to provide against a winter. Have they been given houses—were they given a provident fund—they ask, and the only answer is dearness allowance is being paid. They have become restless and restive too in some cases. In other fields of similar expectation, such as Railways, Posts, Police and other services, interim relief was given, though the final decision is yet in the process of being arrived at.

6. For these reasons, I am of opinion that an interim relief should be given. Next, about the quantum of relief.

7. The idea behind the granting of interim relief is that the worker should be given a little more money than what he is now earning as gross income. An addition to the basic wage or to the dearness allowance will not serve the purpose as it cannot be uniform under the existing conditions. A percentage increase will benefit the higher grade incomes disproportionate to the benefit which the lower paid man derives. The increase to the lower paid workers should be *pro rata* higher than these in the upper grades. Taking these into consideration, I have decided to recommend the following increases with effect from the 1st October 1946. The flat rate of increase proposed should be added to the rates of wages as they stood on 1st September 1946 and the piece rates should be so altered as to raise the earnings of the piece rate workers to the increase proposed for the monthly paid workers. In other words, the piece-rate workers' earning as it was on 1st September 1946 should be increased by at least Rs. 12, 10, 8, 6 and 5, as the case may be, in the absence of anything to the contrary. No dearness allowance is admissible on the interim relief. In the case of bonus what has been declared by the several mills is adequate and no further relief is necessary for this year.

(1) To those who are getting Rs. 15 per month of 26 days and below or a daily rate of Re. 0-9-3 or below, a flat rate increase of Rs. 12 a month or seven annas per day.

(2) To those getting Rs. 16 a month of 26 days or 10 annas a day, an increase of Rs. 10 a month or six annas per day.

(3) To those getting Rs. 17 to 50 a month of 26 days, or 10½ annas to Rs. 1-14-9 per day, flat rate increase of Rs. 8 a month or As. 5 per day.

(4) To those getting Rs. 51 to 100 a month of 26 days or Rs. 1-15-6 to Rs. 3-13-6 per day, a flat rate increase of Rs. 6 a month or four annas per day.

(5) To those getting above Rs. 100 a month of 26 days or Rs. 3-13-6 per day a flat rate increase of Rs. 5 or As. 3 per day.

(6) In the case of boys (including doffer boys and waste pickers women) whose present wage is about Rs. 7 or 8 a month, a flat rate increase of Rs. 6. per month is recommended.

8. This will apply to the following mills which include the mills in the Coimbatore area and to all those who have adopted the Coimbatore rates :—

(1) Thirumagal Mills, Gudiyattam.
(2) The Coimbatore Murugan Mills, Ltd., Coimbatore.
(3) The Coimbatore Spinning and Weaving Mills, Ltd.
(4) The Kaleeswarar Mills, Ltd.
(5) The Pankaja Mills, Ltd.
(6) The Somasundaram Mills, Ltd.
(7) The Vijayalakshmi Mills, Ltd.
(8) The Lakshmi Mills, Ltd.
(9) The Coimbatore Pioneer Mills, Ltd.
(10) The Radakrishna Mills, Ltd.
(11) Sri Ranga Vilas Ginning, Spinning and Weaving Mills, Ltd.
(12) The Kumaran Mills, Ltd.
(13) The Palamalai Ranganathar Mills, Ltd.
(14) The Lotus Mills, Ltd.
(15) Sri Balasubramania Mills, Ltd.
(16) Sri Sarada Mills, Ltd.
(17) The Cambodia Mills, Ltd.
(18) The Coimbatore Cotton Mills, Ltd.
(19) The Kamala Mills, Ltd.
(20) The Janardhana Mills, Ltd.
(21) The Kasturi Mills, Ltd.
(22) The Kothari Textiles, Ltd.
(23) The Rajalakshmi Mills, Ltd.
(24) Saroja Mills, Ltd.
(25) The Vasanta Mills, Ltd.
(26) The Mahalakshmi Textile Mills, Ltd.
(27) Asher Textiles, Ltd., Tiruppur.
(28) Dhanalakshmi Mills, Ltd.
(29) Ramalinga Choodambika Mills, Ltd.
(30) Palani Andavar Mills, Ltd., Udamalpet.
(31) Tirumurthy Mills, Ltd.
(32) Sri Venkatesa Mills, Ltd.
(33) Gnanambika Mills, Ltd.
(34) The Rajah Mills, Madura.
(35) Janakiram Mills, Ltd., Rajapalayam.
(36) Jayaram Mills, Ltd.
(37) Sri Shanmughar Mills, Ltd.
(38) Rajapalayam Mills, Ltd.
(39) The Loyal Textile Mills, Ltd.
(40) The Soundarrajaraja Mills, Ltd. Dindigul.
(41) The Mettur Industries, Ltd.
(42) The Jawahar Mills, Ltd., Salem.
(43) The Rajendra Mills, Ltd.
(44) Pulliccar Mills, Ltd., Tiruchengode.
(45) The Lakshmi Mills Co., Ltd., Kovilpatti.
(46) The Trichinopoly Mills, Ltd.
(47) The Balakrishna Mills, Ltd.
(48) The Kothandaram Spinning Mill, etc., Madura.
(49) The Kothandaram Weaving Mills, Ltd., Madura.
(50) Sankar Mills, Ltd., Tirunelveli.
(51) Jayalakshmi Mills, Ltd., Singanallur.

9. In the Malabar Spinning and Weaving Mills, Ltd., the dearness allowance is 75 per cent of the basic wage and in addition to it a flat rate of Rs. 16 a month is

given. Though the wages are low as in the Coimbatore area, yet the Rs. 16 makes a difference. For example, a twelve rupees man gets Rs. 12 plus Rs. 9 plus Rs. 16, i.e., Rs. 37 whereas in Coimbatore he would get Rs. 12 plus Rs. 18 or Rs. 30 in all. Hence in the case of the Malabar Spinning and Weaving Co., Ltd., the best method of giving an interim relief commensurate with what I have recommended for other mills will be to give an increase of Rs. 6 uniformly to all the categories of workers.

10. In the weaving mills in Malabar, viz., the Aaron Spinning and Weaving Mills, Ltd, Pappinisseri, the Commonwealth Weaving Factory, Ltd., Cannanore, the following increase is recommended:—

(1) Rs. 12 a month to those whose present basic wage (either daily, monthly or piece rate) is Rs. 15 or below.

(2) To those whose income is Rs. 16 to 50, 25 per cent increase in the piece rates or the daily wages, as the case may be.

(3) To those whose income is Rs. 51 to 100, an increase of 15 per cent over the existing daily rates or piece rates.

11. The wages and salaries in the Buckingham and Carnatic Mills stand on a different footing. There, no one is paid less than twelve annas a day, i.e., Rs. 19-8-0 a month, whereas in the mills in the above noted areas a very large percentage of the workers is paid below Rs. 16. The recommendation in the case of this mill will be that all categories of workers in the mill shall be paid a uniform increase of Rs. 6-8-0 a month with effect from 1st December 1946. This increase shall not be taken into consideration in the contribution towards the Provident Fund.

12. With regard to the Madura Mills Co., Ltd, and the mills governed by their rates, there has been a revision of both the dearness allowance as well as the basic wage in November 1946 and I consider that a detailed examination is required before I can pronounce any opinion about its adequacy or otherwise. As no worker in them gets less than Rs. 45 as gross earnings in a month, I find no interim relief is necessary.

13. What I have said about the Madura Mills applies to the Meenakshi Mills also.

14. As for the mills in the East Godavari district, viz., the Ramachandra Spinning and Weaving Mills, and the Suryanarayana Spinning and Weaving Mills, Ltd., Pandalapaka, there is an adjudication proceeding pending before the District Judge, Rajahmundry, concerning the dearness allowance. Wages are, however, low. A flat rate increase of Rs. 6 a month of 26 days (or a corresponding increase in the daily rate) is recommended. Their case will be reviewed after the adjudication proceedings are over.

15. I wish to emphasize the fact that these recommendations are not to be taken as final. After the completion of enquiry by the Court of Enquiry, it is possible that the present increases in wage will have to be reconsidered. It is possible that the result of further investigation may lead to recommendation for a further increase in wages while it is equally possible that if conditions should deteriorate, it may be necessary to lower the wages in some cases.

16. One other point relates to exemption of certain mills. The following mills will be excluded from the operation of the recommendations contained in this award. All of them are very small mills and at present they are not in a position to bear any extra expenditure. There are not more than 100 workers in any of them and they are small weaving mills depending on supply of yarn from other places.

(1) Sri Gopalakrishna Weaving Mills, Naganahalli, Hospet.

(2) The Kandan Textiles, Kaladipet.

(3) Sankar Weaving Mills, Tirupati—18 workers.

(4) Sri Kamakshi Industrials, Ganapathy—14 workers.

(5) The Singanallur Weaving Factory—10 workers.

(6) The Malleeswarar Textiles, Ltd., Cocanada—49 workers.

(7) The Lakshmi Silk Manufacturing Works, Peddapuram—56 workers.

(8) The Madura Weaving Mills, and Gopinath Dye House and Ganga Sizing Mills, Madura—39 workers.
(9) C. L. Narasimhier & Co., Madura—24 workers.
(10) Sethuram Weaving Mills, Madura—78 workers.
(11) The Kutibiya Oil and Textile Mills, Azhicode—25 workers.
(12) The Kullapuram Weaving Establishment, Mandur—74 workers.
(13) Thunoli Mills, Ltd., Cannanore—60 workers.
(14) The Chandrasekhara Barathi Weaving Mills, Rajapalayam—55 workers.
(15) The Tirumurthy Textiles, Srirangam —69 workers.
(16) The Ramaraju Surgical Cotton Mills, Ltd., Rajapalayam.

17. There is a complaint that in most mills in the Coimbatore area there is a large number of surplus hands whose retrenchment has to be effected, but it has not been done in order to avoid agitation and trouble. The workers' representatives seem also to think that there are, in some mills at least, more hands than what is necessary, but they attribute this existence of extra hands to the inefficient manner in which the managements have managed their affairs in the past. Some of the mills who did not do it before, are now intending to go into three shifts and when that is done the question of absorbing the surplus hands may be disposed of by an amicable adjustment in consultation with the mill workers' representatives.

18. There are two matters which I should like the labour to pay particular attention to. First is the need to keep up the production. It is no use saying that all the yarn and cloth produced is not noted in the registers. There may be an element of truth in it, but surely there are mills where absolutely correct and honest records are kept. Moreover, the volume of independent evidence is strong that production has gone down in Coimbatore. Stoppage of work for small and petty differences of opinion is not infrequent. Though I am not in a position to determine accurately, I do not think I am wrong in thinking that one-third of the time was lost during the last three or four months. The relationship between the management and labourer is not happy in almost all the mills in Coimbatore and Salem districts. I am glad to record that Mr. Thiruvenkadam, the President of the Coimbatore District Textile Workers' Union, Singanallur, assured me that the coming months will show improvement and Mr. Kandaswami of the Vasanta Mills has consented to do what he can to determine what is a reasonable production in the Coimbatore area.

19. Now that the workers get relief by way of increase in wage, they should understand that their case has been sympathetically considered. It will take about two months before the recommendations of the Court of Enquiry take final shape and if production does not increase and complaints of indiscipline and insubordination do not disappear in the meantime, the public may consider what I have done to be a case of misplaced sympathy. I therefore ask not only Mr. Thiruvenkadam but also all other leaders of Labour and the workers too to strive to the utmost to bring about a change—towards more production, better behaviour and establishment of cordial relations, so that labour may be looked upon as an orderly unit in an organized society.

20. I expect also that the coming months will show decrease in absenteeism. Where it is still high, a system of regular attendance bonus may be introduced by the concerned mills.

Order—No. 4637, *Development. dated* 18*th December* 1946.

Whereas in the opinion of His Excellency the Governor of Madras it is necessary for maintaining supplies and services essential to the life of the community to enforce the award of the adjudicator, namely, Sri Rao Bahadur M. Venkataramayya, Retired District and Sessions Judge, appointed under G.O. No. Ms. 4153, Development, dated the 6th November 1946, to adjudicate on the trade dispute then existing between the workers and management of the textile mills in this Province on interim relief;

Now, therefore, in exercise of the powers conferred by rule 81-A (1) (*d*) and (*e*) of the Defence of India Rules, as continued in force by section 2 of the Emergency Provisions (Continuance) Ordinance, 1946 (Ordinance No. XX of 1946), His Excellency the Governor of Madras hereby makes the following order and directs with reference to rule 119 (1) of the said rules that notice of this order shall be given by communication of copies of the order to the employers and the workers' unions and by exhibition in each textile mill of at least one copy of the order on the notice board.

ORDER.

The said award shall remain in force and shall in respect of the matters covered by the award bind the managements of the textile mills in the Province and the employees in the textile mills up to and inclusive of the 31st March 1947.

2. The Commissioner of Labour is requested to send a copy of this order to every textile mill in this Province and to registered trade unions of textile workers. He is also requested to see that a copy of the order is exhibited on the notice board of each textile mill.

(By order of His Excellency the Governor)

K. G. MENON,
Joint Secretary to Government.

(4)

BEFORE THE ADJUDICATOR:

P. N. RAMASWAMI, ESQ., M.A., I.C.S.

(*District and Sessions Judge, Nellore.*)

[Under rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS IN THE MOTOR TRANSPORT COMPANIES IN NELLORE

and

THE MANAGEMENT OF MOTOR TRANSPORT COMPANIES, NELLORE.

Mr. C. V. NARASIMHAM—*Representative for the Workers.*

Mr. WATSON—*Representative for Motor Transport Companies.*

Subject.—Batta—Is the amount given to cover out-of-pocket expenses when the employee is on out-door duty and should not be a source of income to employees.

Held 12 annas is adequate batta per day.

Leave.—Fifteen days leave with full pay should be granted to all employees after one year's continuous service—workers entitled to take ten days' leave at a time.

Hours of work and rest.—Routes classified and off days defined for workers in each class of routes.

Workshop employees.—Classification of workshop employees in United Bus Service accepted and minimum pay fixed.

(Vide details in G.O. No. 3186.)

The salaries and dearness allowance fixed are only the minimum and that it is open to the employees to pay more.

Pay, dearness allowance and increments.—It is the birthright of every worker to secure as many amenities as possible but it has to be considered along with the other two questions (1) whether the amenities claimed are enjoyed by other section of workers and (2) whether the industry can bear the extra expenditure.

There is no evidence of swollen profits—The average cost per mile for a producer gas vehicle is more than for the petrol vehicle.

The duties of the lorry drivers are not more exacting or responsible than bus drivers and no differentiation in pay is necessary.

Government rates of dearness allowance recommended to drivers, conductors and checking inspectors and cleaners.

(For scales and increment—vide details in G.O. No. 3186.)

G.O. Ms. No. 3186, Developement, dated 20th August 1946.

[Labour—Disputes—Dispute between the workers and management of the Motor Transport Companies in Nellore district—Recommendations of the Adjudicator—Orders passed.]

I

READ—the following papers :—

G.O. No. Ms. 2336, Development, dated 15th June 1946.

II

From P. N. Ramaswami, Esq., M.A., I.C.S,, District and Sessions Judge, Nellore, to the Secretary to Government, Development Department, dated 10th August 1946, Dis. No. 7506.

I was appointed in G.O. Ms. No. 2336, dated the 15th June 1946, to adjudicate on the trade dispute which had arisen on certain matters between the workers and managements of the Motor Transport Companies in Nellore district. I returned to Nellore from my summer vacation on 25th June 1946. This order of appointment was received in the District Court on 28th of June 1946.

2. The procedure I followed in inquiring into this matter is as follows :—I interviewed the representatives of the workers first and then interviewed the representatives of the Motor Transport Companies and then interviewed both of them together. In the course of these preliminary talks they were able to thrash out many of the difficulties and reduced the points in dispute to simple proportions. I have endeavoured from the beginning, and I believe with success, to get rid of all legalistic atmosphere and promote cordial discussions without mental reservations. On 10th July 1946, I made a minute (Annexure I) of the agreements reached and the work to be done and supplied it to both sides. Then I recorded the oral evidence produced and marked the documents. Both sides summed up their cases at the end.

3. Before entering into a discussion of the points in dispute and recording my findings and the reasons therefor I wish to acknowledge my indebtedness to the representatives of both sides for their hearty co-operation. This simplified my task greatly and made it also pleasant. It was extremely gratifying to me that representatives of the workers headed by Mr. C. V. Narasimham showed an admirable sense of responsibility and that the representatives of the Motor Transport Companies headed by Mr. Watson showed a sympathetic attitude.

4. This enquiry was closed on the 5th of August 1946. In fact I could have submitted my report earlier but for the fact that dates were being fixed to suit the convenience of both the parties and especially the employers who are all businessmen with many other calls on their time. I was also awaiting a report of the Madura Adjudicator as that report would have furnished valuable pointers for me. But I have not been able to secure the report and I feel I would not be justified in holding up this report.

5. The dispute is between the workers and the management of the Motor Transport Companies, Nellore, covering 25 buses and 2 lorries of the United Bus Service, 45 buses and 7 lorries of the Nazeria Bus Service, 23 buses of the Allied Bus Transport and 20 buses of the Nellore Bus Transport and 16 other lorry services and three workshops run by the United Bus Service and Nazeria Bus Service and the Nellore Motor Transport. The number of workshop employees of the United Bus Service is 124, and in the case of Nazeria Bus Service it is 149 and in case of the Nellore Bus Transport it is 11.

6. The points in dispute between the workers and the employers are nine in number and they relate to the following demands:—

Point (1) to minima of salary demanded for drivers, conductors, cleaners and checking inspectors and lorry drivers and cleaners ; (2) to a flat rate 25 per cent increase on the present wages of workshop employees ; (3) to dearness allowance at Government rates ; (4) to one day off being given for one day on of work ; (5) to dismissals ; (6) to leave ; (7) to Provident Fund ; (8) to batta ; and (9) to service registers.

7. Before the matter was referred for adjudication there was a preliminary Round Table Conference before the Collector, Sri Rao Bahadur S. Joseph Reddi, and on his suggestions the workers' representatives reduced their demands and these will be referred to in the appropriate places.

8. I shall deal with these nine points in dispute in two parts, namely, points 9, 7, 5, and 3 concerning which there is agreement regarding the solutions and points 8, 6, 4, 2 and 1 concerning which there is dispute and adjudication has to be made.

9. Point No. 9 relates to the demand for the opening of and maintenance of Service Registers. I gave the following agreed finding on 10th July 1946. The United Bus Service is already maintaining three sets of records comprising all the information required under point No. 9. They have no objection to extracts being given of all these three sets of records to their employees on the termination of their services. The employees will be at liberty to inspect the records whenever they require to do so in their own interest. So far as the other employers are concerned they are willing to keep service registers embodying the information usually noted in the service registers for employees who have worked continuously for one year. The only stipulation made is that the blank registers should be furnished at the cost of the employees. In regard to standing orders the United Bus Service already publishes their standing orders on their notice boards. The employees are at liberty to read them daily. In the case of the other employers they are prepared to draft similar standing instructions now in the vernacular of the district and paste them on their notice boards and make them available for their employees at all times. Therefore there is no dispute to be decided under this head.

10. Point No. 7 relates to Provident Funds and the opening and maintenance of Provident Funds. This point was not pressed before the Collector in the earlier stage and was not also pressed before me. I therefore give the finding that in the present infant stage of the Motor industry and the Labour Union here this point does not arise and need not be decided.

11. Point No. 5 relates to the demand of the workers that no proprietor of Transport Service should terminate the services of an employee without a formal dispute being filed before the Conciliation Officer and obtaining a formal direction. On this point, after discussion, the following agreement was reached. It is agreed that no employee should be discharged without a formal charge being made against him and an opportunity being given to him to meet it and an order being passed against him. In this connexion the standing orders of the United Bus Service can be usefully adopted by all. Therefore this will be commended to all the employers. It will be open to the aggrieved discharged employees to apply to their Union and if necessary to appeal to the Commissioner of Labour.

12. Point No. 3 relates to the giving of Dearness Allowance and I find that there is no dispute that dearness allowance should be separate from the salary and that the dearness allowance should be paid only so long as dearness exists.

13. This leaves us with five points in dispute, namely, batta covered by point No. 8 ; leave covered by point No. 6 ; hours of work and rest covered by point No. 4 ; increase in the wages of the workshop employees covered by point No. 2 ; and the minima of salary and dearness allowance for drivers, conductors, checking inspectors and cleaners covered by point No. 1. I shall now briefly set out the workers' demands under these points, the position taken by the employers and my findings with the reasons therefor.

14. Before entering into a discussion in regard to these disputed points I must briefly refer to the stand taken by the United Bus Service and dispose of it. The

United Bus Service does not want me to go into the question of fixing the minima of salary and dearness allowance on three grounds, namely, that this fixation would prejudice and prejudice the case of the employees in regard to Minimum Wages Bill on the Central Legislative anvil; secondly, that they want to follow an all-Presidency policy; and thirdly, that the Commissioner of Labour has approved the rates paid in Nellore as fair and equitable. It does not appear to me that a case has been made out for accepting this plea. There is no near prospect of any Minimum Wages Bill being passed. The United Bus Service is working as a separate local company covering routes radiating from Nellore. The Commissioner of Labour himself has addressed the Government to refer this dispute for adjudication. Therefore his prior approval is the subject to adjudication.

15. *Batta.*—I shall take up point No. 8 first relating to batta. Batta is the amount given to cover out-of-pocket expenses when the employees is on outdoor duty for the employer. This out-of-pocket expense which the employee should not incur and should be incurred by the employer can be met in two ways, namely, either by giving an actual sum of money to cover the out-of-pocket expenses or meal or tiffin tickets on production of which a meal or tiffin will be given and the employee need not incur out-of-pocket expenses. It was agreed before me by both sides that this batta or travelling allowance should not be a source of income to the employees and that the employees should not be compelled to incur expenditure out of their own pockets. Excepting the United Bus Service the other employers agreed to supply their employees with breakfast and meals in lieu of allowances. In the case of United Bus Service the following issue was framed :—

"Whether the minimum of As. 12 they are prepared to grant should be a minimum of Re. 1." In my opinion no case has been made out for the minimum of Re. 1. On the other hand, this minimum of As. 12 which would be granted on short routes would cover the actual out-of-pocket expenses incurred in securing one tiffin or one meal which would all be the refreshment which the employee would require. It is further agreed to before me by the employers including the United Bus Service that if the employee is sent out on the same day to an additional route owing to emergencies, another batta will be paid to him. This is but fair because by reason of such employment the employee will have to procure for himself outside another tiffin or meal. The Government who have carefully considered the matter are at present paying to their employees only As. 12 in cases of persons receiving salaries of Rs. 50 and below. This As. 12 is considered adequate by me having regard to the present prices. It will naturally require revision if there is an unexpected further rise in prices and will naturally have to be reduced also if there is an unexpected sudden fall in prices. This constitutes a reasonable enhancement from As. 9 till now paid by the United Bus Service. I find in these circumstances that the minimum of batta should be As. 12 as agreed to by the United Bus Service and all the other employers, who are of course at liberty to pay enhanced batta at their own pleasure. Point No. 8 is decided accordingly by me.

16. *Leave.*—Point No. 6 relates to leave. The employees demand under this head that all Transport Services should give one month's leave with pay for its employees in any one year for any valid ground such as sick leave, etc. So far as the employers are concerned the United Bus Service has been granting and is prepared to grant only 14 days leave with full pay in the year and out of which 10 days can be taken at a time. The other employers are prepared to give 15 days leave with full pay per annum after one years' continuous service and out of which the employee will be at liberty to take 10 days leave at a time. On further discussion it was found that the representatives of the workers have demanded this one month's leave exclusive of 15 days casual leave which they demand on full pay. In addition under another head they are demanding for every day's work one day off. Therefore if all these demands are conceded an employer will have to pay 12 month's pay for 4½ months actual work. The representatives of the workers do not therefore press this demand to this extreme mentioned by me. I have gathered the impression that at present they do not expect anything more than 15 days leave on full pay. In my opinion the maximum leave that could be granted consistent with the continuous and economical working of the Transport Companies would be 15 days in a

year and nothing more. I am fortified in coming to this conclusion by five circumstances. The Factories Act insists only upon 10 days leave being granted. Even in advanced countries like England my information is that this annual leave with pay does not exceed a fortnight. In a recent agreement which is said to have been entered into between the Bus Owners of Vellore Zone of North Arcot district and the employees there and which has been filed, this demand has not been conceded. It is impossible to grant this leave of one month for these drivers, conductors, checking inspectors and cleaners without granting them to the workshop employees also. It would be beyond practical politics to grant all of them this one month's leave as the finances of these transport companies would not support not only giving every worker 12 months pay for 11 months work but also to employ a leave reserve staff amounting to nearly 9 per cent of the full strength of the employees. It is not also seriously disputed that if these employees are given long leave, far from recuperating themselves, they would engage themselves in supplemental earnings and thereby cause loss only to their normal employers and acquire no good to themselves. It seems to me therefore that in all these circumstances 15 days leave on full pay should be granted to all employees per annum after one year's continuous employment and that the employees should be at liberty to take 10 days leave at a time within this maximum and that this leave should be allowed to them for sickness or any other purpose for which they may desire to take leave. I give my finding accordingly. I need not point out that this finding will not preclude the employer granting extra leave *ex gratia* in individual cases.

17. *Hours of work and rest.*—Point No. 4 covers hours of work and rest. The hours of work under the Motor Vehicles Act are 54 hours per week and half an hour's rest after 5 hours driving and 9 hours total work on any one day. The respresentatives of the workers demand under point No. 4 that the running staff, cleaners, conductors and drivers should be given off days, that is for every day of work the worker should be entitled to one day's rest to enable him to perform his duties more efficiently. The employers state that there can be no adjudication on this point and that the hours of work should be in accordance with the Motor Vehicles Act. In the end both climbed down from their original proposals. In the case of the workers on the lines of an agreement arrived at between the bus owners of the Vellore Zone North Arcot Bus Owners' Association and their employees a schedule has been prepared in regard to the 42 routes in Nellore district and filed. The schedule works out at 6 days off for drivers working up to 90 miles per day ; 10 days off in the case of drivers driving up to 130 miles per day ; and 15 days off for drivers working up to 150 miles per day. This is based upon the calculation of 15 miles per hour. On the other hand, the United Bus Service have planned out their own hours of work and rest which are set out by them in their statement as follows :—

"It happens that our Nellore drivers and conductors are already required to work very short periods and hours, and following is an analysis showing the number of days required for work as compared with the number of days off :—

28 work alternative days, i.e., one day on and one day off.
3 work two days on and one day off.
4 work two days on and two days off.
5 work three days on and one day off.
8 work six days on and one day off.
48 (Total).

Following is a similar analysis showing the total number of hours worked in each period of 7 days after allowing 1½ hours for preparation for work and handing over when work is finished :—

6 work less than 30 hours.
9 work from 31 to 35 hours.
20 work from 36 to 40 hours.
6 work from 41 to 45 hours.
7 work from 46 to 54 hours.
48 (Total).

If any work for all days and trips scheduled they receive a full month's wages.

The maximum number of hours per week specified for drivers in the Motor Vehicles Act is 54, and there are no specified hours for conductors. We must reserve the right to require our employees to work for the hours specified in Government legislation and that right is not prejudiced merely because some of our employees are permitted to work a lesser number of hours."

The other employers do not seem to follow either the hours of work as laid down under the Motor Vehicles Act or any settled programme of hours of work and rest. It would be unprofitable to discuss this because what we are concerned now is to evolve a solution which would be beneficial to both and not go about assessing blame for past errors. The Nazeria Motor Service have now filed a schedule which there is no dispute though in conformity with the Motor Vehicles Act, will entail longer hours of work than now and certainly more than what is the case with the United Bus Service. The other services are inclined to take a more liberal view than the Nazeria Motor Service and their statements have been filed. On this state of evidence two alternatives are before us. Either refuse to adjudicate upon the hours of work and rest on the short ground that provision is made therefor in the Motor Vehicles Act itself and that we cannot go behind it ; or to take into consideration the existing practice which is far more liberal than the Motor Vehicles Act and lay down general principles regulating the hours of work and rest for the 38 routes of Nellore operating at present. I have chosen the latter because in my opinion settling this point would bring a lot of contentment to the transport employees.

18. The 38 Nellore routes operating at present are classified by me under four heads, namely, A, B, C and D. The routes coming under each letter are noted below :—

A

Gudur-Kaluvoy.
Kota-Nellore.
Naidupet-Nellore.
Nellore-Allur.
Nellore-Atmakur.
Nellore-Baliredipalem.
Nellore-Kaluvoy.
Nellore-Kavali.
Nellore-Rapur (via Podalakur).
Nellore-Utukur.
Singarayakonda-Kanigiri.
Singarayakonda-Pamur.

B

Kavali-Kondapi.
Kurchedu-Ongole.
Mudivarthi-Mulumudi.
Mulumudi-Allur.
Nellore-Cuddapah.
Nellore-Isakapalli.
Nellore-Kalahasti.
Nellore-Kanigiri.

B—*cont.*

Nellore-Kondapuram.
Nellore-Mallam.
Nellore-Podili.
Nellore-Pedapavanai.
Nellore-Ramatirtham.
Nellore-Venkatagiri.
Nellore-Somasila.
Ongole-Kurichedu.
Ongole-Markapur.

C

Kandukur-Kothanpatnam.
Kavali-Kanigiri.
Naidupet-Madras.
Nellore-Rapur (via Gudur).
Seetharamapuram-Kanigiri.

D

Nellore-Madras.
Nellore-Ongole.
Nellore-Seetharamapuram.
Ongole-Cumbum.

In the case of drivers, conductors, and cleaners working under A route they will have four days off in the month.

In the case of the employees in the B route they will have six days off in the month.

In the case of the employees on the C route they will have 10 days off in the month.

In the case of the empolyees on the D route they will have 15 days off in the month. This seems to me to approximate most to the demands made by the workers without in any way unsettling the existing practice or offending the provisions of the Motor Vehicles Act. I find point No. 4 accordingly.

19. *Workshop employees—Point No.* 2.—In regard to the workshop employees the representatives of the workers demand a flat rate of increase of 25 per cent over and above their existing pay. This demand could not be conceded without going into the classification of the employees, the salaries they have been receiving till disputes arose and the increases given to them thereafter and the percentage of increase which should now be given to them. In the case of workshop employees

there is one peculiar difficulty and it is admitted by both parties. In these parts at present there is great scarcity for good mechanics and skilled workmen and even unskilled labour. Therefore pinching the workshop men of one firm by another by giving more salaries has become the major pastime of the employers here. It is not uncommon to find a man getting Rs. 40 in one firm being taken away by another firm at double and treble the salary, all within the course of a few months. Therefore a flat increase of 25 per cent would give undue advantage to some. Then there are glaring discrepancies between rival workshops in the matter of classification. For instance, a person who would only be considered as a fitter in the United Bus Service is described and paid for as a mechanic by a rival firm. So a flat rate of 25 per cent increase without such classification and data could not be justified. In fact this demand could have been rejected on that short ground of impracticability.

It seems to me, however, that there is no point in rejecting this demand when both parties have an acceptable basis for regulating the wages of the workshop employees. This acceptable basis is found in the classification of workshop employees with a graded pay made with effect from 1st June 1946 by the United Bus Service. This has been made by them after nearly six months of labour and both the workers and all the other employers have agreed before me that they would accept this classification and in the case of the employers the graded pay also. To this the only rider added by the workers' representatives is that there must be an increase of 25 per cent. In other words, the dispute has been narrowed down into an accepted classification of workshop employees and an acceptable graded pay as it stands in so far as the employers are concerned and a demand of an additional 25 per cent increase by the workers.

This classification and graded pay is reproduced below :—

RATES AND CLASSIFICATION FOR THE UNITED BUS SERVICE, LIMITED, NELLORE.

(*Mechanical Section.*)

Group.	A Rs. 10—1—15	C Rs. 15—1½—22½	D Rs. 15—2—25
(1)	(2)	(3)	(4)
Fitter's helper			Assistant Fitter.
Blacksmith's helper			Assistant Blacksmith.
Tinker's helper			Assistant Tinker.
Carpenter's helper			Assistant Carpenter.
Painter's helper			Assistant Painter.
Tyreman's helper			Tyreman
Electrician's helper			Assistant Electrician.
Vulcanizer's helper			Assistant Vulcanizer.
Turner's helper			Assistant Turner.
Tailor's helper			Assistant Tailor.
Liner's helper			Assistant Liner.
Moulder's helper			Assistant Moulder.
Welder's helper			Assistant Welder.
Hammerman (class II)			Assistant Hammerman (class I).
Greaser (class II)		Greaser (class I)	
Cleaner		Cleaner G.L.	
Coolie		Coolie G.L.	
Charcoal, Grader			
Watchman (class II)		Watchman (class I).	
Sweeper		Sweeper G.L.	

Group.	E Rs. 20—2½—32½	G Rs. 30—3—45	K Rs. 45—3½—62½	L Rs. 50—4—70
	(5)	(6)	(7)	(8)
Fitter's helper	Fitter	Assistant Mechanic.	Mechanic	Mechanic G.L.
Blacksmith's helper		Blacksmith (class II).	Blacksmith (class I).	Blacksmith G.L.
Tinker's helper		Tinker (class II).	Tinker (class I).	Tinker G. L.
Carpenter's helper		Carpenter (class II).	Carpenter (class I).	Carpenter G.L.

Group.	E Rs. 20—2½—32½ (5)	G Rs. 30—3—45 (6)	K Rs. 45—3½—62½ (7)	L Rs. 50—4—70 (8)
Painter's helper		Painter (class II).	Painter (class I).	Painter G.L.
Tyreman's helper ..		Tyreman G.L.		
Electrician's helper		Electrician (class II).	Electrician (class I).	Electrician G.L.
Vulcanizer's helper		Vulcanizer. (class II).	Vulcanizer (class I).	Vulcanizer G.L.
Turner's helper		Turner (class II).	Turner (class I).	Turner G. L.
Tailor's helper		..	Tailor G. L.	..
Liner's helper		Liner (class II).	Liner (class I).	Liner G.L.
Moulder's helper		Moulder (class II).	Moulder (class I).	Moulder G.L.
Welder's helper		Welder (class II).	Welder (class I).	Welder G.L.
Hammerman (class II)		..	..	..
Greaser (class II)		..	..	..
Cleaner		..	..	..
Coolie		..	..	..
Charcoal Grader		..	..	..
Watchman (class II)		..	..	..
Sweeper		..	..	..

NOTE.—G.L. means 'Group Leader'

So far as the increase of 25 per cent demanded by the workers is concerned I accept it and the only further point for determination is whether a deduction of 10 per cent should not be made for the following reason. In the case of United Bus Service on the 1st of June 1946 this graded pay was established and either by means of increments or additions to pay in the case of employees who were in employment for the previous 12 months or by pulling up and starting the other workmen on the minima shown above a 10 per cent increase has been given as late as 1st of June 1946 by the United Bus Service. It would be unjust to clap on another 25 per cent to it. The proper thing to do is to add another 15 per cent. The representatives of the workers reduced their demand before the Collector from 25 to 15 per cent increase. This 15 per cent is justified in two ways, namely, that the cost of living has not been going down and secondly, we are giving rises to the drivers, conductors, checking inspectors and cleaners working in the open lines. To give increases to one and deny to the other would breed discontentment and further trouble. I therefore accepting the principle of 25 per cent increase demanded by the workers fix the minimum pay as follows :—

Rs. 11–8–0 to persons under Group A.
Rs. 17–0–0 to persons under Groups C and D.
Rs. 23–0–0 to persons under Group E.
Rs 34–8–0 to persons under Group G.
Rs. 52–0–0 to persons under Group K.
Rs. 57–8–0 to persons under Group L.

I need not point out that in addition to this salary all the employees of the United Bus Service are also paid Rs. 12–8–0 as dearness allowance and which is not the case at present with Nazeeria and Allied Bus Transport. To this also, the workshop employees will be entitled so long as dearness remains. There is no question of batta in the case of the workshop employees. I therefore fix the minimum salaries of the employees of the workshop accordingly. I find point No. 2 in the above terms.

20. Three points in this connection had been raised before me. One is whether this raising of the salaries will affect the increments provided for by the United Bus Service at present. Obviously my fixing the basic salary 25 per cent higher than what it was before 1st June 1946 will not affect this gradation of pay. The employees will be entitled on the completion of 12 months of satisfactory service to receive the increment provided for by the United Bus Service. The second point taken is whether this salary is inclusive or exclusive of the dearness allowance. The salary does not include the dearness allowance and I have already [illegible] how the

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United Bus Service alone is paying dearness allowance of Rs. 12–8–0 for all employees. In the case of workshop employees this Rs. 12–8–0 seems to me to be a fair rate of dearness allowance. It may be argued that no differentiation should be made in the matter of dearness allowance between workshop employees and those engaged in running traffic. But there is an essential difference. The opposite number of a cleaner in the workshop would get Rs. 17 (in the workshop cleaner would equate assistant fitter) and the opposite number of a conductor and checking inspector would get Rs. 23 (equating a fitter in the workshop) and the opposite number of a driver would get Rs. 34–8–0 in the workshop (equating assistant mechanic) we are fixing Rs. 15, 20 and 30 minima for the open line. Therefore workshop employees should not get a double advantage. Hence the differentiation has been purposely maintained. It will be liable to revision either way on rise or fall of prices. The third point taken is how the workmen now working in each workshop are to be classified? This is a task which I cannot take upon myself and it will be up to the employers other than the United Bus Service to fit them inside the classification mentioned by me above. A fear was finally expressed as to whether this fixing of wages by me will affect the high wages now paid over and above the scale Obviously the salaries and dearness allowance fixed by me are only the minima to be paid. It will be open to the employers to pay their workmen what they desire so long as these minima are not refused.

21. *Pay and dearness allowance.*—Point No. 1 covers the issue

" Whether the employees have made out that they are entitled—

(*a*) to the minimum of salary demanded ; and

(*b*) to the minimum of dearness allowance to be demanded or if they are not found so entitled, to what extent are the present salaries and payment of dearness allowance to be maintained or enhanced ? "

On this point the minimum salary demanded in the first instance by the representatives of the workers was Rs. 50 per month for bus driver ; Rs. 35 for a conductor; Rs. 20 for a cleaner ; Rs. 35 for checking inspector and Rs. 75 for a lorry driver and Rs. 30 for a lorry cleaner. The dearness allowance demanded was on the same scale as provided by Government. Then inasmuch as these demands were pitched too high and were beyond practical politics on the suggestion of the Collector of Nellore, Rao Bahadur Sri S. Joseph Reddi, the representatives of the workers reduced their demands in regard to their salaries before the District Collector as follows :—

Rs. 35 for a driver ; Rs. 25 for a conductor ; Rs. 17–8–0 for a bus cleaner ; Rs. 27–8–0 for a checking inspector ; Rs. 50 for a lorry driver ; and Rs. 20 for a lorry cleaner.

On the other hand, the prevailing rates of pay in the United Bus Service excluding the dearness allowance of Rs. 12–8–0 for all employees are as follows :—

Rs. 27–8–0 for a driver ; Rs. 15 for a conductor ; Rs. 13 for a bus cleaner ; Rs. 15 for a checking inspector ; Rs. 27–8–0 for a lorry driver ; and Rs. 10 for a lorry cleaner.

In the case of the Nazeeria Motor Service a driver is paid a consolidated emolument of Rs. 40 made up of salary and dearness allowance which has been given in the shape of a rise in salary. They are as follows :—

Rs. 35 (before me) and Rs. 40 (before the Conciliation Officer) for a driver ; Rs. 30 for a conductor ; Rs. 12 for a bus cleaner ; Rs. 30 for a checking inspector ; Rs. 40 for a lorry driver ; and Rs. 12 for a lorry cleaner.

In the case of the Nellore Bus Transport, the following are the all inclusive salaries :—

Rs. 30 (before me) and Rs. 35 (before the Conciliation Officer) for a driver ; Rs. 20 for a conductor ; and Rs. 15 for a cleaner.

In the case of the Allied Bus Transport, the following are the all inclusive salaries :—

Rs. 40 for a driver ; Rs. 25 for a conductor ; Rs. 20 for a bus cleaner ; and Rs. 30 for a checking inspector.

The employers do not come forward with constructive suggestions for fixing the minima of salaries and dearness allowance. They take up the attitude that either

the pay and dearness allowance consolidated or pay and dearness allowance separately given by them now require no revision, or that it is up to the workers to establish before the adjudicator as to what variations, if any, should be made.

22. The workers in order to establish their demands for a rise concentrated upon the following lines of evidence. Firstly they attempted to show that the prices have been rising and showed no tendency to fall. This is not disputed. But this general knowledge of rise in prices will not help us beyond showing that a case has been made out for an increase in pay as the present scales of pay are not known to have been fixed upon any known level of prices and there are no index figures showing rise of prices of retail sales and which will enable us to calculate any percentage of increase to be given. Secondly the workers attempted to show that in order to obtain all-round amenities and of which they say that they have been foregoing some in the past, their pay should be increased. No one will dispute that employees should get wages which would enable them to secure as many amenities as possible. It is the birthright of every worker. The point is, however, complicated by the additional consideration, namely, whether these amenities claimed by them are enjoyed equally by other sections of workers and secondly whether the Transport Industry which is in its infant stage now can bear the extra expenditure? This is, however, one factor which I have taken into consideration in fixing the minima of pay and dearness allowance. Thirdly the representatives of the workers urge that large profits were being made by illegal and legal means by the employers and that they should be made to disgorge a portion in the shape of increased wages. There is no evidence to prove that swollen profits were being made. On the other hand, we have the definite information given by the United Bus Service that they are running their enterprise here at a loss of nearly Rs. 1,500 per month. I have verified this information with their Auditor's report supplied to me as a confidential document and find it to be accurate. In the case of the Nazeeria Motor Service the proprietor of which is shown to have thriven and prospered during recent years we have no data to connect this access of wealth with the profits made in the bus and lorry services. On the other hand, it is stated that he has got many enterprises connected with mica mining and other wartime ventures. In the case of the Nellore Bus Transport and Allied Bus Transport they have recently come into existence and afford no data. In this connection the workers representatives stressed two points, namely, that profits were swollen by the lower cost of operating bus and lorries on gas plants and secondly by systematic overloading without issuing tickets and bringing the amounts into accounts. So far as the allegation of lower cost of operating buses and lorries on charcoal instead of petrol is concerned it is found to be definitely based upon a mistaken impression. On the other hand, I have had the costs worked out per mile. It is found that the average for producer gas vehicles is 47·65 pies per mile and the average for petrol vehicles is 42·04 pies per mile. The reasons why buses and lorries driven on charcoal do not prove more economical than the petrol driven vehicles are the abnormal increase in the price of charcoal and the increase in the bills for repairs and maintenance in the case of the producer gas operated vehicles which deteriorate more rapidly than petrol driven vehicles. In the case of the United Bus Service they have been able to demonstrate that there has been an increase in the fuel cost from 10·27 per cent in 1943 to 17·91 per cent in 1946 and that there has been increase in repairs and maintenance from 28·72 per cent in 1943 to 39·12 per cent in 1946. I have given my anxious consideration to this allegation and I am unable to accept the statement that the producer gas operated buses and lorries are cheaper to run than the petrol driven vehicles. I may incidentally point out that it is also the experience in America where these charcoal driven vehicles are being rapidly converted into petrol driven vehicles owing to the former proving more costly to run than the latter. In regard to the second allegation there is no doubt that during scarcity of transport illegal profits were made not only by the employers but also by drivers and conductors. Except in the United Bus Service in the case of other personal proprietorship companies there has been systematic overloading and the sharing of the loot between the proprietor and the employees without bringing this into account. In fact in the

case of the employers of Vellore when the drivers and conductors asked them for a share of the profits, the former have boldly turned on the latter and pointed out that these employees were making as much as Rs. 10 per day and that therefore no question of giving them a share of war profits arose as they had already shared it albeit in illegal manner. It is therefore unprofitable to pursue this line of enquiry as the extra illegal profits made have already been divided. We have therefore to depend upon the prevailing rates of pay and the legitimate increases which have to be given thereon, in order to assure fair and reasonable wages which will not be financially ruinous to the companies and bring about their liquidation instead of their expansion.

23. Before entering into an examination of the salaries to be fixed for various kinds of employees I must dispose off the differentiation sought to be imported between the bus drivers and lorry drivers. The distinction seems to me without a difference. The Motor Vehicles Act contemplates only issue of licences for light transport and heavy transport. There are lorries which will come under light transport and there are buses which will come under heavy transport. These licences are issued to the same driver on one application provided he demonstrates his ability to drive a light transport and a heavy transport vehicle. In the United Bus Service, there is no differentation and all are started as drivers and some assigned to buses and some to lorries. I am unable to see how a lorry driver has got more exacting or more responsible duties to perform than those of a bus driver. This applies equally to the conductors and cleaners therein. I am unable to accept the differentiation and shall proceed on that footing. The result is that I have to consider what should be the pay and dearness allowance to be fixed for (*a*) driver ; (*b*) conductors ; (*c*) checking inspectors and (*d*) cleaners.

24. So far as the dearness allowance is concerned, whether it is given separately or as a portion of the salary the present rates are distractingly discordant. They are based upon no known calculations. It seems to me safe therefore to adopt the dearness allowance given by Government for all these employees. This is the demand made by the workers. The employers have not made out a case for giving a lower rate. I find that dearness allowance should be given to these employees at the same rate as Government rates of dearness allowance which will be Rs. 16 per month.

25. Turning to the pay of a driver which as I have said will cover both buses and lorries I find taking into consideration the present scales of pay and the dearness allowance we are giving and the financial ability of these transport companies to pay the same and the pay drawn by the other sections of workers of similar description, a sum of Rs. 30 per month should be fixed as the minimum pay. In addition to this Rs. 30 the driver will draw Rs. 16 as dearness allowance plus the appropriate batta on days of out-door duty. It will be further remembered that he will be getting this pay per month in spite of 15, 10, 6, 4 off days in the month. After fixing this pay to the driver it is not difficult to fix the pay of the conductor, because the workers' representatives themselves have shown the differentiation that ought to be made between them in the matter of pay. When a minimum salary of Rs. 50 per month was demanded for a driver the pay demanded for a conductor was only Rs. 35 and when the demand was reduced in the pay of a driver to Rs. 35 the pay of the conductor has been proportionately reduced to Rs. 25 per month. In the case of the Vellore Zone Bus owners and the employees agreement which has been filed before me the pay of a driver is shown as Rs. 34 and the pay of the conductor is shown as Rs. 18. In other words the pay of a conductor roughly works out to two-thirds of a driver. I fix the minimum pay of a conductor therefore at Rs. 20 per month plus dearness allowance of Rs. 16 and appropriate batta and the days off as in the case of drivers. It is common ground before me that a checking inspector is in the same grade as a conductor. I therefore fix the minimum pay of a checking inspector at Rs. 20 plus dearness allowance of Rs. 16 and appropriate batta as in the case of driver and conductor. The checking inspector will naturally not have the days off as in the case of drivers and conductors. In the case of cleaners also a proportion has been fixed in the workers' demands. In the first instance when Rs. 50 was

demanded for a driver and Rs. 35 for a conductor the pay of a cleaner was demanded at Rs. 20 and when these demands were reduced to Rs. 35 and Rs. 25 the demand in regard to the pay of a cleaner was also proportionately reduced to Rs. 17-8-0. In other words the pay of a cleaner roughly works out to one half of a driver. I therefore fix the minimum pay of a cleaner at Rs. 15 plus dearness allowance of Rs. 16 and appropriate batta if sent out on outdoor duty along with the buses and lorries and with days off as in the case of drivers and conductors. This completes the minimum of pay and dearness allowance for the drivers, conductors, checking inspectors and cleaners of buses and lorries

26. Two points have been raised before me, namely, whether in the case of companies which are now paying only a consolidated salary in regard to which a rise was given to include the allowances for dearness, a separate dearness allowance will have to be granted. This will naturally be absurd and make the employers pay, dearness allowance twice over. The employer will have to pay on the scales fixed by me a minimum of Rs 30 as salary and a minimum of Rs. 16 as dearness allowance and a minimum of As. 12 as batta for their drivers. Similarly the minima fixed in regard to the others. They cannot be allowed to pay less but can certainly pay more whether the emoluments paid by them is described as pay and dearness allowance or consolidated pay only. The second point which has been raised before me is about the increments to be granted. There can be no difficulty about this because the United Bus Service is already paying increments on a graded scale to their workmen and in the interests of uniformity it would be better if all employers fix similar graded scales of increments to be paid to their employees on completion of 12 months satisfactory service and subject to a maximum. I have not been called upon to adjudicate upon the maximum scales of pay and the gradation of pay. I have been called upon to fix only the minimum pay. I would recommend, however, a time-scale of pay starting with Rs. 30 with an annual increment of Re. 1 per annum for drivers and As. 8 per annum for the others subject to a maximum of Rs. 55. I find that this suggestion has been accepted by the workers' representatives before the Collector.

27. Finally during the discussions before me one unpleasant subject was referred to at length and on which there is complete agreement between the employees and the employers. The Regional Transport Officer agreed that he could not deny this united allegation. This is a large leakage of profits in the shape of police mamools It is stated that the average amount of tips paid to the police on a trip from Nellore to Madras is Rs. 5. It will be realized what a big leakage this is when we remember that charcoal fuel for a trip from Nellore to Madras costs only Rs. 10. This expenditure is stated to be entered in the accounts of the employers as *Sadar karchu*. In the absence of detailed and impartial enquiry I am unable to express any opinion regarding the existence or the extent of this evil. If such an evil exists it must be put an end to by the employers as well as by the higher police officials working in co-operation. It is rightly pointed out by Mr. Watson that if all the employers co-operate and sternly refuse to pay these mamools as the United Bus Service is said to have been doing successfully on all their routes, this evil would disappear. It is also rightly pointed out by the Regional Transport Officer that the employers should not stop short with making allegations only albeit however well founded. It is possible that the employers had been stopping short for fear that this matter might not be pursued earnestly by the higher police officials and expose them to reprisals at the hands of the police subordinates and concerning which detailed information was given. These apprehensions ought to prove unfounded now with the stirring appeal that has been made by the Honourable the Premier and which has been communicated to us to put down this evil. This matter does not fall within the purview of my adjudication and is mentioned because both the employers and the employees are one in saying that if this evil were eradicated they would be able to give all the increases demanded by the workers. It seems to me that this matter may form the subject-matter of separate enquiry.

28. The results of my adjudication regarding the nine points in dispute are as follows : The demands of the employees regarding service registers, provident fund,

dismissals, and dearness allowance have been solved in a manner agreeable to the workers. In regard to batta their demands have been met almost in full. In lieu of leave concession of one month, 15 days' leave and regulated hours of work and rest have been conceded to them which would off-set more than amply the one month's privilege leave and 15 days' casual leave asked for by them and which have been refused. The off-days pressed for by the workers and constituting a relaxation of the hours of work provided for in the Motor Vehicles Act have been practically met in full. In the case of the workshop employees the 25 per cent increase demanded by them has also been conceded. Finally as regards the minima of salary demanded for drivers, conductors, cleaners and checking inspectors the only difference between what was demanded before the Collector and what has been found by me is Rs. 5. In this connection it may be borne in mind that the Vellore agreement gives only Rs. 34 to a bus driver and Rs. 18 for a conductor and the Labour Commissioner seems to have suggested only a dearness allowance of Rs. 15. Therefore what I have actually found is only less by Rs. 3 in pay asked for for a driver and in the case of a conductor I have given more, namely, Rs. 20. Therefore it might be stated legitimately that the demand for minima of salary and dearness allowance have also been met practically in full.

29. I leave open the question whether these increases adjudicated upon can be made only by corresponding increases in the maximum fare sanctioned by Government per mile as I have no figures regarding the profits and losses of these transport companies and this is also a fit matter for enquiry and decision only by the Provincial Road Transport authorities.

30. It will be fair to both parties if these increases are made to begin from 1st August 1946.

31. The connected papers duly indexed are submitted herewith.

Order—No. 3186, *Development, dated* 20*th August* 1946.

In G.O. No. 2336, Development, dated 15th June 1946, the Government directed that the trade dispute between the workers and the managements of the motor transport companies in Nellore district be referred to Mr. P. N. Ramaswami, I.C.S., District and Sessions Judge, Nellore, for adjudication under clause (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules. After a preliminary enquiry the Adjudicator decided that adjudication was necessary on the following points :—

(1) Maintenance of service registers for the employees.
(2) Introduction of provident fund schemes to all employees.
(3) Services of employees should not be terminated without consulting the Labour Officer.
(4) Payment of dearness allowance separately from pay.
(5) Payment of batta.
(6) Grant of leave with pay.
(7) Hours of work and rest.
(8) Introduction of scales of pay for workshop employees.
(9) Introduction of scales of pay for running staff.

2. The Adjudicator has completed the enquiry and submitted his report. He does not consider any adjudication necessary on the first four points enumerated in paragraph 1 above for the following reasons :—

(1) *Maintenance of service registers for the employees.*—The United Bus Service are already maintaining three sets of records. These records contain all the information required. The Company has no objection to give extracts of these records to their employees on the termination of their services. The employees are at liberty to inspect these records whenever required. The other employers also are willing to maintain service registers for employees who have worked continuously for one year. The United Bus Service already publish their standing orders on their notice boards and other employers also are prepared to draft similar standing instructions in the vernacular of the district and put them up on their notice boards.

(2) *Introduction of provident fund schemes to all employees.*—This point was not pressed before the Adjudicator.

(3) *Services of employees should not be terminated without consultimg the Labour Officer.*—It was agreed that no employee should be discharged without a formal charge being made against him and an opportunity being given to him to meet it. In this connection the Adjudicator has suggested that the standing orders of the United Bus Service can be usefully adopted by all employers. Discharged employees who are aggrieved by the note of discharge may apply to their Union and if necessary appeal to the Commissioner of Labour.

(4) *Payment of dearness allowance separately from pay.*—It was agreed that dearness allowance should not be mixed up with pay and that it should be paid only so long as the cost of living remains high.

3. On the remaining points the Adjudicator has made the following recommendations :—

(1) *Payment of batta.*—Batta is given to cover out-of-pocket expenses when the employee is on out-door duty for the employer and this can be met either by giving an actual sum of money to cover the cost of meal or tiffin or by giving meal or tiffin tickets on the production of which a meal or tiffin will be given. Except the United Bus Service the other employers agreed to supply their employees with breakfast and meals in lieu of allowances. In the case of the United Bus Service the minimum batta should be twelve annas daily as agreed to by the United Bus Service and all other employers.

(2) *Grant of leave with pay.*—All employees who have completed one year's continuous employment should be given leave with pay for fifteen days and the employees should be at liberty to take ten days' leave at a time within this maximum. This leave should be allowed for sickness or any other purpose for which the employees may desire to take leave.

(3) *Hours of work and rest.*—The drivers, conductors and cleaners working on the routes specified below should be allowed rest as noted against the respective routes :—

Singarayakonda-Pamur	Four days off in the month.
Nellore-Balireddipalem ..	
Nellore-Kaluvoy	
Gudur-Kaluvoy	
Singarayakonda-Kanigiri ..	
Naidupet-Nellore	
Kora-Nellore	
Nellore-Kavali	
Nellore-Allur	
Nellore-Utukur	
Nellore-Rapur (via Podalakur) ..	
Nellore-Atmakur	
Nellore-Somasila	Six days off in the month.
Nellore-Cuddapah	
Mulumudi-Allur	
Nellore-Kondapuram	
Nellore-Mallam	
Nellore-Kalahasti	
Nellore-Podili	
Ongole-Markapur	
Kurchedu-Ongole	
Nellore-Kanigiri	
Nellore-Venkatagiri	
Nellore-Isakapalli	
Nellore-Ramathirtham	
Mudivarthi-Mulumudi	
Nellore-Pedapaveni	
Ongole-Kurichedu	
Kavali-Kondapi	

Naidupet-Madras	Ten days off in the month.
Nellore-Rapur (via Gudur) ..	
Kandukur-Kothapatnam ..	
Seetharampuram-Kanigiri ..	
Kavalai-Kanigiri	
Nellore-Seetharamapuram ..	Fifteen days off in the month.
Ongole-Cumbum	
Nellore-Ongole	
Nellore-Madras	

(4) *Introduction of scales of pay for workshop employees including pay and dearness allowance.*—The representatives of the workers have demanded a flat rate of increase of 25 per cent over and above the existing pay in respect of the workshop employees. This demand cannot however be conceded without going into the classification of the employees, the salaries they have been receiving till disputes arose and the increase given to them thereafter and the percentages of increases which should be given to them. For this purpose, the Adjudicator has taken as the basis, the classification and graded pay adopted by the United Bus Service with effect from 1st June 1946. The details of this classification, etc., are given in the appendix. He has suggested that the other employers also should adopt this classification and has recommended that the several groups of employees should be given the following minimum pay :—

Rs. 11-8-0 to persons under group A.	Rs. 34-8-0 to persons under group G.
Rs. 17 to persons under group C and D.	Rs. 52 to persons under group K.
Rs. 23 to persons under group E.	Rs. 57-8-0 to persons under group L.

These employees will not be eligible for any batta. They will be eligible for a minimum dearness allowance of Rs. 12-8-0 per mensem. The Adjudicator has also made it clear that the salaries and the dearness allowance fixed by him are only the minimum to be paid and that it is open to the employers to pay their workmen what they desire so long as their minima are not refused.

(5) *Introduction of time-scales of pay for running staff including pay and dearness allowance.*—There should be no differentiation between the workers on lorries and the workers on buses. The workers should be given dearness allowance at the rate at which Government pay dearness allowance. (The existing rate is Rs. 16 per mensem.) Exclusive of dearness allowance and the appropriate batta for days of outdoor duty and without any reduction for off-days the minimum pay of the workers should be as follows :—

Drivers—Rs. 30 per mensem.

Conductors—Rs. 20 per mensem.

Checking inspector—Not eligible for off-days as in the case of drivers and conductors Rs. 20 per mensem).

Cleaners (eligible for batta only if sent on outdoor duty)—Rs. 15 per mensem.

The annual increment will be one rupee in the case of drivers and eight annas in the case of others subject to a maximum of Rs. 55. The increments should be given with effect from 1st August 1946.

4. The Government agree with all the above recommendations of the Adjudicator and make the following order on the recommendations made by the Adjudicator :—

ORDER.

Whereas in the opinion of His Excellency the Governor of Madras, it is necessary for the maintenance of supplies and services essential to the life of the community that the decisions of the Adjudicator appointed in Development Department Notification No. 392, dated the 15th June 1946, published on page 424 of Part I of the *Fort St. George Gazette*, dated the 25th June 1946, in regard to the trade dispute between the workers and management of the Motor Transport Companies in Nellore district should be enforced ;

Now, therefore, in exercise of the powers conferred by clauses (*d*) and (*e*) of sub-rule (1) of rule 81-A of the Defence of India Rules read above with the Notifications of the Government of India, Department of Labour No. 3005, dated the 20th May 1942 and L. No. LR. 16, dated the 11th December 1943, His Excellency the Governor of Madras hereby directs:—

(i) that the decisions specified in the annexure to this order shall be in force and shall be binding on the workers and managements of the Motor Transport Companies in Nellore district from the date of this order and so long as the Defence of India Rules continue to be in force, and

(ii) that neither the said management nor the workers nor any other person shall contravene or abet the contravention of any term of the said decisions.

5. With reference to sub-rule (1) of rule 119 of the Defence of India Rules, His Excellency the Governor of Madras hereby directs that this order be sent by post to the managements of the Motor Transport Companies in Nellore district and to the Nellore District Motor Labour Union.

(By order of His Excellency the Governor)

T. SIVASANKAR,
Secretary to Government.

APPENDIX.

Rates and classification for the United Bus Service, Limited, Nellore (Mechanical section).

Group A Rs. 10—1—15.	B Rs. 15—1½—22½.	D Rs. 15—2—25.	E Rs. 20—2½—32½.
Fitter helper	....	....	..
Blacksmith helper	....	Assistant Fitter.	Fitter.
Tinker's helper	....	Assistant Blacksmith.	..
Carpenter's helper	Assistant ..	Tinker	..
Painter's helper	Do. ..	Carpenter ..	..
Tyreman's helper	Do. ..	Painter ..	..
Electrician's helper	....	Tyreman ..	..
Vulcanizer's helper	....	Assistant Electrician.	..
Turner's helper	Assistant ..	Vulcanizer ..	..
Tailor's helper	Do. ..	Turner	..
Liner's helper	Do. ..	Tailor	..
Moulder's helper	Do. ..	Liner	..
Welder's helper	Do. ..	Moulder ..	..
Hammerman (class II)	Do. ..	Welder	..
Greaser (class II)	Do. ..	Hammerman (class I).	..
Cleaner	Greaser (class I).	....	..
Coolie	Cleaner G.L. ..	....	..
Charcoal grader	Coolie G.L. ..	....	..
Watchman (class II)	Watchman (class I).	....	..
Sweeper	Sweeper G.L. ..	....	..

Group G. Rs. 30—3—45.	K. Rs. 45—3½—62½.	I. Rs. 50—4—70.
Fitter's helper	....	....
Blacksmith helper ..	Assistant Mechanic ..	Mechanic	Mechanic G.L.
Tinker's helper	Blacksmith (class II),	Blacksmith (class I)	Blacksmith G.L.
Carpenter's helper ..	Tinker (class II) ..	Tinker (class IX)	Tinker G.L.
Painter's helper	....	....	....
Tyreman's helper ..	Carpenter (class II) ..	Carpenter (class I) ..	Carpenter G.L.
Electrician's helper ..	....	....	....
Vulcanizer's helper ..	Painter (class II) ..	Painter (class I)	Painter G.L.
Turner's helper	....	....	....
Tailor's helper	Tyreman G.L. ..	....	....
Liner's helper	Electrician (class II) ..	Electrician (class I)	Electrician G.L.
Moulder's helper ..	....	....	....
Welder's helper	Vulcanizer (class II)..	Vulcanizer (class I)	Vulcanizer G.L.
Hammerman (class II) ..	....	....	....

Group G Rs. 30—3—45.		K Rs. 45—3½—62½.	I Rs. 50—4—70.
Greaser (class II)	Turner (class II)	Turner (class I)	Turner G.L.
Cleaner	....	Tailor G.L.	....
Coolie	Liner (class II)	Liner (class I)	Liner G.L.
Charcoal grader	....	....	....
Watchman (class II)	Moulder (class II)	Moulder (class I)	Moulder G.L.
Sweeper	Welder (class II)	Welder (class I)	Welder G.L.

* * * * * *

ANNEXURE.

On the remaining points the adjudicator has made the following recommendations:—

(1) *Payment of batta.*—Batta is given to cover out-of-pocket expenses when the employee is on out-door duty for the employer and this can be met either by giving an actual sum of money to cover the cost of meal or tiffin or by giving meal or tiffin tickets on the production of which a meal or tiffin will be given. Except the United Bus Service the other employers agreed to supply their employees with breakfast and meals in lieu of allowances. In the case of the United Bus Service the minimum batta should be twelve annas daily as agreed to by the United Bus Service and all other employers.

(2) *Grant of leave with pay.*—All employees who have completed one year's continuous employment should be given leave with pay for fifteen days and the employees should be at liberty to take ten days' leave at a time within this maximum. This leave should be allowed for sickness or any other purpose for which the employees may desire to take leave.

(3) *Hours of work and rest.*—The drivers, conductors and cleaners working on the routes specified below should be allowed rest as noted against the respective routes:—

Singarayakonda-Pamur Nellore-Balireddipalem Nellore-Kaluvoy Gudur-Kaluvoy Singarayakonda-Kanigiri Naidupet-Nellore Kora-Nellore Nellore-Kavali Nellore-Allur Nellore-Utukur Nellore-Rapur (via Podalakur) Nellore-Atmakur	Four days off in the month.
Nellore-Somasila Nellore-Cuddapah Mulumudi-Allur Nellore-Kondapuram Nellore-Mallam Nellore-Kalahasti Nellore-Podili Ongole-Markapur Kurchedu-Ongole Nellore-Kanigiri Nellore-Venkatagiri Nellore-Isukapalli Nellore-Ramathirtham Mudivarthi-Mulumudi Nellore-Pedapavani Ongole-Kurichedu Kavali-Kondapi	Six days off in the month.
Naidupet-Madras Nellore-Rapur (via Gudur) Kandukur-Kothapatnam Seetharampuram-Kanigiri Kavalai-Kanigiri	Ten days off in the month.
Nellore-Seetharampuram Ongole-Cumbum Nellore-Ongole Nellore-Madras	Fifteen days off in the month.

(4) Introduction of scales of pay for workshop employees including pay and dearness allowance.

The representatives of the workers have demanded a flat rate of increase of 25 per cent over and above the existing pay in respect of the workshop employees. This demand cannot however be conceded without going into the classification of the employees, the salaries they have been receiving till disputes arose and the increase given to them thereafter and the percentages of increases which should be given to them. For this purpose, the adjudicator has taken as the basis, the classification and graded pay adopted by the United Bus Service with effect from 1st June 1946. The details of this classification, etc., are given in the appendix. He has suggested that the other employers also should adopt this classification and has recommended that the several groups of employees should be given the following minimum pay:—

Rs. 11-8-0 to persons under group A.	Rs. 34-8-0 to persons under group G.
Rs. 17 to persons under groups C and D.	Rs. 52 to persons under group K.
Rs. 23 to persons under group E.	Rs. 57-8-0 to persons under group L.

These employees will not be eligible for any batta. They will be eligible for a minimum dearness allowance of Rs 12-8-0 per mensem. The adjudicator has also made it clear that the salaries and the dearness allowance fixed by him are only the minimum to be paid and that it is open to the employers to pay their workmen what they desire so long as the minima are not refused.

(5) *Introduction of time-scales of pay for running staff including pay and dearness allowance.*—There should be no differentiation between the workers on lorries and the workers on buses. The workers should be given dearness allowance at the rate at which Government pay dearness allowance. (The existing rate is Rs. 16 per mensem). Exclusive of dearness allowance and the appropriate batta for days of outdoor duty and without any reduction for off-days the minimum pay of the workers should be as follows:—

Drivers Rs. 30 per mensem.
Conductors Rs. 20 per mensem.
Checking inspector (not eligible for off days as in the case of drivers and conductors) Rs. 20 per mensem.
Cleaners (eligible for batta only if set on outdoor duty) Rs. 15 per mensem.

The annual increment will be one rupee in the case of drivers and eight annas in the case of others subject to a maximum of Rs. 55. The increments should be given with effect from 1st August 1946.

(5)

BEFORE THE ADJUDICATOR:

SRI P. MARKANDEYALU, M.A., B.L.

(*Principal Judge, City Civil Court, Madras.*)

[Under rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF THE BUCKINGHAM AND CARNATIC MILLS

and

THE MANAGEMENT OF THE BUCKINGHAM AND CARNATIC MILLS Co., LIMITED.

Mr. R. VENKATARAMAN, M.A., B.L.—*Counsel for Workers.*

Mr. O. T. G. NAMBIAR, instructed by KING AND PATRIDGE—*Counsel for Management.*

[*Subject.*—Strike without notice—Plea of genuine apprehension to personal safety of workers—If entitled to wages and dearness allowance during the period of strike.]

Held on the evidence that there was no justification moral or legal for strike and the claim for wages and dearness allowance accordingly negatived.

G.O. Ms. No. 3533, Development, 16th September 1946.

[Labour—Disputes—Dispute between the workers and management of Buckingham and Carnatic Mills, Limited, Madras—Recommendation of the adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. No. 2834, Development, dated 23rd July 1946.

II

From the Adjudicator (Principal Judge, City Civil Court, Madras)
No. Nil, dated 8th September 1946.

[Illegal strike—Payment of wages and dearness allowance for period of strike not justified.]

BEFORE

SRI P. MARKANDEYULU, M.A., B.L.

Principal Judge, City Civil Court, Madras (Adjudicator in the matter of the trade dispute between the workers and the Management of the Buckingham and Carnatic Mills Company, Limited, Madras).

Messrs. King and Partridge—*Attorneys for the Management of the Buckingham and Carnatic Mills Company, Limited.*

Mr. R. Venkataraman—*Counsel for the workers.*

AWARD.

By G.O. Ms. No. 2834, Development, dated 23rd July 1946, I was appointed adjudicator, under rule 81-A of the Defence of India Rules, to decide the following trade dispute between the workers and the Management of the Buckingham and Carnatic Mills Company, Limited, Madras :

"Whether the workers are entitled to wages and dearness allowance during the period of the strike" (from the night of 8th June 1946 to 24th July 1946).

2. The parties have filed statements of their respective cases and the Management have filed a reply statement in answer to some of the allegations contained in the workers' statement.

3. The contention of the Management is that wages are paid only for work done and that they can never be paid for the period during which the workers were on strike. The Labour Union, on the other hand, contends that the strike was not voluntary on their part but was forced upon them by reason of the unruly conduct of the Punjabi watchmen coupled with the indifference of the Management and that the real reason for the cessation of work on the part of the workers was a genuine apprehension of danger to their personal safety.

4. Fifteen witnesses have been examined by the Union and six by the Management.

5. The Buckingham and Carnatic Mills in Madras are some of the biggest textile mills in India and they employ about 13,700 workmen. Of these about 5,000 are employed in the Carnatic Mills and the rest in the Buckingham Mills. The two mills are housed in separate buildings but for administrative purposes they are a single unit. They are managed by Messrs. Binny & Co., Ltd., and there is a single manager for both the mills, Mr. Chadwick (sixth witness for the Management), but the accounts and sales of the two mills are kept separate (see the evidence of Mr. Barlow, fifth witness for the Management).

6. One of the problems with which the Management was faced from the beginning was the problem of theft of cloth from the mills. According to the Management, these thefts increased during the War, and they suspected collusion between the workers and the Watch and Ward staff which consisted at the time entirely of Madrasis. In or about the beginning of 1946 they decided to bring in some ex-military men from outside the Province to do Watch and Ward work along with the Madrasi watchmen. A batch of about 24 Punjabis joined duty in the mills on the 18th or 19th February 1946 and they were joined by about 34 more Punjabis in the first week of June 1946. The total number of Punjabi watchmen is 56, while

the Madrasi watchmen number about 168. The Punjabis are paid higher salaries than the Madrasis. The reason given by the Management for the higher pay given to the Punjabis is that they have come a long distance leaving their families behind and that they are more efficient than the Madrasi watchmen. We are not concerned in this case with this issue which is totally outside the scope of the reference.

7. But the arrival of the Punjabis was not viewed with favour by the Madrasi workers and watchmen. For one thing, the former were paid higher salaries than the latter and further the Punjabis were probably more strict in the performance of their duties than the local watchmen who are well known to and quite friendly with the Madrasi workers. There is also reason to believe that the Punjabis were overbearing and aggressive in their dealings with the Madrasi workers who must naturally have resented such conduct on the part of the new-comers. Within two days after the arrival of the first batch of the Punjabis the Madras Labour Union, which consists of the workers of the Buckingham and Carnatic Mills and incidentally is said to be the oldest trade union in India, received a complaint from a number of workers that a Madrasi worker in the Buckingham Mill had been dragged by a Punjabi watchman and threatened with a knife. Thereupon Sri Govindaswami, the Vice-President of the Union, wrote a letter, Exhibit D-1 (21st February 1946), to the Management complaining of the conduct of the Punjabi watchman and requesting that suitable action might be taken against him. To this the Management sent a reply on 4th March 1946 of which Exhibit D-2 is a copy. In this, the managing agents request the Union to furnish them with the name of the worker said to have been assaulted. But no reply has been sent to them. In this connexion it may be stated that the worker said to have been assaulted has not himself made a complaint to this day and even his name is not known. Doraikannu, a worker and second witness for the Union, deposes that when in February 1946 he was lying ill one night in the Carnatic Mills he was kicked by a Punjabi watchman. Subbarayalu, a truck driver in the Carnatic Mill and the third witness for the Union, says that one day he drove a truck too near a Punjabi watchman and that the latter abused him and took out a knife. He says that he complained about it and that Mr Greaves, one of the officers, sent for the Punjabi and examined his knife. Parthasarathi, fourth witness for the Union, says that on 2nd May 1946 at about 9-30 p.m. he was beaten by a Punjabi watchman in the Carnatic Mills but he did not report the incident to anybody. Mr. Chadwick, the Manager of the mills and the sixth witness for the Management, has deposed that on the same night a Punjabi was found injured and unconscious in the Carnatic Mill premises and that he concluded that he must have been assaulted by a Madrasi labourer. According to the Union, there was a free fight between the Punjabis and the Madrasis on the night of 2nd May 1946 but it does not admit that a Punjabi was found unconscious in the mill premises that night. But there is no reason to disbelieve the evidence of Mr. Chadwick on this point.

8. Madurai Mudaliar, workers' witness No. 16, who is an officer in the Buckingham Mills, deposes that one day in May 1946 he found a Punjabi watchman sitting in a chair in his office room with his legs stretched on the table and that he told him that he should not sit in an officer's chair as he was only a watchman. Thereupon, the Punjabi watchman is said to have lifted up his hand as if to strike the witness and to have replied that he was not a watchman and that only Madrasis were watchmen. The witness says that he reported the matter to an officer called Mr. Farquar.

9. The instances mentioned above undoubtedly show that there was some ill-feeling between the Punjabi watchmen and the Madrasis and this may have been partly due to the fact that the Punjabis are ignorant of any South Indian language, as suggested by the Union. But it must be noted that the Labour Union had not up to 8th June 1946 taken up the question of the conduct of the Punjabis with the Management and had not addressed any communication to them except Exhibit D-1 on which, however, no action could be taken by the Management as the name of the assaulted worker was not communicated to them. The Union officials probably regarded these incidents as trivial and as not worth raising an issue about. The same view appears to have been taken by the Management also, for they did not

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put up a notice even, after the serious assault on the Punjabi watchman on the night of 2nd May 1946, warning the Madrasis and the Punjabis alike against unruly conduct in the mill premises. But they took one precaution, viz., they transferred all the Punjabi watchmen from the Buckingham Mills to the Carnatic Mills where the incident of 2nd May 1946 occurred.

10. We now come to the events of 8th June 1946 at the Carnatic Mill. A reference to the plan Exhibit P-6 is necessary. There is a sliding gate at the place marked H in the plan and it is opened every night punctually at 9-30 p.m. by a Punjabi watchman. Just about a minute before 9-30 p.m. a siren is sounded for a minute and as soon as it stops the sliding gate is opened. The workers engaged in the warehouse near the sliding gate shown in the plan are searched by a Punjabi watchman at the doorway Z a few minutes before 9-30 p.m. and as soon as it is 9-30 p.m. they and the workers in some other departments are let out through the gate H. The workers are expected not to crowd behind the sliding gate but to go out in an orderly fashion one by one. But there is a tendency on the part of the workers to come to the sliding gate and crowd there even before the siren is sounded The workers are let out for one hour and they are expected to come back to duty by 10-30 p.m. after taking their food

11. On the night of 8th June 1946 there appears to have been some delay in the opening of the sliding gate H and the workers appear to have gathered in large numbers behind the gate and clamoured for its opening One version is that the workers themselves opened the gate that night and went out (see the evidence of Mr. Marthandam, workers' witness No. 8), and the other version is that the Punjabi watchman himself stationed at the gate opened it (see the evidence of Yegan, the first witness for the Management and of Illahi the third witness for the Management). But it is not very material whether the gate was opened by the watchman or the workers. But it is an undoubted fact that immediately afterwards, Zengiskhan (fourth witness for the Management), a Punjabi watchman stationed at the turnstiles, ran up to the sliding gate, caught hold of a worker called Krishnan (workers' witness No. 7) and dragged him as far as the main gate A where Yegan, the assistant daffadar was stationed. Yegan asked the Punjabi watchman why he was dragging the worker and the Punjabi is said to have replied that he had brought the worker to the daffadar as he had knocked down a Punjabi watchman stationed at the sliding gate. The Punjabi said to have been knocked down is Illahi (third witness for the Management). The exact cause for the assault on Krishnan is in some doubt. The watchman Illahi says that he was knocked down and the evidence of the jamadar, the second witness for the Management, and of Zengiskhan is to the same effect. But Yegan says that he did not see Illahi knocked down. Mr. Marthandam (workers' witness No. 8), the assistant weaving master, whose office is very near the sliding gate, also deposes that he was standing outside the gate G when Krishnan was caught hold of by Zengiskhan but that he did not see the watchman knocked down. The reason for the assault on Krishnan must be either because Illahi was knocked down or because the workers forced open the gate and were making a hubbub. When Yegan asked Krishnan for his name and number, the latter refused to give them but said that he would report the incident himself to the Manager.

12. After this, events appear to have moved rather quickly. Krishnan and the other workers went out through the main gate A for their night meal and some of them including Krishnan came back at about 10 p.m. The workers appear to have been incensed at the assault on Krishnan and they probably had the idea of wreaking vengeance on Zengiskhan and the other Punjabis whose presence had always been a source of annoyance to them. Zengiskhan was stationed at the turnstiles along with some other Punjabi watchmen, and the workers, when returning to duty, had to deposit their tokens in the token boxes placed at the turnstiles and pass through them to the open space to get into their respective departments. Krishnan pointed at Zengiskhan and told his companions that it was he that had assaulted him Some of the workers went up to Zengiskhan and asked him why he had caught hold of Krishnan and dragged him. The Punjabi is said to have replied "Jav, Jav" and to have taken out his lathi and waved it at them. Some

of the witnesses examined for the workers depose that the lathi was snatched by the workers from Zengiskhan, that a Punjabi watchman hurled a token box at the Madrasis and that the Madrasis thereupon threw the other token boxes at the Punjabis (see the evidence of Govindaswami, ninth witness for the workers) Fearing trouble, Yegan, the assistant daffadar, telephoned to the Manager to come, and when he returned, found the place a pandemonium. By this time, about 20 or 30 more Punjabis had come inside the mill armed with lathis and stones and, according to Yegan, only one of them, Kemin Khan, carried a knife with him. Mr. Marthandam, the assistant weaving master, deposes that the workers were arrayed on one side and the Punjabis on the other, that the workers threw pick-wheels or change-wheels (which they had picked up in the weaving department) at the Punjabis, and that the Punjabis picked up the same missiles and hurled them at the Madrasis and also threw stones at them. The Manager came on the scene shortly after 10 p.m. and asked both sides to stop. At that time a large number of workers who had gathered outside the mill gates were pelting stones at the people inside the mills. The Manager asked the Punjabis to go to his room and the workers to go back to their respective departments and they did so. But the workers would not do any work and they insisted that their companions outside the main gate should be allowed to come in. This request was granted and yet the workers would not resume their work. The officers started the machines and, as soon as their back was turned, the workers stopped them. Seeing that there was no possibility of work being resumed that night, the Manager Mr. Chadwick, asked them to go home, which they did at about 1 a.m.

13. In this connexion it should be stated that Mr. Chadwick addressed the workers that night soon after going to the Carnatic Mill and in the course of his talk, called them a pack of sheep in that they had blindly followed the advice of some instigators without using their own judgment. According to Mr Marthandam, the workers insisted that the Punjabis should be sent out altogether from the mills and Mr. Chadwick replied by saying that he would bring down 5,000 Punjabis, if necessary, to put them down. Mr. Chadwick himself denies having said this, but he probably does not remember all that he said that night on account of the excitement of the moment.

14. As the result of the riot on the night of 8th June, six Madrasis and two Punjabis received minor injuries and they were attended to at the mill hospital (see the evidence of Mr. Chadwick). Mr. Molyneaux, one of the officers, was hit by a stone and the motor car of Mr. Marthandam which was inside the mill premises was hit by some of the missiles thrown by the contending factions. Natesa Mudaliar (workers' witness No. 11), a tea-vendor outside the mill gates, who is not an employee in the mills, was mistaken for a worker and stabbed with a pen-knife on the head by a Punjabi. He was taken to G-3 Police station that night where a complaint [of which Exhibit P-8 (*a*) is a copy] was recorded from him and afterwards to the General Hospital where his injuries were attended to. The injuries were of a minor character and he was discharged from the hospital the same night.

15. Now, viewing the events of 8th June as a whole, it cannot be said that only one of the parties was responsible for the disturbance and that the other was not. Indeed no attempt was made by the learned counsel on both sides to throw the blame either on the Punjabis or on the Madrasis. In my opinion both sides were responsible for the happenings of that night. Even if it be assumed that the assault on Krishnan by Zengiskhan was unprovoked, it must be conceded that the snatching of the stick from the hands of Zengiskhan about half an hour later was equally unjustified.

16. Eighth June was a Saturday and the mills were closed on Sunday, the 9th June, and reopened on the morning of the 10th at about 6-30. The workers gathered in large numbers outside the main gate A but they would not go in. Mr. Barlow, one of the Directors of Messrs. Binny & Co., Mr. Chadwick, the Manager of the mills, and some other European and Indian officers stood outside the gate and requested the workers to go back to work but the workers pointed to 30 or 40 Punjabi watchmen sitting at the turnstiles having in their hands lathis, iron rods and

iron pipes and asked the officers how they could go back to work when so many armed Punjabis were inside the mill premises. They at first demanded that the Punjabis should be disarmed and immediately afterwards said that they would not go back to work unless all the Punjabis were sent out (see the evidence of Mr. Chadwick). Mr. Barlow pointed out that the Punjabis were quite peaceful at that time, that the workers need not apprehend any danger from them, promised to make a full enquiry into the events of 8th June and requested the workers to go back to work. But Messrs. Elumalai and Govindaswami, two of the Union officials, told the officer that the workers would not resume work unless all the Punjabis were sent out.

17. It must be noted that all these events happened only at the Carnatic Mills and that there was no disturbance whatsoever at the Buckingham Mills on the night of 8th June. The night shift workers worked the whole night at the Buckingham Mills on the 8th June, but on the morning of the 10th, strings of labourers proceeded from the Carnatic Mill gates to the Buckingham Mills and persuaded the workers there to join the strike, and their attempts were successful. The workers in the Buckingham Mills also were on strike from 10th June till 24th July (both days inclusive). Whatever may be said with regard to the workers in the Carnatic Mills, there can be no justification whatsoever for the workers in the Buckingham Mills joining in the strike as no disturbance had taken place in that mill on the 8th June or on any previous date and as no Punjabi was stationed in that mill after 2nd May 1946.

18. It was argued by Mr. Venkataraman for the Labour Union that the cessation of work on the part of the workers from the night of 8th June did not amount to a strike as defined in the Trade Disputes Act of 1929 but was only a "spontaneous stoppage of work" due to a "genuine apprehension for their personal safety". This is an ingenious argument but does not bear scrutiny. In the first place it was conceded by the Union in its negotiations with the Management and the Government that the cessation of work on the part of the workers did amount to a strike. The question that is referred to me for adjudication is, whether the workers are entitled to wages and dearness allowance during the period of the *strike*. The settlement arrived at between the parties in the presence of the Secretary to Government, Development Department, uses the word *strike* in a number of places [vide Exhibit D-21 (*a*)]. Further, the word *strike* is used in Exhibit D-15, dated 21st June 1946, which is a copy of a letter addressed by the President of the Union to the Management. The first sentence in the letter is "This is to inform you that on Wednesday, June 19th, a ballot was taken of the workers on *strike* in Wadia Park, etc., etc." In the second place, it is not necessary that a strike should be decided on some days in advance. Even if the workers acting in concert suddenly decided to stop work it would still amount to a strike (see the definition of strike in section 2 of the Trade Disputes Act).

19. It was next argued by Mr. Venkataraman that the strike was not a deliberate and wanton act on the part of the workers designed to put pressure on the Management to get rid of the Punjabis but was the result of a genuine apprehension of danger to their personal safety. He puts the same argument in a different way. The Management failed to secure reasonable conditions of safety for the workers within the mill premises and therefore the workers were justified in stopping away from work. Mr. O. T. G. Nambiar for the Management argues that this contention is quite irrelevant for the purpose of this enquiry as there is no provision of law under which workers on strike are entitled to wages for the period of the strike and he further points out that in the present case the strike is illegal as the requisite 14 days' previous notice was not given as required by clause I of L.R. 16 (10) of the Government of India Order, Department of Labour, dated 19th December 1942. He also argues that this reference must be answered on strictly legal grounds and that there is no room for the application of any equitable or moral considerations. I quite agree that the workers' claim for wages cannot be sustained in a Court of law and also that the strike in the present case is illegal for want of the requisite 14 days' notice. But I hold the view that it is open to an adjudicator to give relief to a party on equitable grounds even if his claim be not enforceable in a Court of law.

20. The contention of the Union proceeds on the assumption that the strike began on the morning of 10th June and that the immediate cause of it was the failure of the Management to disarm the 30 or 40 Punjabis inside the mill gates or to send them out of the mills in order to secure conditions of safety for the workers. The assumption is not correct. The strike actually began in the Carnatic Mills on the night of 8th June when the workers refused to work after they got back to their respective departments. It was really a stay-in-strike. The workers had been let out at 9-30 p.m. for the one hour's recess and some of them came back at about 10 p.m. and, after indulging in a fight, went back to their respective departments, but would not work. They did not then decline to go back to work on the ground that there was danger to their personal safety. It was only on the morning of the 10th that the workers in the Carnatic Mills declined to go back to work unless the Punjabis were sent out of the mills. From this it follows that the abstention from work on the part of the workers on the morning of the 10th June was really a continuation of the strike which had begun on the night of 8th June.

21. I am also of the opinion that there was no justification for the workers not going back to work on the morning of the 10th. According to the evidence of Mr. Chadwick, they at first demanded that the Punjabis should be disarmed and immediately afterwards they demanded that the Punjabis should be sent out of the mills. What they really wanted was the discharge of the Punjabis from the service of the mills altogether and not merely that they should be sent out of the mills for the time being. This is clear from Exhibit D-4 which is a copy of a letter written by the President of the Union to the Management on 10th June itself and which is found at page 7 of the book of documents prepared by the Management. At the end of paragraph 9 there is the following sentence: "The only way out of the impasse is for the Management to remove the Pathan and Punjabi watchmen after adequate compensation has been paid to them and substitute in their place watchmen who know the South Indian languages." In my opinion there was no justification whatsoever for this extreme demand on the part of the workers. They might have demanded that the Punjabis should be asked to throw away their weapons or that they should be sent to a place where they were not likely to come into contact with the workers. But they were not justified, in my opinion, in demanding the discharge of the Punjabis.

22. There is one other consideration. If the workers genuinely felt apprehensive about their personal safety, they might have approached the police either on the 9th June which was a Sunday or even on the 10th, but they did not do so. Further it is well known that a popular Ministry has been functioning in this Province since May 1946, which is accessible to all, high and low, and the Union officials might have approached the Minister in charge of Labour or the Commissioner of Labour and requested them to take the necessary steps to ensure that the workers were not molested in the discharge of their duties. Even this they have not done. Moreover, the plea that five thousand Madrasi workers in the Carnatic Mills were afraid of fifty-six Punjabis cannot be accepted in view of the fact that the workers went inside the mills on the 15th, 19th and 24th June and drew their pay and dearness allowance in spite of the fact that Punjabi watchmen were stationed at the main gate and inside the mills (see Mr. Barlow's evidence). Workers' witness No. 13 (Raju) has deposed in re-examination that the Punjabis inside the mills were armed with sticks and rods from the beginning to the very end of the strike.

23. I am therefore of the opinion that there was no justification, moral or legal, for the strike and that the workers are not entitled to wages and dearness alowance during the period of the strike. The reference is answered accordingly.

Order—No. 3533, *Development, dated* 16*th September* 1946.

On the evening of Saturday the 8th June 1946 following a dispute between a section of the workers in the Carnatic Mills and Punjabi watchmen, in which certain workers and watchmen received injuries, the night shift struck work. The workers refused to enter the mill on the morning of the 10th June. Workers of the Buckingham Mills, who reported for work on that morning, also left the premises. The Government were appraised of the incident immediately and attempted then

and on numerous subsequent occasions to resolve the deadlock through their conciliation staff as well as by the personal intervention of the Hon'ble the Minister in charge of Labour. As no settlement could be effected the dispute was referred for settlement to a Board of Conciliation. After due investigation, the Board reported its inability to effect a settlement of the dispute. In its report the Board, however, suggested that the workers should go back to work on the management agreeing to have not more than four Punjabi watchmen inside the mills and recommended that a few days' time may be given to the parties to see if they would agree to its suggestion. Copies of the Board's report were communicated to the parties, but as they did not agree to the suggestion of the Board, the Government again intervened and used their good offices to effect a compromise. While a settlement was effected on most differences between the parties, none could be arrived at on the question of payment of wages and dearness allowance to the workers for the period of the strike. As both parties, however, agreed to the appointment of an adjudicator to give an award on this issue, the Government referred the dispute to Sri P. Markandeyulu, Principal Judge, City Civil Court, Madras, for adjudication under clause (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules on the issue involved, viz., whether the workers are entitled to wages and dearness allowances during the period of the strike.

2. The adjudicator has completed the enquiry and submitted his report, and has made the following observations :—

"There was no justification for the workers not going back to work on the morning of the 10th June 1946 There can be no justification whatsoever for the workers in the Buckingham Mills joining the strike as no disturbance has taken place in that mill on the 8th June 1946 or on any previous date and as no Punjabi was stationed in that mill after 2nd May 1946. What the workers really wanted was the discharge of the Punjabis from the service of the mills altogether and not merely that they should be sent out of the mills for the time being, and there was no justification whatsoever for this extreme demand on the part of the workers. They might have demanded that the Punjabis should be asked to throw away their weapons or that they should be sent to a place where they were not likely to come into contact with the workers, but they were not justified in demanding the discharge of the Punjabis. The workers' claims for wages cannot be sustained in a Court of law and the strike in the present case is illegal for want of the notice of fourteen days."

3. The adjudicator has, therefore, found that the workers are not entitled to wages and dearness allowance during the period of the strike as there was no justification, moral or legal, for the strike. The Government agree with the finding of the adjudicator.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

(6)

BEFORE THE ADJUDICATOR :

P. RAJAGOPALAN, ESQ., I.C.S.

(*District and Sessions Judge, Madura*).

[Under rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE EMPLOYEES OF SRI RAMA VILAS MOTOR SERVICE, LIMITED

and

THE MANAGEMENT OF SRI RAMA VILAS MOTOR SERVICE, LIMITED.

Mr. K. T. K. THANGAMANI and Mr. P. RAMAMURTHI—*For the Madura Motor Labourers' Union.*

Mr. S. VENKATASESHA AYYAR (Advocate), Mr. E. A. WATSON, General Manager, and Mr. UPADYA, District Manager—*For the Company.*

Subject.—Strike whether legal and justified.—Held legal but the inadvisability of permitting the use of strike to the decision of a single individual pointed out; though company did not default in the performance of the agreement, there was scope for honest difference of opinion between Management and Union and strike justified.

Dismissals.—Held that the enquiry before the Adjudicator is not in the nature of an appeal against the orders of Management but Adjudicator has to satisfy himself whether reasonable opportunity has been given to the discharged worker to offer his explanation and whether the enquiry held by the Manager is fair and proper and whether the punishment meted out is adequate or excessive.

Held that the mere fact that the dismissed worker was a member of the Union not enough to substantiate a charge of victimisation—Differential treatment and severe penalties on Union members may be examples of victimisation.

The charge of victimisation levelled by the Union not proved. *Held* on the evidence of each case dismissal of—(1) Dhanushkodi, (2) Susai Manikkam, (3) Alagu Servai, (4) Narayana Reddi, (5) Mohideen Batcha, (6) Ramanujam, (7) Nachimuthu, (8) Alagirisami, (9) Shanmugam, (10) Alagaraja Konar—Justified.

Held that there was no enquiry in the case of M. B. S. Mani and Natarajan and they should be reinstated—Company advised to reinstate Srinivasa Rao.

Conditions of services.—(a) Wages.—Theoretical conception of a living wage and theoretical conception of wage settled by supply and demand are both unsound—*Held* no revision of the scale of wages can be recommended.

(*b*) *Dearness allowance.*—Better than a flat dearness allowance or a percentage of pay is a sliding scale varying with the cost of living index—Recommended 3 annas per point in case of worker getting less than Rs. 30 and 2 annas for others.

(*c*) *Batta.*—Is primarily meant to cover actual expenses of the worker on duty and not a supplement to basic wage—*Held* no case for revision made out.

(*d*) *Bonus.*—It is open to the Union to dispute the adequacy of bonus and it is an industrial dispute capable of adjudication—*Held* Bonus paid for 1945 adequate.

Hourly wage system.—Adopted by the Company does not result in intensification of work.

Other amenities.—Uniforms for workers in other out-stations recommended. Footwear refused.

Medical Certificates required by the Company should be paid for by the Company.

Co-operative society.—Management cannot be compelled to subscribe for co-operative society.

Holidays.—Fourteen holidays with pay and double wages for work in fourteen festival days held adequate.

Promotion.—Parties agreed to reserve 50 per cent of vacancies among conductors and drivers to employees of the Company qualified in this behalf.

Hours of work.—In computing the hours of work, the time during which the vehicle is on the road, i.e., "running time" and the time spent on "Subsidiary work" should be included—Geneva Convention, 1939, applied.

Based both on road safety and social aspects the maximum hours of work should be 48 hours a week. The demand of the Union for 75 miles a day or 36 hours a week is not reasonable or practicable.

Spreadover.—The company should endeavour to limit spreadover to 12 hours in a working day. If spreadover of more than 12 hours is inevitable, there should be clear 2 hours interval for rest—Periodical changes alternating heavy and light charges should be made. Each route examined in detail.

The work of checking inspectors is intermittent and long spreadover inevitable—Recommended double shift of checking inspectors on Madura-Thirumangalam Road.

The spreadover of hours of work in out-stations should be limited to 12.

Night shift.—The incidence night shift cannot be avoided in case of 25 cleaners—An extra allowance of 12½ per cent and alternating day and night shift recommended.

G.O. Ms. No. 3225, Development, dated 23rd August 1946.

[Labour—Disputes—Dispute between the workers and management of the Sri Rama Vilas Motor Service, Limited, Madura—Recommendations of the Adjudicator—Orders passed.]

READ—the following paper :—

From P. RAJAGOPALAN, Esq., I.C.S., District and Sessions Judge, Madura, to the Secretary to Government, Development Department, dated 31st July 1946.

[Labour—Disputes—Dispute between the workers and management of the Sri Rama Vilas Motor Service, Limited., Madura—Adjudication—Summary of findings and recommendations—Report submitted. *Reference.*—G.O. Ms. No. 1349, P.W., dated 9th May 1946.]

In G.O. Ms. No 1349, P.W., dated 9th May 1946, the Government appointed me under rule 81-A of the Defence of India Rules to adjudicate on the disputes between Sri Rama Vilas Motor Service, Limited, Madura, and its employees, which culminated in a strike towards the end of April 1946.

2. I received the order during the summer recess of my court. I hoped I would be able to complete the enquiry before the court re-opened after the recess. Unfortunately my expectations were not fulfilled. On 13th May 1946 itself I issued notices to the Company and to the President of the Madura Motor Labourers Union which represented the employees to meet me on 14th May 1946 for a preliminary discussion Mr. Thangamani who represented the Union wanted at least ten days for preparing his written statement, and the Company required ten days beyond that to prepare their reply. The statement of the Union was filed on 23rd May 1946, and the Company filed its statement on 4th June 1946. On 8th June 1946, after a discussion of about three hours issues 1 to 7 were settled. I called for further statements on some of the points raised during the discussion on 8th June 1946. On 12th June 1946, after these statements had been filed, and after a further discussion, further issues, issue 7 (*d*) to issue 9, were framed. Both sides wanted time to marshall their evidence, and the enquiry, which at one time I hoped to conclude by 22nd June 1946, virtually commenced on that day. Mr. Thangamani and Mr. Ramamurti represented the Union during the enquiry, while the Company was represented by its counsel, Mr. Venkatasesha Ayya", instructed by Mr. E. A. Watson, the General Manager of the Company, and Mr. Upadya, its District Manager. The enquiry could not be taken up continuously from day to day. I was unable to adjourn the trial of any of the cases of murder that stood posted for trial after 22nd June 1946. In addition to this work I had to try six cases of murder between 22nd June 1946 and 16th July 1946. The unavoidable absence of Mr. Watson and Mr. Ramamurti also necessitated appreciable intervals between the dates of enquiry. They had other industrial disputes in other areas to attend and the dates of enquiry had to be fixed to suit the convenience of both. Most of the enquiry had to be undertaken outside my regular office hours and on holidays. The enquiry eventually concluded on 16th July 1946. A copy of the diary of the proceedings which will be appended to this report will show the details of the work done on each day of the enquiry.

3. In G.O. No. 1349, the Government laid down, "an adjudication is necessary and it may be on the following lines :—

(1) whether the wages now given to the workers are adequate in the present conditions ;

(2) whether the hours of work and the number of trips on the different routes entail undue strain on the workers, and if so, whether they have to be reduced ;

(3) (*a*) whether the employers are justified in dismissing the workers ;

(*b*) whether with reference to the merits and circumstances of each such case of dismissal, the orders of dismissal are unduly harsh ; and

(*c*) whether in the interests of a settlement the employers have to be advised to modify the orders in any case."

4. Consistently with these directions and on the basis of the statements filed by both parties and the representations made during the preliminary discussion, I framed the following issues :—

(1) Whether the strike that commenced on 24th April 1946 was illegal ?

(*a*) Even if the strike was in accordance with the provisions of law, was the strike which commenced on 24th April 1946 justified ?

(*b*) Did the employer fulfil his part of the agreement arrived at before the Commissioner of Labour between the Union and the Company or did the Company default performance of any of the obligations imposed upon it by the settlement ?

(*c*) Quite apart from the settlement arrived at before the Commissioner, does the notice of strike, dated 8th April 1946, legalise or justify on grounds of expediency the strike that commenced on 24th April 1946 ?

(*d*) With reference to the averments in paragraph 1 (*d*) of the statement of the Company, were the issue of strike notice and the subsequent strike authorized by the Union and were they in accordance with the rules of the Union ?

(*e*) Even if the strike fulfils the requirements of the rules of the Union, was the verdict of the Union in accordance with the views of the majority of the employees of the Company [*re.* averments in paragraph 1 (*e*) of the statement of the company] ?

(2) Whether the employers were justified in dismissing any or all of the 17 employees whose names have been specified in Schedule C of the statement of the Union ?

(*a*) Does the consideration of the dismissal of Dhanushkodi, Soosai, Alagu Servai and Srinivasa Rao (numbers 14 to 17 of Schedule C) arise for adjudication at all in these proceedings ?

(*b*) Whether with reference to the merits and circumstances of each case of dismissal the orders of dismissal were unduly harsh ?

(*c*) Whether the Company has to be advised to modify the orders of dismissal in any given case ?

(*d*) Is the charge of victimization levelled by the Union against the Company with reference to any of these dismissals justifiable ?

(3) Whether the wages now given to the employees are adequate ?

(*a*) Whether the present rates of basic wages and dearness allowance are adequate ?

(*b*) Whether the batta paid at present is adequate ; and whether the rates claimed in paragraph 9 of the statement of the Union are reasonable ?

(*c*) Whether the bonus paid to the employees is adequate ? Whether it is open to the employees to question the adequacy of any payment like bonus made *ex gratia* ?

(*d*) Whether it is open to the Union to raise the question of the adequacy of wages, dearness allowance, batta and bonus, at this stage in view of the settlement by the Commissioner of Labour which preceded the strike ?

(4) *Other amenities*—(*a*) *Dress.*—(i) Is the claim for four sets of uniforms for each employee consisting of shorts and shirts and two caps and two pairs of chapals reasonable or is the provision now made for two uniforms for each employee adequate ?

(ii) Is the claim for provision of uniforms for employees other than conductors, drivers, checking inspectors and employees employed in the Madura Workshop reasonable ?

NOTE.—The Company undertook to supply uniforms to time-keepers.

(*b*) Is it necessary to provide for the free medical attendance on the employees (vide paragraph 16 of the memorandum attached to the statement of the Union) ?

(*c*) Is the present provision for issue of family passes adequate (see paragraph 23 of the memorandum) ?

(*d*) Is the Company bound to provide a Co-operative Stores (vide paragraph 22 of the memorandum) ?

(*e*) What provision should be made for holidays with pay to the employees (paragraph 6 of the memorandum, page 5 of the written statement of the Company) ?

(5) What is the basis for calculating the wages of drivers and conductors ? What is the basis for deduction of work not done by a driver or by a conductor on the dates on which he is bound to work ? Does the system of calculation of wages earned or of wages to be deducted call for any revision ?

(6) *Hours of work.*—What are the hours of work for—(i) checking inspectors ; and (ii) workers in the workshops in the outlying branches, Devakottai, Karaikudi, Tiruppattur, Sivaganga, Kamudhi and Rajapalayam ?

Is it necessary to prescribe the maximum number of hours per week for each of these classes of workers ?

(7) *Hours of work for drivers and conductors.*—(*a*) what is the basis for calculation of the hours of work for (1) a driver and (2) a conductor ?

(*b*) Is there any case of a driver or conductor being employed more than 54 hours in a week ?

(*c*) Is the demand of the Union that 75 miles per day be reckoned as a working day reasonable and practicable of enforcement ?

(*d*) Is the contention of the Labour Union, that the existing hours of work on every one of the bus routes are onerous, justified ?

(*e*) Is the claim of the Union that no conductor or driver should be employed for more than 36 hours (running time) in a week, reasonable ?

(8) Is the claim of the Union that charcoal cleaners should be promoted as conductors and conductors as drivers on obtaining the requisite licences from the Police in preference to a candidate not already in the service of the Company, reasonable and practicable ?

(9) Is the contention of the Union, that no one shall be employed continuously on night shifts, reasonable ? Are the cases specified true ? What steps should be taken to redress their grievances ?

5. The increase in the number of issues set down for determination is more apparent than real. Detailed issues had to be framed to cover questions ancillary to those formulated in G.O. No. 1349. But the scope of the enquiry was really confined to that outlined in G.O. No. 1349. That will be explained in full in the annexure to this report when I deal with the several issues framed by me.

6. It struck me it would be more convenient if I relegated to an annexure to this report a full discussion on the several issues, my findings thereon, and the evidence in support thereof. I have set out above the points in dispute between the Company and its employees. In this report, which will be my award, I shall confine myself to a summary of my findings and recommendations. Whether the annexure with its appendices should be published as part of my award will be for the Government to determine.

7. The points in dispute between the Company and its employees were grouped under three heads in G.O. No. 1349. They were classified under nine groups of issues. I propose to deal with them under four different heads in the annexure to this report—

(1) the strike, its legality, and its expediency ;
(2) the dismissal of workmen ;
(3) wages and ancillary problems ; and
(4) hours of work.

Such a division, it struck me, would give a clearer perception of the disputes to be settled than even the classification that underlay the issues framed by me.

8. A statement will be appended to the annexure to this report showing the details of the oral and documentary evidence placed before me by both sides during the enquiry.

9. It only remains to set out my award, which, as I have explained above, will only contain a summary of my findings.

10. Under issue 1, and its sub-issues, my finding is that the strike that commenced on 24th April 1946 was neither illegal nor unjustified, though there was no real default on the part of the Company in implementing the terms of the settlement effected by the Commissioner of Labour on 8th March 1946.

11. Under issue 2, I hold that the charge of victimization levelled by the Union against the Company was not proved.

12. Of the 17 cases of dismissals that were taken up for consideration, four items were dropped by common consent during the enquiry. The Union accepted the offer of the Company to re-employ Muniraj and Amir Sahib. As Vembuli and Mohideen were not anxious to return to the service of the Company, the Union withdrew its demand for an investigation into the dismissals of these two.

13. The dismissals of (1) Dhanushkodi, (2) Susai Manickam, (3) Alagu Servai, (4) Narayana Reddiar, (5) Moideen Batcha, (6) Ramanujam, (7) Nachimuthu, (8) Alagiriswami, (9) Shanmugam and (10) Alagaraja Konar, were justified. A demand for their reinstatement must be rejected.

14. Srinivasa Rao, Mani and Natarajan, I hold, were removed from service without a proper enquiry. Mani and Natarajan should be reappointed. In my opinion the Company should be advised to reappoint Srinivasa Rao also. I have explained in full in the annexure the difference between the cases of Mani and Natarajan and that of Srinivasa Rao.

15. Under issue 3, I hold—

(*a*) the present scale of basic wages and batta has not been proved to be inadequate; under neither of these heads is there any call for an enhancement;

(*b*) dearness allowance to employees in receipt of a salary of Rs. 30 and below should be enhanced from 2 annas a point to 3 annas a point, with adjustments for those in receipt of wages just above Rs. 30 a month to equalize their total emoluments made up of basic wages and dearness allowance with those who are granted an increase of dearness allowance;

(*c*) bonuses paid to the employees in November 1945 and April 1946, should be correlated to the profits earned by the Company in 1945. That payment for 1945 is adequate. It is not possible to define the quantum of bonus that should be paid in future years.

16. Under issue 4, I decide—

(*a*) the concession of free supply of uniforms should be extended to the men employed in the workshops at the outlying branches, Devakottai, Karaikudi, Tiruppattur, Sivaganga, Kamudhi and Rajapalayam. In other respects, the scale of supply of dress in force now is adequate;

(*b*) the Company should pay for the medical certificates if the company requires any of their employees to produce one; no further provision for medical attendance is practicable at this stage.

(*c*) the present provision for the issue of free family passes for holiday travel is adequate.

(*d*) the Company is not bound to provide the employees with a Co-operative stores;

(*e*) the provisions now in force for the grant of 14 holidays a year with pay to the employees is adequate, and does not call for any alteration.

17. Under issue 5, my decision is that the method of calculation adopted by the Company for ascertaining the basic wages earned by the drivers and conductors and the deductions that have to be made for work not done causes no hardship to the employees, and that there is no justification for calling upon the Company to give up that method of calculation. The charge that an adoption of an hourly wage has led to intensification of work is baseless.

18. Under issue 6, the only changes I can recommend are—

(1) a double shift of checking inspectors should be employed on the Madura-Tirumangalam route; and

(2) the spread-over of hours of work for the men employed in the workshops, in Devakottai, Karaikudi, Tiruppattur, Sivaganga, Kamudhi and Rajapalayam, should be limited to 12.

19. My findings under issue 7 are—

(*a*) hours of work should include, the actual scheduled running time of the bus plus an hour for subsidiary work on each day of work ;

(*b*) the maximum number of hours of work for drivers and conductors in a week should be 48 ;

(*c*) neither demand of the Union that the maximum should be 36 hours of running time in a week, nor the alternative demand, that the hours of work should be correlated to mileage on the basis of 75 miles a day is reasonable or practicable ;

(*d*) efforts should be made to reduce the spread-over of hours of work on the routes I have specified in detail in the annexure to this report. The spread-over, of course, depends upon the timings fixed not by the Company but by the transport authorities. Where it is not possible to alter the timings, relief should be granted by changing the routes for the drivers and conductors from time to time alternating light with heavy charges, judged by the spread-over. My findings under this head are really recommendatory. Full details have been given in the annexure.

20. My decision on issue 8 really embodies an agreed formula for appointments between the Company and the Union. A list of employees qualified to be appointed as conductors and drivers should be drawn up by the Company after subjecting the candidates to such tests as the Company may prescribe. At least 50 per cent of the vacancies among drivers and conductors shall be filled by men included in such a list.

21. My finding on issue 9 is that the incidence of a permanent night shift cannot be avoided in the case of twenty-five of the cleaners employed in the workshop at Madura. To mitigate the hardship of continuous night work, there should be an allowance of 12½ per cent of the basic wages. Vacancies in the groups of day-workers and workers on alternating day and night shifts should be filled to relieve the incidence of continuous night shifts, even though such a transfer might involve loss of the extra allowance I have recommended.

ANNEXURE.

[Labour—Dispute—Dispute between the workers and management of the Sri Rama Vilas Motor Service, Limited, Madura—Adjudication. *Reference.*—G.O. Ms. No. 1349, P.W., dated 9th May 1946.]

Adjudicator.—P. Rajagopalan, Esq., I.C.S., District and Sessions Judge, Madura.

Parties to adjudication.—Workers of the Sri Rama Vilas Motor Service, Limited, Madura (hereinafter referred to as the Union)—represented by Mr. K. T. K. Thangamani, Bar.-at-Law, President of the Madura Motor Labourers' Union, and Mr. P. Ramamoorthi of Madras,

versus

The Management of the Sri Rama Vilas Motor Service, Limited, Madura (hereinafter referred to as the Company)—represented by Mr. S. Venkatasesha Ayyar, advocate, instructed by Mr. E. A. Watson, the General Manager of the Company, and Mr. Upadya, the District Manager.

After the preliminary discussion on 14th May 1946 and after the filing of written statements by the parties on 23rd May and 4th June 1946, respectively, the enquiry in the above dispute was held on Saturday, Wednesday, Saturday, Sunday, Monday, Wednesday, Thursday, Friday and Sunday, the 8th, 12th, 22nd, 23rd, 24th, 26th, 27th, 28th and 30th days of June 1946 ; and on Monday, Saturday, Sunday, Monday, Sunday, Monday and Tuesday, the 1st, 6th, 7th, 8th, 14th, 15th and 16th days of July 1946 and the enquiry was closed on 16th July 1946.

INTRODUCTION.

Sri Rama Vilas Motor Service, Limited, is one of the bigger concerns engaged in the road transport business in the Madura and Ramnad districts. Its employees number over 780. Over 680 of these the Madura Motor Labourers' Union claimed as its members. Mr. Thangamani, the President of the Union, estimated the total number of labourers in the road transport business in Madura at 3,500—2,500 of whom, he said, were members of his Union. S.R.V.S., Limited, operates in several other parts of the presidency as well. The disputes between the Union and the Company culminated in a strike on 24th April 1946. In G.O. Ms. No. 1349, P.W., dated 9th May 1946, I was appointed to settle these disputes by adjudication. That adjudication, after an enquiry necessarily limited in its scope, has been handicapped in advance

by the fact, that, though the disputes between the Company and the Union raised issues of general interest to the Road Transport business, the parties to these proceedings who alone can be bound by the award, are a small section of the employees of the Company and a small section of the Labourers' Union. The repercussions this adjudication is likely to cause are not difficult to envisage. It is bound to affect the employees of the Company in the other areas in which it also operates. If the Company, as is natural, aims at uniformity of conditions of service, those employees cannot naturally be represented in these proceedings. On the other hand, the award will also affect relations between the employers and the employed in the other transport concerns in the Madura and Ramnad districts; and neither the Company nor the Union can adequately represent those other interests. It is against such a background, beset with such initial difficulties, which I can make no real attempt to surmount, that I have had to conclude this enquiry and pass this award.

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CHAPTER 1.

THE STRIKE.

Even before the Union issued its first notice of strike (Exhibit P-4), the Union presented its demands in Exhibit P-3 to which the Company replied with Exhibit P-3 (*a*). After the issue of Exhibit P-4, the first notice of strike, on 23rd February 1946, the Commissioner of Labour made an attempt to settle the disputes between the Union and the Company. On 6th March 1946, Mr. Watson had a talk with the Commissioner. On 7th March 1946 there were joint talks between the Commissioner, Mr. Watson and Mr. Thangamani. Mr. Anantharamakrishnan, one of the Directors, also appears to have participated in the talks on the 7th on behalf of the Company. Certain terms were agreed upon on the 7th itself. On 8th March 1946, the terms were reduced to writing and were signed by Mr. Thangamani and Mr. Karuppaya on behalf of the Union. Mr. Watson himself was not present at the office of the Commissioner on 8th March 1946. The notice of strike was withdrawn (Exhibit P-6). On 30th March 1946, Mr. Watson reported in Exhibit P-7 the action taken by the Company to give effect to the terms of the settlement in Exhibit P-5. The Union contended that the Company had failed to abide by the terms of Exhibit P-5. That lead to the issue of Exhibit P-8, the second notice of strike, on 8th April 1946 followed by the strike on 24th April 1946.

2. In the statement the Company filed before me, the Company contended that the strike which commenced on 24th April 1946 was illegal, and that in any event it was wholly unjustified. The Company insisted that it had not defaulted in giving effect to any of the terms of the settlement effected by the Commissioner of Labour. Issues 1 to 1 (*e*) were framed to deal with the several contentions raised by the Company.

3. Both when these issues were framed and at subsequent stages the Union objected to the consideration of the questions raised in issues 1 to 1 (*e*). The Union contended that these questions were outside the purview of this enquiry, the scope of which was limited by G.O. No. 1349. Mr. Ramamurti urged that the question, whether the strike was legal, or even the question, whether the resort to a strike was justified, were not "disputes" that arose for adjudication in these proceedings. No doubt a determination of the several questions raised in issues 1 to 1 (*e*) except issue 1 (*b*) may not materially affect the consideration of the other issues in this case. I am, however, unable to accept the contention, that the questions raised by the Company, whether the strike was legal, and even if it was legal, whether the strike was justified, should not be answered at all. If the Company could show that it fulfilled all the obligations imposed upon it by the terms of the settlement, to which both the Union and the Company had agreed, the Company could well urge that a reiteration of the demands made in the first notice of strike within so short a time of the settlement on 8th March 1946 would show *prima facie* that the demands made in second notice of strike were not reasonable. But it is obvious, that is only one of the factors that need be considered in ultimately deciding to what extent the demands set out in the second notice of strike should be allowed. Mr. Ramamurti urged that it was only as a measure of compromise that the Union accepted the settlement embodied in Exhibit P-5, and that in any event the Union's right to revive the demands it had originally preferred would remain unaffected if the Company substantially failed to implement the terms it had accepted. It is, therefore, necessary to consider principally under issue 1 (*b*), to what extent the contentions of either side are well-founded.

4. Consideration of issues 1, 1 (*a*), 1 (*c*), 1 (*d*) and 1 (*e*) need not detain us long. Exhibit P-8 shows that its issue was authorized by the committee of the Union. It should be remembered that the Union contains others besides the employees of the Sri Rama Vilas Service, Limited. Even from Mr. Thangamani's evidence, it is clear that he did not take steps to convene a meeting, which *all* the employees who were members of the Union had an opportunity to attend, before deciding whether a notice of strike should issue. No doubt the rules of the Union (Exhibit P-2) did not provide for any meeting of the general body of the Union or even for a meeting of the committee to authorize a notice of strike. Mr. Thangamani stated that at meetings more or less of an informal nature which were attended exclusively by members who were employees of the Company, he found that the men who had assembled were in favour of the strike. The thing that emerge from the evidence on record are.—

(1) that the issue of the notice of strike (Exhibit P-8) was not approved by any meeting of the employees or by any meeting of the general body of the Union; and

(2) Mr. Thangamani made no attempt to place either before the Committee or before the employees of the Company, or any section thereof the advice given to the Union by the Commissioner of Labour on 24th April 1946 [Exhibit P-8 (*b*)], that the Union should withdraw its notice

of strike. I am quite prepared to hold that Mr. Thangamani acted in good faith in issuing the notice of strike and in calling for a strike in accordance with that notice, despite the Commissioner's advice. But the Company is well entitled to point out the inadvisability of permitting the use of so formidable a weapon as a strike, with its attendant disadvantages both to the employers and the employees, to the decision of a single individual, however, well intentioned he might be. At the conclusion of the enquiry, Mr. Venkatasesha Ayyar conceded that the Company could not maintain that the strike was illegal. Whether the resort to strike was justified would really depend upon the answer to issue 1 (*b*).

5. Exhibit P-5 contains 10 clauses. Mr. Watson contended he had never agreed to the inclusion of clause (10) in Exhibit P-5 when the terms were settled at the joint session held on 7th March 1946; it was never even discussed that day. Mr. Thangamani maintained with equal vehemence that clause (10) had been specifically accepted by the Company even on the 7th. Exhibit P-5 certainly did not deal with all the demands the Union set out in Exhibit P-4. That Mr. Watson declined to investigate the demands in Exhibit P-4 other than those covered by clauses (1) to (9) of Exhibit P-5 was admitted. Mr. Watson pointed out that in any event clause (10) was purely permissive in its scope, and there was no obligation cast upon the Company to investigate the other demands of the Union at any given point of time. No doubt the Company did not specifically bring to the notice of the Commissioner that the Company had not accepted clause (10) at any time before the Company sent Exhibit P-7 to the Commissioner on 30th March 1946, by which time the Union had already charged the Company with failure to abide by the terms of the settlement. Though clause (10) loomed large during the enquiry before me, the failure to implement clause (10) does not appear to have been a real grievance even on the part of the Union before the issue of the second notice of strike. The preamble to the demands in Exhbit P-8 made it clear that the main grievance of the Union was that there had been no real enquiry by Mr. Watson into the cases of the dismissed workers. Even in Exhibit P-8 (*c*), which the Union sent in reply to Exhibit P-8 (*b*), the gravemen of the charge was that the management had refused to negotiate with the office-bearers of the Union. It is clear it was not a refusal to investigate the other demands of the first notice of strike that precipitated the crisis and resulted in the second notice of strike. Further consideration of the question, whether clause (10) was included or not in the terms as settled on 7th March 1946, seems really pointless. It is quite possible that while Mr. Watson honestly believed that he had never agreed to the inclusion of clause (10), Mr. Thangamani was equally honest in his belief that clause(10) had always been there. Neither the inclusion of clause (10), nor the subsequent refusal on the part of Mr. Watson to discuss the demands in Exhibit P-4 left unsettled by clauses (1) to (9) of Exhibit P-5 in any way affects the determination of the real points in dispute between the parties now. It does not even really affect the expediency of the strike.

6. Clause (1) of Exhibit P-5 runs :—

"The maximum number of 54 hours for every six days will be calculated from the time the drivers and conductors are required to report at the workshop."

The contention of the Company was that it was made clear during the discussions on 7th March 1946 that in computing the 54 hour-work-period, the actual scheduled timings and an hour's extra allowance per day should be taken into consideration. The Company also stated that even at that stage, it was brought to the notice of the Commissioner and Mr. Thangamani that an order had already been issued requiring the drivers and conductors to report themselves at the garage at Madura half an hour before the scheduled hour of departure of the bus. The contention of Mr. Thangamani was that the driver and conductor were required to be present at the garage very much more than half an hour before the scheduled hour of departure. Mr. Thangamani stated that he was not informed on 7th March 1946 that any order had been issued which required the driver and conductor to present themselves only half an hour before the scheduled hour of departure. It was really little difficult for me to follow Mr. Thangamani. I see no reason to doubt the authenticity of the notice published by the Company on 1st February 1946 (Exhibit D-1). What Mr. Thangamani professed to understand by his acceptance of the 54 hours in clause (1), I was unable to follow. How Mr. Thangamani could say that the Company had failed to implement that clause of the agreement I am unable to understand. When he was cross-examined specifically on this point, Mr. Thangamani, I regret to observe, merely evaded the issue. He virtually declined to answer the question. There is no real substance in the contention of the Union, that the Company failed to give effect to clause (1) of the agreement.

7. Clause (5) of Exhibit P-5 provided that the General Manager should re-examine the dismissals of Ramanujam, Mohideen and Vembuli, and the persons referred to in demand No. 2 of the notice of strike. Ramanujam, Mohideen and Vembuli were dismissed subsequent to the issue of the first notice of strike. Mr. Thangamani's grievance was that all those dismissed persons were themselves not examined by Mr. Watson. That Mr. Watson went through all the relevant papers before deciding that the dismissal in each of those cases was just was not denied. Certainly even Mr. Thangamani did not allege that the scope of the enquiry contemplated by clause (5) was at any time discussed during the negotiations on 7th March 1946. I do not think Mr. Watson's interpretation of the scope of the enquiry required by clause (5) was unreasonable. The charge that the Company failed to give effect to clause (5) is not correct. It is however possible that Mr. Thangamani believed in good faith that the Company had failed to abide by clause (5).

8. Under clause (6) again, the trouble was that there was no attempt to define in advance the scope of the enquiry Mr. Watson agreed to undertake. That that enquiry was not on the lines Mr. Thangamani wanted towards the end of March, was certainly no basis for charging Mr. Watson with failure to implement the terms of the agreement. Mr. Watson did consider

the cases, but he did not feel bound to examine any of the individuals personally at that stage. Here again though the charge, that the company failed to give effect to clause (6), might have been preferred in good faith, the charge itself was not substantially true.

9. My answer to issue 1 (*b*) is that the Company did not default performance of any of the obligations imposed upon it by clauses (1) to (9) of the terms of the settlement (Exhibit P-5), though, as I have already indicated, there was scope for an honest difference of opinion between the management and the Union.

10. I regret that I had had to dwell even at such length on a set of issues that need have no real bearing at all on the determination of the real disputes between the Union and the Company. But a considerable portion of my time during the enquiry was taken up by issues 1 to 1 (*c*) and I felt that after all that I should not dispose of these issues summarily, with an observation that they need not be answered.

11. The strike was not illegal. It was not really unjustified either: there were real disputes between the Union and the Company to be settled despite Exhibit P-5.

CHAPTER II.

Dismissals.

Seventeen cases of dismissals of employees arose for consideration under issue 2. Details of sixteen cases were furnished in Schedule C to the statement filed by the Union. The case of driver Muhammad, which should have been item 7 in the schedule, was apparently omitted by mistake. In Exhibit P-4, the first notice of strike issued by the Union, demand No. 2 dealt with the dismissals of workers. Six cases were listed under demand No. 2. One of these six was Perumal Reddiyar, who was apparently never dismissed at all as was pointed out by the Company in their reply Exhibit P-7. Exhibit P-5, which set out the terms of the settlement after the issue of the first notice of strike, included three more cases of dismissals, Ramanujam, Moideen and Vembuli. When Exhibit P-8, the second notice of strike, was issued, thirteen cases of dismissal were set out in demands Nos. 1 and 2. Of these Alagaraja Konar, Shanmugam and Alagarsami (demand No. 1) were removed from servise subsequent to the issue of Exhibit P-4. In the statement filed before me four names (items 14 to 17 of Sihedule C). were added to the list of 13 furnished in the second notice. Of these four, Srinivasa Rao and Dhanushkodi were removed from service in July 1945. Conductor Soosai Manickam was removed from service in December 1945 and the services of Alagu Servai were terminated in January 1946. Thus these four cases of dismissals were all even before the issue of the first notice of strike.

2. In the course of the enquiry before me the company offered to re-employ Muniraj and Amir Sahib (items 5 and 6 of Schedule C) and the Union accepted that offer. The Union dropped the cases of Vembuli and Muhammad also. Muhammad declined the offer of appointment, and the Union represented that Vembuli had secured employment elsewhere. I have now to consider the dismissals of the remaining thirteen.

3 After a fairly elaborate discussion on 24th June 1946, I explained to both sides the scope of the enquiry I proposed to conduct under issue 2. A note was drawn up that day of which copies were furnished to both sides. I held that the enquiry before the Adjudicator was not in the nature of an appeal against findings of fact arrived at by the Company, and I held that it was unnecessary to record evidence in the enquiry before me to verify if the charges themselves against the various workers were true. I decided that, if the Company had observed the principles of natural justice and equity in punishing these employees, I should not take upon myself the duty of ascertaining whether the appreciation of the evidence considered by the Manager was correct. Where for instance the dismissal was for misconduct all I could do was to satisfy myself whether the employee had been given a reasonable chance to clear himself of the charge. In cases where the enquiry was held by the Manager, the real point to be decided by me was whether the enquiry was fair and proper. The question of the adequacy of the punishments with reference to the charges held proved I offered to go into and decide. Thus the evidence I called for with reference to the dismissal of these thirteen men was limited in its scope.

4. Both as incidental to the consideration of the question, whether the punishment in any given case was unduly severe, and also independent of that question. I have to decide whether the charge of victimization levelled against the Company by the Union is true. It is easier to dispose of this question first; it arises under issue 2 (*d*).

5. Though Schedule C to the statement filed by the Union purported to let out "cases of victimized workers up to the date of strike," a specified charge of victimization was made only with reference to the first three, Alagarsami, Shanmugam and Alagaraja Konar. The note ran "The above three cases are cases of victimization." In the case of eight others, Nachimuthu Servai (No. 4), M. B. S. Mani (No. 8), Natarajan (No. 9), Narayana Reddiyar (No. 10), Moideen Batcha (No. 11), Vembuli (No. 12), Dhanushkodi (No. 14), Alagu Servai (No. 16), the Union alleged that these men had been dismissed only because they were memb ich an allegation was not

made with reference to Soosai (No. 15), Srinivasa Rao (No. 17) and Ramanujam (No. 13). The Company repudiated the charge of victimization. Mr. Upadya, who ordered the dismissal in all these cases, reiterated the repudiation when he gave evidence. Mr. Thangamani admitted that the relations between himself and Mr. Upadya were cordial up to the middle of December 1945. Mr. Thangamani admitted further that even after December 1945, his relations with the General Manager, Mr. Watson, continued to be cordial. Even if Mr. Upadya took a dislike to the Union some time after December 1945, there was Mr. Watson to see fairplay between Mr. Upadya and the Union. There was no suggestion that at any time prior to the issue of the first notice of strike was any charge made against Mr. Upadya even to Mr. Watson, that Mr. Upadya's punishments were influenced by his known dislike of the Union. Mr. Thangamani stated that after the middle of December 1945, instances were brought to his notice of alleged harassment of Union workers by Mr. Upadya. As further proof of Mr. Upadya's antipathy to the Union Mr. Thangamani alleged that the rival organization, the Welfare Union, was formed with the approval of Mr. Upadya, and that the first meeting was held in Mr. Upadya's quarters when he provided tea to those that assembled. This allegation Mr. Upadya denied. Considering that Mr. Thangamani could not have been present at the meeting I have no hesitation in accepting the statement of Mr. Upadya as correct.

6. Ramanujam, one of the dismissed workers, deposed that on 23rd February 1946, when he appeared before Mr. Upadya and was called upon to explain his absence without leave on the 21st and 22nd, Mr. Upadya sent him away with the remark that he (Ramanujam) would get his order from the Union, and that the Union would provide for him. It will be remembered that in Schedule C the Union did not even allege that the dismissal of Ramanujam had anything to do with his membership of the Union. Moideen Batcha stated that on 13th February 1946, Mr. Upadya asked him to get a job from the Union. As I shall show later, Moideen Batcha's version of what happened between himself and Mr. Upadya cannot be accepted. Alagarsami alleged that, on 30th March 1946, when he appeared before Mr. Upadya for the enquiry, Mr. Upadya announced his intention to break the Union. Here again I shall show later that Mr. Upadya's version of what happened on 30th March should prevail and not Alagarsami's. Nachimuthu Servai's evidence is even more unacceptable. He said that even before he joined the Labour Union he consulted Mr. Upadya. Why if Nachimuthu had made up his mind to join the Union, he should have consulted the Manager and then disregard his advice is not clear. Nachimuthu admitted that after he joined the Union Mr. Upadya never referred to Nachimuthu's membership of the Union. But on 6th September 1945, Nachimuthu alleged, Mr. Upadya made disparaging remarks about the Union and told Nachimuthu that he could get money from the Union and not from the Company. Nachimuthu's removal, it should be remembered, was in September 1945. Mr. Thangamani's evidence, as I have already pointed out, was that relations between the President of the Union and Mr. Upadya were cordial even up to the middle of December 1945. Even apart from this aspect of the case, as I shall show later, I have no hesitation in accepting Mr. Upadya's version in preference to that of Nachimuthu of what preceded the removal of Nachimuthu. I am unable to accept the statements of any of these four persons that Mr. Upadya gave any indication in the past of antipathy towards the Union.

7. *No real evidence was offered to prove the charge of victimization.* The mere fact that a dismissed worker was a member of the Union is not enough to substantiate the allegation, that he was dismissed only because he was a worker of the Union, militant or quiescent. If for instance, the Union was able to show any differentiation of treatment in the case of the same individual before and after he became a member of the Union, or if the Union was able to show that for a similar offence a member of the Union was punished with greater severity than a non-member, the Union could ask that a reasonable inference should be that the severity of the punishment was influenced by the membership of the Union. No such instance was even alleged. Even apart from that, I think the charge of victimization has been rather reckless. I have already pointed out that Nachimuthu's membership of the Union could have had no bearing on his dismissal in September 1945. In the case of Dhanushkodi, the removal from service was in July 1945, and it was only in July 1945 that Mr. Thangamani as President of the Union first met Mr. Upadya; and Mr. Thangamani himself admitted that the relations between himself and Mr. Upadya were quite cordial then.

8. There was no suggestion that apart from Mr. Thangamani any of the members of the Union took any active part in the negotiations between Mr. Upadya and the Union. I am quite prepared to hold that the differences between Mr. Upadya and Mr. Thangamani became noticeable first in December 1945, and I am also prepared to hold that the differences must have developed to positive mutual antipathy some time towards the end of February 1946, i.e., prior to the issue of the first notice of strike. But that I am afraid is no real ground at all for holding that the dismissals even after the end of February 1946 amounted to victimization of members of the Union. On the evidence placed before me I have no hesitation in holding that the charge of victimization has not been proved even in one case. The halo of victimization seems to have been conferred after the dismissals: victimization did not precede the dismissals.

9. Before examining in detail each case of dismissal, I have to consider the objection of the Company to the inclusion of the dismissals of Dhanushkodi, Soosai, Alagu Servai and Srinivasa Rao (Nos. 14 to 17 of Schedule C) in these proceedings. I have already pointed out that these four names were added for the first time only in the statement filed in June 1946. Mr. Venkatasesha Ayyar for the Company contended that, as these four names were not included in Exhibit P-8 or brought to the notice of the Company or the Commissioner of Labour at any time before the Government ordered adjudication, the dismissals of these four did not constitute ' a dispute ' which existed on the date, a reference to adjudication was made, and that I have really no jurisdiction at all to consider these four dismissals. Mr. Thangamani explained that it was only in May 1946 that these four men sought the help of the Union. But that does not affect the validity of the objection advanced by the Company. If a strict legal view is taken, the objection of the Company must prevail. That is my answer to issue (*a*). But despite that answer, I propose to record specific findings on the question whether the dismissal of these four was justified.

10. *Dhanushkodi.*—The particulars set out in Schedule C to the statement of the Union do not appear to be correct. Exhibit D-13 the only record available showed that Dhanushkodi was appointed on the 18th June 1945, as a lorry driver; he was removed from service on 30th July 1945 as he was found to be inefficient. The Company was fully entitled to remove an employee for inefficiency. The termination of Dhanushkodi's services after six weeks of employment on grounds of inefficiency certainly does not call for any interference at this stage.

11. *Soosai Manickam.*—The statement of the Union in the particulars furnished in Schedule C showed that Soosai was convicted in a criminal case on a charge of overloading the bus. Exhibit D-14 is the file produced by the Company—the papers that related to Soosai Manickam. Even apart from Soosai Manickam's prior record, conviction in a criminal court on a charge of overloading a conviction based on Soosai Manickam's own admission, should suffice to uphold the order of dismissal. The previous record of service of Soosai Manickam as shown in Exhibit D-14 could not warrant any indulgence being shown to him. The contention of the Union, that the punishment of dismissal was unduly severe, I am unable to accept.

12. *Alagu Servai.*—Exhibit D-15 is Alagu Servai's personal file. He was given leave up to 22nd February 1945, but he absented himself from duty even after the expiry of the leave. On 2nd January 1946 Alagu Servai applied for leave and he was called upon to furnish a medical certificate to prove his plea of illness. It was admitted that Alagu Servai did not furnish that certificate. His services were terminated on 3rd January 1946. The absence without leave was for a continuous period of over a week. Alagu Servai was given an opportunity to substantiate his plea of illness and he failed to furnish proof. The termination of Alagu Servai's services was fully justified and his case does not call for any reconsideration.

13. *Srinivasa Rao.*—The particulars furnished in Schedule C to the statement of the Union showed that a serious charge of misappropriation of the Company's money was levelled against Srinivasa Rao. There does not appear to have been any enquiry before Srinivasa Rao's services were terminated. The Company represents that it is unable to produce any record now to prove either that the charge was true or that there had been anything like a proper enquiry before Srinivasa Rao was removed from service. Srinivasa Rao has expressed a desire to rejoin the service of the Company. I think it is only reasonable that he should be given a chance of vindicating himself. The Company may be advised either to reinstate Srinivasa Rao or to hold a proper enquiry before deciding that his dismissal should stand. Though I have held that the Company's objection to the consideration of Srinivasa Rao's dismissal is legally well founded, I think the Company could well afford to give a chance to Srinivasa Rao to rehabilitate himself. No question of compensation for being kept out of his job arises in these proceedings. It is more as a measure of indulgence to Srinivasa Rao that I am making this recommendation.

14. *Narayana Reddiyar, Moideen Batcha and Ramanujam.*—These three were removed from service for absence without leave. When Mr. Upadya was examined he stated (*see* page 11) " Whether a man is employed in the workshop or in the transport department there is always a call for explanation if he absents himself without permission. The first two cases of such absence without permission might result in a warning. But a third offence of the kind normally entails removal from service. That is, of course, if there is no satisfactory explanation for his absence. But there were no standing orders on the subject till 30th April 1946." In deciding whether even three instances of casual absence without leave merit the punishment of dismissal, the principles embodied in the provisions of the Factories Act, to which Mr. Venkatasesha Ayyar drew my attention, are of no real help. They provide for continuous absence without leave. Mr. Ramamoorthi for the Union urged that as absence without leave entailed loss of pay, it should not be viewed as such a grave offence as to merit dismissal. The Company contended that whatever might be the view taken of absence without leave in a Textile Factory, for instance, absence without leave either from the workshop or in the transport services would seriously upset the allocation of work planned by the Company for each day. That, no doubt, is true. I am unable to hold

that the rule adopted by the Company, that absence without leave on three separate occasions should suffice to terminate the services of the worker, is a harsh one, when applied to workers in a transport concern. The apparent severity of the rule, it should be noticed, is considerably mitigated by the qualification that absence without leave can be and is always condoned if the delinquent offers an acceptable explanation for his absence. I quite realize that very often in cases, for instance, of sudden attacks of illness, it may not be possible for the worker to obtain previous permission for absence. It may not even be possible for him to send intimation to the Company. He may have no one to take a 'message. The records produced by the Company showed that in several instances in the past absence without leave was excused. But if a worker absents himself without leave and has no acceptable explanation for his absence, it seems to me that the Company is but right in ruling that three instances of such absence should be sufficient to order a termination of services.

15. Exhibit D-10, Narayana Reddi's personal file shows that for his absence on 29th December 1945 he was given a 'final' warning on 3rd January 1946. Though Narayana Reddi pleaded that he had been ill on 29th December 1945, in the written explanation he filed on 3rd January 1946 he promised that he would never absent himself again without leave. But on 7th January 1946 he was again absent without permission. A plea of illness was put forward in his statement on 8th January 1946; the Manager recorded that the next absence would lead to termination of employment. Despite that warning Narayana Reddi absented himself without permission on 4th February 1946. No doubt Narayana Reddi was not asked whether he had any explanation for his absence on 4th February 1946. The fact that warnings were administered on 3rd January 1946 and 11th January 1946 would show that the absence on 29th December 1945 and 7th January 1946 was not condoned. The dismissal of Narayana Reddi was certainly not unreasonable.

16. Exhibit D-11, Moideen Batcha's file showed that he had absented himself without leave on five occasions between 17th July 1945 and 2nd January 1946. Between the 7th and 13th of January he obtained leave of absence. On 18th January when he absented himself without permission again he was warned. That was the second warning. He again stayed away from duty from 1st February 1946. His statement, when he was examined before me, that he was granted leave of absence for four days from 1st February 1946 was not borne out by any record of the Company. Moideen Batcha admitted that he stayed away without intimation even on the 5th and 6th of February. Moideen Batcha claimed that he appeared before Mr. Upadya on 7th February 1946; Mr. Upadya offered to let Moideen Batcha rejoin if he could produce a medical certificate. Moideen Batcha obtained one on 12th February 1946, and showed it to the Manager on 13th February 1946, but the Manager declined to receive it. Such was Moideen Batcha's case. Mr. Upadya stated that at no time after 1st February 1946 did Moideen Batcha ever met him. His services were terminated on 7th February 1946. That Moideen Batcha obtained a medical certificate on 12th February 1946 seems true. But even that does not appear to me to furnish real proof of illness. The certificate, a copy of which is in Exhibit D-11, said that Moideen Batcha suffered from dysentery from the 1st to the 6th. Moideen Batcha's evidence was that during that period he suffered from an abscess, though later Moideen Batcha said that he suffered from dysentery also. Quite apart from the question whether Moideen Batcha was really ill between the 1st and 7th of February, his explanation for the delay in obtaining the certificate cannot be accepted. He stated he had not enough money, but there was clear evidence that he received his pay on 7th February 1946. I have no hesitation in preferring Mr. Upadya's version to that of Moideen Batcha. Thus the position was that on 7th February 1946 when Moideen Batcha's services were terminated, he had absented himself continuously from 1st February 1946 without permission after having been warned twice before in January 1946 for absence without leave. The dismissal of Moideen Batcha calls for no interference at this stage.

17. Exhibit D-12 is Ramanujam's personal file. That he absented himself without permission on the 21st and 22nd of February 1946 was admitted by him. Mr. Upadya's note ran: "On 23rd February 1946 Ramanujam declined to give in writing an explanation for his absence on 21st and 22nd and that his services were therefore terminated." Ramanujam's version was that on the 23rd there was never a call for any explanation in writing and that on the 23rd evening he was told he had been dismissed from service. Ramanujam himself admitted that on prior occasions when he was absent without leave his explanation in writing was always called for, and that he always furnished it. In the normal course Mr. Upadya should have called for explanation in writing on the 23rd of February 1946. I see no real reason to disbelieve Mr. Upadya on this point. As between Ramanujam and Mr. Upadya I have no hesitation in accepting Mr. Upadya's version as true. Even ignoring the instances of absence without leave and the warnings administered prior to January 1946, the refusal of Ramanujam to give any explanation for his absence on the 21st and 22nd February 1946 constitutes a breach of discipline, for which removal from service was by no means a harsh punishment. I have already observed that even in the statement prepared by the Union, Ramanujam's was not put down as one of the instances of victimization of a Union worker. Yet Ramanujam's statement, when he was examined by me, would imply that on the 22nd Mr. Upadya

dismissed Ramanujam only because Ramanujam was a member of the Union. Such a statement coming from Ramanujam I must decline to accept. Ramanujam's dismissal was not improper.

18. *Nachimuthu.*—Exhibit D-7 is the personal file of Nachimuthu. His services were terminated on 6th September 1945. On 4th September 1945 Nachimuthu drove the bus MDU 1125 and returned it to the garage at Madura. He was not on duty on 5th September 1945. The bus was sent out in charge of another driver and after it had gone about 12 miles it was found that all the spring plates were broken, and a nasty accident was luckily averted. Mr. Upadya stated that when he examined the vehicle he found that the spring plates should have been broken even before the 5th. Nachimuthu was charged with failure to report the breakage of the spring plates. Mr. Upadya's statement was that on the 6th, when Nachimuthu was asked for an explanation, he refused to give one. The Union denied the allegation, that Nachimuthu had refused to give an explanation, and claimed that Nachimuthu had been dismissed without an enquiry. On 24th June 1946 I decided that the oral evidence should be confined in the first instance to the question whether Nachimuthu evaded an enquiry. On that question Mr. Upadya and Nachimuthu were examined. In his anxiety to show that his was a case of victimization Nachimuthu over-reached himself. He wanted me to believe that he consulted Mr. Upadya before joining the Union and that despite Mr. Upadya's advice Nachimuthu joined the Union. Nachimuthu claimed that he met Mr. Upadya at the workshop on 5th September 1945. Mr. Upadya's case was that it was on 6th September 1945 that he met Nachimuthu. I have no hesitation in accepting Mr. Upadya's statement. 5th September 1945 was not a day on which Nachimuthu was expected to be on duty, and there should have been no occasion at all for him to be at the workshop. Nachimuthu admitted that it was usual to ask for a written explanation whenever there was a charge of negligence But he wanted me to believe that in his case there was no such call. Why Mr. Upadya should have departed from the normal procedure in the case of Nachimuthu, I am unable to gather. The plea of victimization I have already rejected as untrue. The real question now is not whether Nachimuthu was responsible for the breakage of the spring plates. The question is, when he was offered an opportunity to explain whether he evaded that opportunity. On that question I accept Mr. Upadya's version as true The dismissal of a worker who evaded an enquiry cannot be called improper. There is no justification for any interference at this stage with the dismissal of Nachimuthu.

19. *Alagirisami.*—It was common ground that on 21st March 1946 the workmen demanded that they should also be served in the canteen at their tables, and that they should not be compelled to go to the counter to receive what was served to them. The canteen clerk, Kuppu Rao, reported in writing that Sethuraman and Alagirisami had conducted themselves in an objectionable manner on 21st March 1946. A charge was framed against Alagirisami and he was told that the complaint would be enquired into in his presence on 30th March 1946. The company and the Union differed as to what happened on 30th March 1946. The company maintained that on the 30th, Alagirisami was insolent to the manager and virtually refused to participate in the enquiry. The Union contended that it was Mr. Upadya that adopted an unreasonable attitude on the 30th, and that he gave no indication of holding a fair enquiry. Alagirisami and Mahalingam, the cook in the canteen, were examined to prove Alagirisami's version of the incidents on the 30th, while Mr. Upadya gave evidence contra. The question for determination which I formulated on 24th June 1946 was, what happened on 30th March 1946 before the District Manager. Mr. Upadya claimed that the minute (Exhibit D-17-a) was drafted immediately after the incident on 30th March 1946. That minute was attested by the witnesses present then. Messrs George, Kuppusami, M. K. Swami, Verghese and Kanagasabai were the persons, Mr. Upadya claimed, who were present then. Mahalingam admitted the presence of Kanagasabhai, Verghese, Kuppusami and M. K. Swami. Even from the statement of Mahalingam, it is clear that Alagirisami objected when Mr. Upadya began to read the report that had been sent to him by the canteen clerk, Kuppu Rao. That clearly shows Alagirisami had no right to do. It is fairly clear even from the evidence of Mahalingam that Alagirisami was rude and insolent to the manager on 30th March 1946. Mahalingam admitted that on 21st March 1946 itself Alagirisami's companions had to drag away Alagirisami from the presence of the manager, which certainly substantiated Mr. Upadya's complaint, that even on the 21st Alagirisami had been insolent. After considering the statements of Mahalingam, Alagirisami and Mr. Upadya, I have no hesitation in holding that Mr. Upadya's is the correct version of what happened that morning, and that conclusion is considerably strengthened by the contemporaneous report, Exhibit D-17-a. Thus the position was that on the 30th, Alagirisami by his conduct made it impossible for Mr. Upadya to conclude the enquiry he had commenced. Even apart from the question, whether the charge that Alagirisami had misconducted himself on the 21st, was true or not, the misconduct of which he was guilty on 30th March 1946 justified his dismissal.

20. *V. Shanmugam.*—The personal file of Shanmugam (Exhibit D-5) shows that on 22nd March 1946, Shanmugam, who was the conductor of the bus MDU 1383, overloaded the bus by one extra passenger. That overload was detected by the Checking Inspector and by the Circle Inspector of Police. The note prepared by the Company ran: "In the enquiry held on 30th March 1946 Shanmugam admitted the truth of

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the charge that he had overloaded. His services were terminated on 30th March 1946." That an extra passenger got into the bus was not denied at any stage. I am unable to accept the contention of Mr. Ramamurthi for the Union, that Shanmugam was not at fault in not noticing the entry of that extra passenger before his presence was discovered by the Checking Inspector and the Circle Inspector of Police. Had the conductor been alert he should have known that the entry of that extra passenger in that bus would constitute overloading. Overloading a bus is a statutory offence, which entails imposition of penalties both on the conductor and the Company. Dismissal for such an offence is by no means unreasonable.

21. *Alagaraja Konar.*—A complaint was preferred to Mr. Upadya that on 7th March 1946 Alagaraja Konar, a driver, assaulted the Branch Assistant at Karaikudi. Exhibit D-6 contains that complaint. It appears a separate complaint was preferred to the Police about this incident. We are not really concerned with the result of that enquiry. Charges were framed by the manager against Alagaraja Konar and an enquiry was held on 20th March 1946. Mr. Upadya deposed that at that enquiry he examined two time-keepers and the Branch Assistant of Karaikudi in the presence of Alagaraja and examined Alagaraja also. Mr. Upadya was satisfied that the complaint was true. Mr. Upadya stated that in deciding to dispense with the services of Alagaraja, Mr. Upadya took into account the previous record of the driver. I am unable to see anything to indicate that the enquiry held on the 20th was not a fair one. No doubt Exhibit D-6 contains a letter, dated 21st March 1946, wherein Alagaraja denied the truth of the allegations made against him. That Mr. Watson declined to hold another enquiry does not affect the question at issue, whether there was a fair enquiry on the 20th before Alagaraja was removed from service. To reiterate, there was a fair enquiry. There is no justification for interference at this stage with the dismissal of Alagaraja.

22. *M. B. S. Mani.*—Exhibit D-8 is the file of driver M. B. S. Mani. It shows that there was an accident in December 1945, when Mani drove the bus negligently into a bridge. On 1st January 1946 Mani ran over a calf and killed it. On 25th January 1946 he ran over and killed a pedestrian. On 1st February 1946 Mani was suspended pending further investigation by the Police. The note runs: "We have not heard the result of the Police enquiry but irrespective of that result the record of the driver is unsatisfactory for he was involved in three accidents within one month. His name has since been removed from the rolls." When I called for a report from the Police, the Sub-Inspector sent Exhibit D-8-a, which shows that the Police investigation revealed that Mani was not really at fault for the death of the pedestrian on 25th January 1946. On 1st February 1946 the driver was called upon by the manager to submit his explanation in writing why he should not be dismissed from service for his rashness and negligence on 25th January 1946. Whether any explanation was filed or not is not clear. But it is obvious that Mani's explanation was not taken into account before his dismissal was decided upon. Were the dismissal based on the incident on 25th January 1946, the investigation by the Police exculpated the driver. Whether a company is entitled to terminate the services of a driver who was involved in three accidents in one month, whether or not these instances were due to his negligence, does not really arise for determination. I have held that in deciding whether a punishment was proper, the real point for determination should be whether the worker was given a reasonable opportunity of vindicating himself. If for instance the Company had decided to dispense with the services of Mani without even assigning any real reason and by giving him reasonable notice, there might not have been an occasion for interference. In this case Mani was specifically charged with negligence. That charge was not proved. Investigation by an independent body, the Police, exonerated Mani of the charge of negligence. The position thus is Mani was really removed from service without a proper enquiry and on a charge that was virtually baseless. I think that Mani should be reinstated in the service of the Company.

23. *Conductor Natarajan.*—The charge against Natarajan was that on 24th December 1945 he, along with some others, assaulted the checking inspector, Chakrapani. An explanation was called for and Natarajan submitted a written explanation on 29th December 1945, denying the truth of the allegations. He was suspended on 13th January 1946 and subsequently a registered letter was sent to him directing him to attend the enquiry which Mr. Upadya proposed to hold on 28th January 1946. The file, Exhibit D-9, shows that that notice was served upon Natarajan only on 1st February 1946. It was therefore no fault of his that Natarajan did not attend the enquiry on 28th January 1946. That after the date of suspension Natarajan sought employment elsewhere is certainly not an offence for which he could have been dismissed. Natarajan was dismissed without any real enquiry into the truth of the charge levelled against him. I consider that Natarajan should be reinstated in service. Mr. Venkatasesha Ayyar urged that in any case the company should be permitted to proceed with the enquiry and find out whether the charges were true. Technically no doubt the Company woud be entitled to do that. But considering the time that has elapsed and the turn that the events have taken, whether the company would not be better advised in dropping further proceedings will be for the company to decide. All I propose to say at present is that, since Natarajan was removed from service without an enquiry, that order of dismissal should not stand and he should be reinstated.

CHAPTER III.

CONDITIONS OF SERVICE.

Part I—Wages.

The question fromulated in G.O. Ms. No. 1349, dated 9th May 1946, which directed the adjudication was, whether the wages now given to the workers were adequate in the present conditions. Issues 3, 4 and 5 as eventually framed by me covered a much larger field, to include every item of dispute between the Union and the Company which could be correlated to the remuneration payable to the labourers, whether in cash or otherwise. A determination of an adequate basic wage alone in these proceedings would have touched only the fringe of the dispute between the Union and the Company. It was fairly obvious that the Government could never have contemplated such a restricted interpretation when they formulated the question, whether the wages given were adequate. Issue 3 dealt with the several items of payments in cash, basic wages, dearness allowance, batta and bonus or payments *ex gratia* as the Company preferred to call it. Issue 4 dealt with the other amenities claimed by the Union, like the provision of free dress, free medical attendance and free passes. Another of the claims advanced by the Union even before the issue of the notice of strike was that the Company should render substantial assistance in constituting a co-operative stores for the benefit of the employees. Holidays with pay was yet another claim that had necessarily to be correlated to the question of wages. These points are covered by issue 4. Issue 5 was based on the contention of the Union, that the adoption of an hourly basis for calculating the wages earned by drivers and conductors led to intensification of work and real loss of remuneration. The Union contended that such a basis of calculation, confined even by the Company to drivers and conductors, was not adopted by any other employer engaged in road transport business. That contention again has obviously a direct bearing on the issue of adequacy of wages.

2. Schedule A to the statement filed by the Company on 24th June 1946 furnished the details of the basic wages paid to the several classes of employees. These scales of pay, the Company pointed out, they intended originally to give effect to from 1st April 1946, in accordance with the terms of the settlement effected by the Commissioner of Labour between the Union and the Company on 8th March 1946. For purposes of easy reference I propose to tack on this table of basic wages as Appendix 1 to this report.

3. An analysis of the scales of pay now in vogue would show that the minimum basic wages of the cleaners and of quite a number of other employees working in the workshops in the mechanical section is Rs. 10. The minimum basic wages paid to menials employed in the office is also Rs. 10, while the minimum wage paid to a clerk in the office is Rs. 15. On the transport side, the minimum basic wage of a timekeeper is Rs. 10, that of a conductor Rs. 12 and that of a driver Rs. 20. The scales of pay provided for periodical increments. In a memorandum filed by the company on 8th June 1946, the company pointed out, of those who had completed one year of service, only 28 employees still drew the basic minimum on 31st March 1946; the others had been granted their increments. During the enquiry it was made clear that the periodical increment had to be earned by efficient service.

4. Dearness allowance is at present paid to the workmen on a sliding scale, calculated with reference to the cost of living index, at two annas a point in excess of one hundred. This was accepted as adequate by the Union on 8th March 1946, but the demand of 3 annas a point was revived when the Union issued the second notice of strike after what proved to be the abortive settlement of 8th March 1946.

5. The settlement of 8th March 1946 provided for a minimum batta of one rupee a day (*see* clause 3 of Exhibit P-5). The driver gets a larger amount as batta than the conductor. It should be remembered that the basic wage of the driver is higher than that of the conductor. The Union claimed that batta should be paid at a uniform rate to drivers and conductors at Rs. 1-12-0 per day if the total mileage covered was less than 100, and at Rs. 2-4-0 per day if the mileage exceeded 100. It was only the rates of batta payable to drivers and conductors that were discussed during these proceedings. Adequacy of batta paid to other classes of employees was not in issue at all.

6. A bonus of one month's basic wage was paid to the workmen on the occasion of Deepavali in 1945. One of the terms of settlement of 8th March 1946 was that an additional bonus of a month's basic wages should be paid, and this amount was duly paid.

7. The adequacy of every one of these items of remuneration arises for determination in these proceedings. It should be obvious that though neither batta nor bonus can fall strictly within the purview of " wages ", a consideration of neither of these two items can be excluded.

8. In paragraph 5 of its statement the Union urged that the factors to be taken into consideration in fixing the pay were (1) the basic standard wage which is necessary to sustain the worker; (2) the living index figures and the prevailing rise in prices; (3) the prevailing conditions in sister companies; (4) the profits gained by the company; and (5) the arduous and strenous nature of the work involved in the transport industry. It seems to me that the Union has mixed up all the four items, basic wages, dearness allowance, batta and bonus in formulating the tests to decide the adequacy of the "pay." Neither batta nor bonus, as I have already pointed out, can be treated as wages; and considerations that should determine the adequacy of the batta and bonus paid by the Company can have but little to do with determination of the question, whether the basic wages and the dearness allowance now paid to the employees are adequate. As I shall show later, the grant of bonus should really be correlated to the claim of the labourer to participate in the profits earned by the Company. The batta is mainly intended to compensate the labourer for his out-of-pocket expenses when he is away from his headquarters and should not be viewed as a means of supplementing his wages.

9. The Union has not been consistent either in its stand of what should constitute a minimum basic wage. The demand in Exhibit P-3, dated 15th February 1946, was for a minimum wage of Rs. 45 for a conductor and Rs. 60 for a driver. In Exhibit P-4, the first notice of strike issued on 23rd February 1946, the demand was for a minimum of Rs. 45 for conductors and workshop workers and for a minimum of Rs. 60 for drivers, skilled workers and clerks. Yet, when the Commissioner of Labour effected the settlement between the Union and the Company on 8th March 1946, all that the Union was content to secure was an enhancement of the minimum to Rs. 12 in the case of conductors. The minimum for the unskilled labourers in the workshop and for the time-keepers, it will be remembered, was Rs. 10, and that was left untouched by the settlement of 8th March 1946. In the second notice of strike, Exhibit P-8, the Union demanded Rs. 18 as a minimum basic wage for a conductor and Rs. 28 for a driver. When the Union filed its statement on 23rd May 1946, the demand in paragraph 8 was for a minimum of Rs. 35 for an unskilled worker. Of course, the apparent failure of the Union to be consistent in its demands can have little real bearing on the determination of what should constitute a basic minimum wage.

10. The last of the claims formulated by the Union and embodied in its statement, demanding Rs. 35 as the minimum basic wage for an unskilled worker, was based on the estimates furnished by the economists from time to time of what constituted a living wage in India. The figures of the nutrition norm provided by Dr. Akyrod and the conception of a normal family, were the main factors that influenced the and the conception of a normal family were the main factors that influenced the economists in estimating the minimum living wages as Rs. 30 to Rs. 35; and this estimate was based on the prices t at prevailed before the outbreak of the war in 1939. Dearness allowance was primarily meant to provide compensation for the increased cost of living after the war, and the estimate of a minimum living wage therefore remained unaffected by the war.

11. The economist's conception of the poverty line and of a minimum living wage is only one of the factors to be considered in determining what should be the basic wage in this company. The financial position of the Company should be as great a determining factor in fixing a reasonable wage level. Unfortunately a full consideration of this aspect is impossible in these proceedings. Mr. Watson pointed out that the balance sheets of the Company, which was a private limited company, were never published, and that the Company was not prepared to disclose its balance sheet to the Union or to any member of the public. Mr. Watson no doubt agreed to provide me with such information as I wanted, but stipulated that that information should be treated as confidential. The proceedings before me are quasi-judicial. I am reluctant to base any decision of mine on information withheld from one of the parties to these proceedings. At the same time I am quite alive to the right of the company to keep to itself the information about its finances. Mr. Watson prepared a short note showing in terms of percentages the various items of expenditure. A fuller discussion of even that information which he disclosed in confidence to me is not possible.

12. I have said enough to indicate the extreme difficulty in determining in these proceedings whether the basic wages now paid are adequate. The data now furnished to me is wholly insufficient. The theoretical conception of a living wage will be as unsafe a guide as the equally theoretical conception of a wage determined by the law of supply and demand in an open market. Even with the collective bargaining power, whatever be its extent, the Union has acquired, the question at issue, whether the existing wage level is reasonable, cannot be relegated to settlement by a mere contract between the employers and the employee. The said conditions that prevail now should make that obvious.

13. Adjudication seems little better than a contract as a sure basis for determining a reasonable wage level. It is impossible to expect sufficient data in these proceedings. The dispute is confined to one section of the transport business, and that in a comparatively small area. All the problems that confront the employers and the employed in the transport business even in this area are outside the purview of these proceedings. The scales of pay even of this Company in the different

regions in which it operates are not uniform. Conditions of service vary in Madura and in Nellore. The Union invited a study of the scales of pay of the other transport companies operating in the Madura, Ramnad and Tinnevelly districts. The Union itself was unable to obtain that information. The Labour Conciliation Officer furnished me with his office file which contained this information. But he stated that the information had been given to him confidentially and was not meant for publication. Even were it possible for me to abuse that confidence and discuss the contents of these letters, the diversity of the rates of pay and of other amenities makes it impossible to draw any reasonable inference therefrom to determine what constitutes even competitive minimum wage. I can, however, say without being guilty of any breach of confidence that the Company's scales of pay do not suffer in comparison when we consider the scales of pay of the other companies. The comprehensive enquiry that will really be necessary to formulate proposals for fixing a reasonable wage level, it is impossible to undertake in these proceedings.

14. Legislation, I venture to think is the only effective method of tackling this problem. A draft Bill of the Central Government published in Part III-A of the *Fort St. George Gazette* of 14th May 1946 does contemplate the inclusion of the workmen in motor transport business for determining the basic minimum wages of industrial workers. That legislation is pending is no doubt no ground for postponing a decision of the points at issue between the company and the Union on so vital a question. But what I have said above is enough to explain how unsatisfactory a decision would be with the scanty data that alone I could obtain in the limited enquiry before me.

15. I am unable to recommend any revision of the scale of wages in vogue now and set out in Appendix I to this report. I should like to reiterate that this scale of wages was accepted as reasonable by the Union and the Company as recently as March 1946. There was no dispute subsequent to Exhibit P-5 about the basic wages before the issue of the second notice of strike. Whether the demand for an ideal minimum living wage can be fulfilled by legislation it is difficult to say. But the theoretical economic ideal of a minimum living wage it is not possible to adopt at this stage for determining the adequacy of the scales of pay now in force.

16. The next question is whether the scale of dearness allowance calls for any revision. The Union which had claimed three annas a point, no doubt accepted two annas a point when the Commissioner of Labour effected the settlement between the Union and the Company on 8th March 1946. The same settlement covered the scales of pay also. I have declined to interfere with those scales of pay. The question of dearness allowance is on a different footing. The settlement, dated 8th March 1946, no more than in the case of wages really concludes the issue. The dearness allowance is meant to cover the increased cost of living. An increase in the dearness allowance should not be a device for supplementing the shortage if any in the basic wages as a living wage. Some companies adopt a flat rate for grant of dearness allowance. The T.V.S. Company, Limited, would appear to pay dearness allowance at a flat rate of Rs. 20 irrespective of the pay of the employee. A percentage of the pay would appear to be another basis for calculating the dearness allowance. Better than either of these two is the sliding scale, varying the dearness allowance with the increase or decrease in the cost of living. Though I have expressed my inability to recommend any revision of the basic wages, that any wage of Rs. 30 and under is below what the economists call the poverty line, should be obvious. It has generally been accepted that the maximum possible relief should be given to those below the poverty line when deciding the adequacy of dearness allowance. The increase in the cost of living has to be fully neutralized in the case of men below the poverty line of subsistence. Three annas a point seems to be the allowance granted to the textile workers in Madura. Though the data is not as complete as I would wish it to be, I am of opinion that in the case of employees of this Company, whose basic wages are Rs. 30 and below a month, dearness allowance calculated at 3 annas a point would be a more reasonable provision. To avoid anamolies the dearness allowance should be so adjusted that no one whose basic salary is just above Rs. 30 a month gets less by way of combined basic wage and dearness allowance than those who get Rs. 30. For the others the rate of dearness allowance at two annas in the rupee will remain unchanged.

17. Batta, as I have already stated, is primarily meant to cover actual expenses when the driver is on duty, and is not to be treated as a means of supplementing the basic wages. No evidence was offered by the Union to show that the existing scales of batta do not cover the actual out-of-pocket expenses of the driver and conductor when they are on duty. Besides, it should be remembered that it was only on 8th March 1946 that the enhancement of the minimum batta to one rupee was accepted by the Union itself as a sufficient change of the then existing scales of batta. No doubt some of the other transport companies in this area pay more. But there are others that pay less. Batta cannot be isolated from the other conditions of service and the other amenities that the Company provides. All I need say is that, if all these factors are taken into consideration, the batta now paid by the Company does not compare unfavourably with the batta paid by the other transport companies in this area. The present scale of batta does not, in my opinion, call for any revision.

18. The problem of bonus presents even more difficulties than that of a minimum basic wage. No doubt the contention of the Company, that a bonus is a payment made *ex gratia*, is well-founded. I am, however, unable to accept the view put forward by the Company, that it is not open to the Union to dispute the adequacy of such payments made *ex gratia;* nor can I accept as a corollary to such a contention, that adequacy of bonus should not be viewed as an industrial dispute capable of adjudication. The principles underlying the grant of bonus have been so often discussed by eminent judges who have been called upon as Adjudicators to settle industrial disputes. Mr. Nanavutty observed " Trade disputes concerning the bonus should be rescued from the sordid antipathies inevitable and tacitly inherent in the everyday relationship between the Capital and Labour and should be lifted on to the clear and serene atmosphere of broad economic and political consideration." Mr. Justice Chagla pointed out " It is almost a universally accepted principle now that the profits are made possible by the contribution that both capital and labour make in any particular industry, and I think it is also conceded that labour has a right to share in increased profits that are made in any particular period." In dealing with the question that a payment made *ex gratia* was not demandable as of right by the employee, Mr. Krishnaswami Ayyangar, Chief Justice of the Cochin Court, observed " Judged by the rules of positive law, the legal position which was taken up must be conceded as correct. My jurisdiction however, is wider and I am entitled as other Adjudicators before me in similar enquiries had done, to take into account factors other than those which a Court of Law could recognize and see what is just and fair in all the circumstances of the case and not what are the limits of a legally enforceable right or liability as between parties." The legal sanctity accorded to a bilateral contract between the employer and the employed does not render it inviolable when an industrial dispute arises for adjudication. The unilateral right claimed by the Company, that the Company alone could decide what payment *ex gratia* it could make, can have no higher sanctity in the settlement of an industrial dispute. The grant of a bonus is a concession that can be wrung out of an unwilling employer should circumstances justify such a step. It should, however, be made clear that the bonus is a share in the profits made by the Company. Grant of a bonus is not meant to make up any deficiency in the ordinary remuneration payable to the employee under a contract or an award. If there are no profits at all there can be no question of a bonus, because there can be no share of non-existent profits. Where the profits made are abnormal, obviously there can be no justification in withholding from the employees who helped to earn those profits, a reasonable share of those profits. The difficulty arises, however, where the profits earned are low. What would constitute fair profits for a transport concern it is very difficult to answer as an academic question. The difficulties attendant on the determination of such a question have been accentuated by the peculiar features of this case. The Company, as I have already pointed out, declined to disclose particulars of its financial position. That information, they insisted, was confidential. Reluctant though I am to base any conclusion on a one sided representation, I must say that I am not convinced that it is necessary in these proceedings to compel the Company to publish its balance-sheets. I am convinced that the objection of the Company is not actuated by any antipathy towards its employees, and is wholly governed by other considerations, none of which merits any censure.

19. That the problem is difficult of solution can, of course, be no justification for a refusal to decide. To repeat, bonus is to come out of ascertained profits. It is therefore impossible to lay down any fixed scale to govern payments in future. Even a consideration of the adequacy of the bonus paid in the past is rendered difficult by lack of information of the financial position of the Company. I cannot blame the Union for not placing before me the requisite data to decide whether the payments of bonus made in the past were adequate. There was a payment of one month's basic wages in November 1945 and another in April 1946. If the principle is, as it should be, that the bonus should come from the profits, even the payment made in April 1946 should be correlated to the profits that accrued to the Company in 1945. On the meagre information disclosed to me, and even that disclosed in confidence by the Company, all I can say is, that the Company's payments *ex gratia* for 1945 were not inadequate.

20. I regret I am not in a position to suggest any definite principles for determining grants of bonus for 1946 and future years. At this stage I must leave it to the good sense of the Company not to invite a crisis by withholding a reasonable bonus when the profits earned by the Company justify such a grant. If for instance, the profits earned in 1946 are not less than those earned in 1945, there should be no justification for not paying as bonus at least two months' basic wages. I am afraid I have to leave this question of future bonus in that nebulous stage.

21. In determining the adequacy of bonus granted by the Company, the Union invited me to take into consideration the bonus actually paid by other transport companies in this area. Investigation of the financial position of this company was impossible. Without an investigation of the finances of the other companies, it would be impossible to decide whether the payments made by those companies were reasonable. As on other points, analogy is an unsafe basis for determining the

adequacy of the grant of bonus. Incidentally I must observe that no evidence was placed on record to indicate how much bonus was paid by each of the transport companies operating in this area.

22. Before concluding the discussion on this part of the case, I have to answer the question in issue 3 (*d*), "whether it is open to the Union to raise the question of adequacy of wages, dearness allowance, batta and bonus at this stage in view of the settlement by the Labour Commissioner which preceded the strike." Obviously there is no rule of estoppel to apply. Even were the governing factor be one of expediency I have said enough in discussing the question that arose under issue 1 is no occasion for revision of the scale of basic wages, the minima of which was to indicate that the Union was not wholly at fault in resorting to strike, despite the settlement of 8th March 1946. The Union was entitled to demand a fresh determination of the questions it had raised before the settlement of 8th March 1946 and reiterated in the second notice of strike. No doubt I have decided that there is no occasion for revision of the scale of basic wages, the minima of which was accepted by the Union on 8th March 1946. But the factum of acceptance was only one of the factors that influenced my decision. On the other question, of dearness allowance, I have recommended a modification of the terms of settlement by increasing the rate to three annas a point in certain cases.

23. Issue 5 is best dealt with at this stage. Exhibit D-3, which will be embodied in this report as Appendix II, is the note prepared by the Company to explain the hourly wage system adopted by the Company for calculating the basic wages earned by drivers and conductors. The Union contended with vehemence right till the end of the enquiry that this system led to intensification of work. When final arguments were heard on issue 5, Mr. Ramamurthi and Mr. Thangamani realized that this system of calculating the basic wages earned by the driver and conductor could not possibly result in any "intensification" of work. Mr. Thangamani urged that the system was complicated and was not intelligible to the average workmen. Whether on that ground alone the Company should be advised to abandon this system is now the question.

24. What appears to complicate the mode of calculation adopted by the Company is the notional 54-hour week. The basic pay of the month is multiplied by 12 and the annual wage thus arrived at is divided by 52 into 54, 52 representing the weeks in the year and 54 representing the notional number of hours of work for each week. As will be apparent when I discuss the question of hours of work, even in practice the Company never insisted upon performance of work for the full 54 hours in a week before allowing the driver and conductor the wages due for that week. The notional 54-hour week appears to be correlated to section 65 of the Motor Vehicles Act, which allows a maximum of 9 hours a day, and six days a week. The contention of the Company itself was that section 65 only dealt with driving hours and not the real hours of work. In adopting the 54 hours as the standard for calculating the hourly wage of a driver and conductor the Company obviously did not treat the 54 as representing either the actual hours of work or the actual driving hours. There were cases where the driver and conductor worked four days in the week. The six-day week was purely notional and accepted for purposes of calculation only to multiply the maximum number of hours prescribed by section 65. As will be apparent from Appendix III, the actual number of working hours, which included something more than the driving hours, was much less than 54 and very often much less than even 48. All the same, the adoption of a notional working week of 54 hours for calculating the wages earned by the driver and conductor in no way affected the total remuneration if they did all the work that was assigned to them. Whatever be the actual number of hours of work assigned to him a week, whether it was 30 or 50, he was paid for the full week, i.e., for the full "54 hours." From one point of view it could be called an hourly wage system. From another point of view it could be called an annual wage system. In neither case did it really affect the emoluments earned by the driver and conductor taking the year as a unit. Since the number of calendar days varied from month to month, and since the number of working days varied correspondingly, there were slight differences between the wages earned from month to month; but taking the year as a whole the total of wages earned remained unaffected.

25. The real difficulty arose when deductions had to be made for absence from duty on the days allotted for work. That was explained in paragraph 7 of the memorandum of the Company, Exhibit D-3. Here again the adoption of the notional 54-hour week in no way really affected the calculations. A worker who was allotted four days work in a week and absented himself on one of these four days naturally forfeited a fourth of his wages for the week and not a seventh; and a worker who was allotted six days of work in a week lost one-sixth of the week's wages for a day's absence. To the adoption of such a principle for deduction for work not done the Union could and did raise no real objection. Mr. Ramamurthi realized that it was but fair that deduction for work not done should be in direct proportion to the number of days on which the driver and conductor were required to work in a week. The loss to the Company by the absence for a day of a driver allotted four days of work in a week is obviously more than the loss occasioned by the absence for a day

of one required to do work on six days in a week. Whether the unit of division is the day, i.e., the working day, or a fraction of the notional working week of 54 hours, the deduction remains the same for absence from duty.

26. This, neither in calculating the wages earned nor in calculating deductions for absence from duty does the adoption of the hourly wage reckoning cause any real hardship. I have already pointed out that the charge that this new reckoning has resulted in intensification of work is wholly unfounded. The Company may have to change their calculations if the 54-hour a week is displaced by the 48-hour week. Forty-eight is the maximum I propose to fix in this award. But whatever be the notional week of work computed in terms of working hours, the adoption of an hourly reckoning, can, as I have indicated above occasion no hardship at all to the workmen. That it taxes the intelligence of the worker and of the officials of the Union can be no justification for directing the Company to abandon a system of accounting which in their opinion is a sound one. My answer to issue 5 is that the present system of calculation does not call for any revision.

Part II—Other amenities.

Issue 4.—A memorandum prepared by Mr. Thangamani and submitted to the Government was tacked on to the statement filed by the Union on 23rd May 1946. Of the several demands put forward in that memorandum those which were included by common consent within the scope of these proceedings were set out in clauses (*a*) to (*e*) of issue 4. It is not therefore necessary to deal with the other claims in the memorandum.

(*a*) *Dresses.*—At present the conductors, drivers and checking inspectors in the Traffic section and the workmen employed in the Madura Workshops in the Mechanical section are provided with two uniforms each a year. These uniforms have to be surrendered before a fresh set is issued. As part of the settlement effected by the Commissioner of Labour on 8th March 1946, the Company undertook to supply uniforms to the time-keepers when the Company was able to get the requisite material for the dresses. During the enquiry before me, though the Company was still prepared to abide by that agreement, the Union represented that the question of providing time-keepers with uniforms could be dropped, because the time-keepers themselves were not agreed whether they would like to wear uniforms. There remain the men employed in the workshops at Devakottai, Karaikudi, Tirupattur, Sivaganga, Kamudhi and Rajapalaiyam. There seems to be no real reason why these men should not be allowed the same concession as the men employed in the workshop at Madura. I think these men also should be provided with uniforms on the same scale as those employed in the workshop at Madura.

The Union demanded four sets of uniforms for each employee consisting of shorts and shirts, two caps and two pairs of chapals for each employee. To reiterate, the Company provides two sets of uniforms for each employee. Drivers and conductors are in addition provided with caps. No one gets a free supply of footwear. Sufficiency of dress is not a question that can be decided with satisfactory results in the absence of any universal standard. There is no statutory liability imposed on drivers and conductors to be dressed clean when on duty. Cleanliness is only of aesthetic value in the workshop. The Union itself could show no instance of a driver or a conductor being punished for inability to keep his dress clean. It seems to me that from the point of view of securing cleanliness alone the provisions of two sets of uniforms cannot be said to be inadequate. The only duty the Company can be called upon to undertake is to ensure that its employees are cleanly dressed. That can be secured with the existing scale of supply of two uniforms a year. I see no need to order supply of caps to men engaged in the workshop. Nor do I see any real need to direct the Company to supply footwear to its employees. The employees can equip themselves with the footwear they want. It certainly cannot be said that without footwear the efficiency of the workmen will in any way suffer.

(*b*) *Provision of medical attendance.*—The demand by the Union under this head was really vague. The Company agreed during arguments on this issue that the Company would pay for the medical certificates it called for. The Company will appoint a doctor from whom these medical certificates should be obtained whenever the Company requires the production of a medical certificate, for example, in cases where applications for leave are required to be supported by medical certificates; and the Company will pay for those certificates. I do not think any further provision is practicable or is necessary at this stage.

(*c*) *Passes.*—Exhibit D-2 (*b*) explains the rules framed by the Company for the issue of free passes for holiday travelling to the employees and the members of their family. The passes are limited to four members of the family including the employee and three sets of passes can be obtained during a year. The allowance appears quite reasonable. The Union represented that the provision in the rules that passes could be availed of only if the family accompanied the employee himself, should be deleted, and that passes should be provided for use by members of the family even when they were not accompanied by the employee himself. The Company pointed out the possibilities of abuse of such a concession. The Company could identify its employee but not

members of his family when the employee himself was not with them. Since the concession of free passes is primarily to benefit the employee, I do not think the rule of the Company, requiring that the concession should be availed of only if the members accompanied the employee, is harsh in its operation. The rules formulated in Exhibit D-2 (*b*) do not, in my opinion, call for any revision. The provision now made by the Company is quite adequate.

(*d*) *Co-operative Society.*—The Company expressed its readiness to render all possible help if the employees formed a co-operative society, but the Company stated it was really no part of the employer's duty to provide the employees with a co-operative store. Co-operation being the basis, it is really rather anomalous to ask the Company to assume the entire responsibility of running a concern for the benefit of the workers. The employees are free to form a co-operative society on the lines they want, and I am sure the Government will provide adequate facilities for forming such a society. I do not think the Company should be compelled to subscribe to the share capital or to contribute a minimum quota of Directors. It is certainly open to the high-paid employees of the Company to join the stores and I am sure the Company will advise those officers to join the co-operative society. During arguments over the issue, Mr. Ramamoorthi said that the Company should provide free credit up to four times the share capital of the society should the workers form one. I am really unable to see any equity in this demand. If the co-operative society is unable to obtain credit elsewhere and has to look to the Company for credit, I fail to see why the Workers' Co-operative Society should get that advance free of all interest. The incidence of this benefit cannot be uniform: the employees cannot all be compelled to be members of the co-operative society.

The next demand of the Union was that, if the workers formed a co-operative society of their own, the Company should help the society in realizing the arrears due to the society. Mr. Upadya on behalf of the Company eventually agreed that the Company would undertake the extra work involved in deducting up to the statutory maximum of 75 per cent of the dues at the time wages are disbursed to the workmen. That is the only liability that I can ask the Company to undertake at this stage. With goodwill and co-operation on either side, it should be possible to organize a co-operative society and to run it successfully without any recourse to compulsion. My answer to issue 4 (*d*) would be that the Company is not bound to provide a co-operative stores for its workers.

(*e*) *Holidays.*—Exhibit D-2 sets out the rules for the grant of holidays with pay. The Company pointed out that their legal obligation under the Factories Act was to grant only ten holidays in a year; they were prepared to grant 14 days as holidays with pay in a year to their employees, those governed by the Factories Act and to the others as well. Another feature of the terms of service in this Company is the provision for the payment of double wages on 14 days in a year declared as festival days Transport business cannot be suspended on festival days, compensation to workers called on to work on those days is adequate. I do not think the leave concessions in force call for any revision The provision for holiday is reasonable. The Union represented that a further provision of 15 days with pay in case of sickness should be made. I am unable to recommend the acceptance of this suggestion

Part III—Promotions.

Appendix I shows the classification of the employees for pay. In addition to a provision for a periodical increment within a given scale the Company has provided for different grades for each class of the workers, the work remains the same The increase in pay is regulated both by the time factor and by the number of appointments allotted to each class or group. Though no doubt the number of posts in each such group has not been specified in Schedule A, there should be no real dispute about the adequacy of the provision made by the Company for a gradual increase in pay. No hard and fast rules can be framed to fix either the total number of employees in each group or even the proportion the number in each group should bear to the other groups where the work remains the same. Exigencies of work and the margin of profit are factors which cannot be fixed for ever, and the Company's right to determine the number of men it can employ must remain unfettered. At one stage no doubt the Union urged that there should be some intelligible rule fixing the number of men in each group, so that the employee can have a reasonable certainty of being moved to the next higher grade with a higher scale of pay. The real question for determination was what provision the Company should make to help its employees to better their prospects by transfer from one type of employment to another. In the workshop for instance a person recruited as a fitter's helper could reasonably look forward to promotion as an assistant fitter, fitter mechanic and eventually aspire to a foremanship. On the transport side for instance, the normal ambition of a conductor is to become a driver. After a preliminary discussion the point for determination in these proceedings was narrowed down and issue 8 as framed ran " is the claim of the Union that charcoal cleaners should be promoted as conductors and conductors as drivers on obtaining the requisite licences from the Police in preference to a candidate not already in service of the Company, reasonable and practicable? " .

2. Candidates for appointment as drivers and conductors have to obtain a certificate of competence from the transport authorities. Obviously the mere possession of a certificate guarantees only a minimum standard of efficiency, and the employer's insistence on a higher standard of efficiency cannot be condemned as unreasonable. The Company urged that its right to recruit the best men available for the job should remain unfettered. Though nothing should be done to impair efficiency the demand for the unfettered choice that the Company claimed, it will be difficult to recognize. The contentment among employees is as important a factor in maintaining efficiency of service as an initial equipment of knowledge and experience. The claim of the Union that, if other things are equal, an employer of the Company should be preferred to an outsider is by no means unreasonable. The Company recognized its obligations to its employees, to give them a reasonable chance of improving their prospects in the service of the Company itself. Mr. Watson pointed out that the Company owed obligations to others also ex-servicemen, retrenched workers and workers retrenched by affiliated companies, all have claims upon the Company which it can no more ignore than the claim of the employee for promotion. Despite the other extreme position the Union took up at the beginning, Mr. Ramamurthi recognized during the enquiry the justness of the contention of the Company, that the claims of others also, principally ex-servicemen have to be satisfied in appointments of drivers and conductors.

3. After a fairly lengthy discussion, the Union and the Company agreed to accept my suggestion, that 50 per cent of the vacancies among conductors and drivers should normally be reserved for employees of the Company who have qualified themselves for those posts. When employees apply for appointment as conductors or as drivers, the Company will test their competence quite independently of the certificates issued by the Transport authorities. Mr. Ramamurthi conceded that the Union cannot possibly object to such a test. The Company will draw up a list of its employees eligible for appointment as conductors and as drivers, and the company will normally look to that list for filling at least 50 per cent of the future vacancies among conductors and drivers. The Union wanted one other point to be cleared up. At one stage Mr. Upadya pointed out that, if a charcoal-cleaner was appointed a conductor, or a conductor was appointed a driver and was found inefficient after a time, he could not be permitted to revert to his old post, because the old post would have been meanwhile filled up on a permanent basis. To penalize reasonable aspirations for betterment where unfortunately ability is not able to sustain those aspirations seems rather hard. An appointment on a temporary basis till the employee proves his efficiency in his new appointment should not be difficult at all. If, for instance, a conductor is appointed a driver, the appointment should be on a temporary basis for a definite period, say three months or six months. For that period, the appointment of the substitute for the conductor could also be on a temporary basis without any detriment either to the employee or to the Company. Eventually Mr. Upadya accepted the demand of the Union that vacancies should be filled on a temporary basis so that the promoted man has the option to revert to his old job within a period to be specified by the Company. Happily this item of dispute between the Union and the Company I was able to settle on the basis of an agreed formula.

CHAPTER IV.

Hours of Work.

The hours of work for the men employed in the workshop at Madura are governed by the provisions of the Factories Act. A recent change in the law has reduced the maximum hours of work in a factory from 54 to 48 a week. There is no dispute between the Union and the Company on the question of working hours for the workshop employees at Madura. Small wrokshops in the outlying stations, Devakotta, Karaikudi, Tiruppattur, Sivaganga, Kamuthi and Rajapalaiyam, are outside the purview of the Factories Act. One of the questions for adjudication is whether a maximum should be prescribed for the men at work at those stations. The grievance of the Union was that the hours of work at these stations were excessive. On the road transport side, the only workmen to regulate whose hours of work there is statutory provision, is the driver. Section 65 (1) of the Motor Vehicles Act fixes nine hours a day and 54 hours a week as the maxima for drivers of transport vehicles. There is no statutory restriction of the hours of work for the other classes engaged in road transport. In practice the conductors have been treated on a par with the drivers, and the hours of work have been the same for both. Whether the hours of work for the checking inspectors are too long and unduly onerous is another point for determination.

2. Legislative sanction of a maximum of 54 hours a week did not prevent the question of hours of work for a driver from becoming the subject of controversy between the Union and the Company. Unfortunately there was no statutory definition of "work" or of "hours of work" in the Act or in the rules framed thereunder. In addition to the question whether a lower maximum should be prescribed than the one authorized by section 65 (1) of the Motor Vehicles Act, what constitutes work for the driver and for the conductor arises for consideration in these proceedings. The definition of "period of rest" in rules 214 and 215 of the rules framed under the Motor

Vehicles Act, which period of rest could be excluded in computing the hours of work in section 65 (1) of the Act, did little to settle the disputes between the Union and the Company on this vexed question of "hours of work." The Company relied on these rules to support their contention, that even stoppages *en route*, when the driver and the conductor were free to leave the bus to obtain refreshments, should be excluded from the "hours of work" of section 65 (1). In fact, the Company urged that the expression "hours of work" should be construed to include only the actual period during which the vehicle was in motion. To such a restricted interpretation of section 65 the Union naturally objected. Despite the support Mr. Ramamurthi sought from the Articles of the Geneva Convention acceptance of his interpretation of section 65 (1) would really make the "hours of work" the same as the spread-over, which would include even periods specifically excluded by rules 214 and 215.

3. Article (4) of the Geneva Convention of 1939 concerning the regulation of hours of work for those engaged in road transport defined "hours of work" as "the time during which the persons concerned are at the disposal of the employer" and included—

(1) time spent in work during the running time of the vehicle;
(2) time spent in subsidiary work;
(3) periods of mere attendance; and
(4) breaks for rest and interruptions of work.

Clause (*b*) of Article (4) defined "running time" as "the time from the moment when the vehicle starts at the opening of the working day until the moment when the vehicle stops at the end of the working day, excluding any time during which the running of the vehicle is interrupted for a period not exceeding a duration to be prescribed by the competent authority, during which period the persons who drove or travelled with the vehicle are free to dispose of their time as they pleased, or are engaged in subsidiary work." The expression "subsidiary work" was defined in clause (*c*) of Article (4) to include—

(1) to work in connexion with the accounts, putting in of cash, signing registers, handing in of service sheets, checking the tickets, etc.;
(2) taking over and garaging of the vehicle;
(3) travelling from the place where a person signs on to the place where he takes over the vehicle;
(4) work in connexion with the upkeep and repair of the vehicle; and
(5) loading and unloading of the vehicle.

4. The expression "hours of work" as used in section 65 (1) of the Motor Vehicles Act, even read with rules 214 and 215 of the Motor Vehicles Rules cannot obviously be construed with reference to the definitions in the Articles of the Geneva Convention. I do not really think it is necessary for the purposes of this adjudication to attempt an interpretation of the "hours of work" of section 65 (1) of the Act. The claim of the Union was that the maximum for hours of work should be fixed *dehors* the statutory provisions in section 65 (1). What should be included in "work," a maximum for which is to be settled in these proceedings, is a point I have to decide. A discussion of what the legislature must be deemed to have contemplated when it enacted section 65 of the Act can be of little help in deciding the question at issue. The wisdom and experience of experts crystallized in the Articles of the Geneva Convention should, however, be a safe guide when the decision on the points in dispute between the Union and the Company has necessarily to be independent of legislative sanctions.

5. In deciding what should constitute work for the driver and for the conductor, there should be no difficulty at all in including in the period of work all the time the vehicle is in motion. The next question is, should the stoppages to pick up and set down passengers be included in computing the period of work. Clause (*b*) of Article (4) of the Geneva Convention to which I have referred above would certainly include stoppages in the "running time" of the vehicle. If we take into account the conditions of transport as they exist now, when the timings are regulated not by the Company but by the Transport department of the Government, and when stoppages *en route* are reduced to a minimum, it only seems reasonable to include the stoppages also in computing the period during which a driver and conductor should be deemed to be at work. The stoppages are timed to suit the convenience of the travelling public: they are not primarily designed as periods of rest for the driver and conductor. I am fully alive to the contention of the Company that the stoppages would be excluded by rule 215 from the "hours of work." But, as I have already pointed out, I am not dealing at this stage with the statutory conception of the hours of work. It would be more convenient to use the expression "driving hours" to give effect to the interpretation, of the Company, that the hours of work in section 65 covered only the period when the vehicles are actually in motion. The expression "running time" as used in Article (4) of the Geneva Convention could be used with advantage to indicate the interval between the scheduled hours of departure of a bus and the scheduled hour of arrival of that bus at the other end, i.e., the actual driving time *plus* stoppages. In addition to the expression "driving hours" and "running time," I shall have to use "hours of work," which will naturally have a totally different significance, I think, in computing the period of work for a driver and a conductor, the main item is the period during which the

vehicle is on the road, i.e., the "running time." The scheduled timings of departure and arrival as fixed by the transport authority should be accepted as determining the extent of this period.

6. The time spent upon subsidiary work should also, I think, be accepted as time spent on "work" and included in fixing the maximum hours of work. The Company itself was prepared, even before the abortive settlement of 8th March 1946, to make an allowance of one hour per working day to be included in the period of work in addition to the actual running time. The real question therefore is not whether the time spent upon subsidiary work should be included in fixing the maximum hours of work, but what is a reasonable allowance for this subsidiary work: does this one hour's allowance made by the Company suffice to cover all items of subsidiary work?

7. It is needless at this stage to go deep into the controversy between the Union and the Company on what exactly was the practice in the past. I am really called upon to decide what arrangements should be made for the future. During the enquiry, Mr. Watson represented that, though it may not be practicable to set down with precision the several items of work a driver and a conductor should do, even in the handbook which he proposed to issue soon, the objective of the Company would be that a driver, should be expected only to drive the vehicle; the maintenance of the vehicle would be allotted to a different set of workers. The Union contended that in the past a good deal of the maintenance work also devolved upon a driver, with the result that a driver had to report himself at the garage at Madura about an hour or even an hour and a half before the scheduled hour of departure to get the bus ready for the road. The Company pointed out that the garage at Madura had a fully equipped staff whose duty it was to get the bus ready for the road. To reiterate, it is unnecessary to decide what was the practice in the past. The Company claimed that even on 1st February 1946, it issued an order (Exhibit D-1) that drivers and conductors should report themselves for duty at the "shed" (garage at Madura only half an hour before the bus was scheduled to leave the Madura bus-stand on its first trip for the day). The Company made it abundantly clear that they intended to give full effect to this order. The Union agreed that, if the bus was ready for the road when the driver took charge of it at the garage, this half an hour's allowance for "subsidiary work" was ample. The driver would have to take the car to the bus-stand at Madura and about twenty minutes would be available at the bus-stand before its departure to complete the booking. Though the Union urged that in the past it was the conductor who in practice had to operate the blower to start the bus, the Company maintained that it was a duty the cleaners had to do and did in practice. It has now been made clear that it is not the duty of the driver or the conductor to operate the blower before the bus is started for its first run for the day. No doubt the driver has to satisfy himself that the bus is road-worthy before he takes it out of garage at Madura. Such an inspection should not take long, and the allowance of half an hour should amply cover that period of inspection also. Mr Upadya estimated that that inspection would take only a few minutes.

8. The Union contended that the remaining half an hour of the one hour's allowance made by the Company could not and did not represent the actual time a driver and conductor would have to spend upon subsidiary work for the rest of the day of work. To take a concrete example, a driver on the Madura-Rajapalayam route has to take the bus from Madura to Rajapalayam and do the return trip from Rajapalayam to Madura the same day to complete his day's work. After it reaches the stand at Rajapalayam and the bus is cleared of the passengers, the bus has to be taken to the shed nearby where it is garaged till it is scheduled to leave Rajapalayam on the return trip. The bus will have to be brought back to the bus-stand at Rajapalayam in time to complete the booking before it leaves the stand at the scheduled hour of departure. After the bus reaches the bus-stand at Madura, the passengers will have to be cleared and the bus will then have to be brought to the shed at Madura and garaged. If any defects in the car were observed during the day, the driver would have to bring them to the notice of the Foreman in charge either orally or by record in a book kept for the purpose. The conductor would have to hand in the cash and ticket books, etc., before he could leave. The Union no doubt contended that even at Rajapalayam it was the conductor who had to operate the blower to start the engine. The Company replied that even at a place like Rajapalayam, there were cleaners available to attend to the blower. No one can dispute the fact that in the case of a bus fitted with Producer Gas Plants, a fair amount of time is required to start the engine when the engine is cold. The initial start for the day is what takes time. Considerably much less time need be spent on the operation of the blower to start the engine later in the day, even if the engine had been switched off. Since the Company have made it clear that operating the blower is not an item of work normally allotted to the driver or to the conductor, this need not be taken into account in fixing the allowance for subsidiary work. Mr. Upadya stated that it should be sufficient if the bus was taken to the stand at Rajapalayam ten minutes before the scheduled hour of departure to complete the booking. That the bus is taken to the stand at Madura twenty minutes before the scheduled hour of departure is no

real indication that ten minutes at the stand would not suffice to complete the booking. For clearing the bus of the passengers at Rajapalayam and at Madura, and for taking the bus from the stand to the shed at Rajapalayam and at Madura, I think twenty minutes should be a reasonable provision.

9. Even where the starting point for a bus is a place other than Madura, the driver and conductor are relieved of the duty of operating the blower. As Mr. Upadya pointed out, there were cleaners available at their outlying stations too who would attend to this item of work. The cleaners clean the filters, refill the plant and operate the blower before the drivers take charge of the bus. There are no doubt a few places like Vallalapatti, the terminal ends of what the Company called "shuttle services," where there are no cleaners. But the bus seldom stops there long enough for the engine to cool off; and starting the engine would require very little time indeed, and this item of work at such stations can be left out of account. In such cases the bus always returns to a garage where men are available to attend to the maintenance side of work. At terminal stations other than Madura, Devakatta, Tirupthur and Kamuthi, where no qualified mechanics are available, the driver's responsibility of seeing that the vehicle is road-worthy would be more pronounced, because there is no other with whom he could share it But, in even such cases, where the driver would have to supervise the cleaning the filters, half an hour's allowance before the bus starts for its first run of the day should be ample, as was explained by Mr. Upadya. Taking all these factors into consideration, and taking also into consideration the fact, that drivers are changed over from one route to another to secure equalisation of work, I think the one hour's allowance the Company makes for subsidiary work is on the whole fair. In coming to this conclusion, I have also taken into account the fact, that on several routes the Company is content to obtain much less than the statutory maximum of 54 hours, and even less than 48 hours even after including the one hour's allowance per working day for subsidiary work.

10. It might be that occasionally where the water-supply in the shed fails at places like Tirupathur and Sivaganga the driver may have to take the bus to get it washed by the cleaner. I do not think any specific provision need be made for the time spent on this item of subsidiary work. The incidence of this extra work can be equalized by the periodical change over of drivers and conductors from one route to another.

11. Though the Union contended that in the past even at the garage at Madura the driver had to be present when the bus was washed and greased, and examined a driver and a mechanic to prove that contention, since the Company has made it clear that these items of work will not be expected of the driver, there is no need to provide for these items of work as subsidiary work for the driver.

12. To sum up, the extra hour per working day constitutes, in my opinion, a fair allowance to cover the time spent upon subsidiary work.

13. No allowance need be made either for the period of mere attendance or the period of rest referred to in Article (4) of the Geneva Convention. It is not the case of anyone that a driver or conductor is required to be at the shed at call. Once the bus reaches its destination and is taken over to the shed or the garage, the driver and conductor can get away. Even at places where there is no shed and the bus is parked in the bus-stand, there is normally a cleaner to take charge of the bus till the bus is due to leave on its return trip.

14. Thus only the running time and the hour's allowance for subsidiary work need be taken into account in determining the maximum hours of work for a driver and a conductor.

15. Though the statutory maximum prescribed by section 65 (1) of the Motor Vehicles Act is 54 hours, whether "hours" represent the "driving time" or "running time" is not free from dispute To reiterate, the contention of the Company was that the statuory maximum of 9 hours a day and 54 hours a week, applid only to "driving hours," i.e., the period during which the vehicle was actually in motion. But the Company itself never extracted work from the driver on this basis of 54 driving hours in a week. The Company itself was prepared to allow one hour per working day in addition to the "driving hours" in determining the "hours of work" for the driver. Thus even according to the Company, if we take a 6-working day week as the basis, the hours of work should be 48 driving hours plus six hours of other work. I do not propose to fix the maximum hours of work in terms of driving hours or of running time. After all this elaborate discussion, it should be clear that provision must be made both for driving hours and for subsidiary work in fixing the maximum hours of work for a driver and conductor. The Union urged that the statutory maximum of 54 hours, even if that 54 hours included subsidiary work, was too high and should be reduced. The Union put forward two alternative proposals: (1) that 75 miles a day should be accepted as a day's work (it should be noted that a 6-day week alone is permissible); and (2) that 36 driving hours of work should be the maximum. The Company maintained that there was no occasion at all to interfere with the statutory limit of 54 hours for a driver. The Company itself called upon the workers to do less. The actual number of working hours as given by the Company for each one of the routes were

set out in schedule A to the statement filed on 7th July 1946. I have prepared a separate statement on that basis (Appendix III) which will show the number of miles, the number of working days in a week and the total number of hours of work, i.e., driving hours plus the extra one hour per day of work the Company allows. That statement would show that in no case is the driver called upon to work 54 hours in a week. The range of variation is between 30 and 50. The average will be less than 45. I am unable to accept either of the alternative proposals submitted by the Union. To fix a day's work on the basis of mileage seems impracticable, particularly in the unsettled conditions in which the Road Transport Industry finds itself now. When the Union put forward the 75 miles a day proposal, the average running time was computed on 15 miles an hour basis; an improvement in the tyre position induced the transport authorities to revise the timings, and at present the average running time is 17½ miles an hour. It may be that in the future,—how near or how distant it is impossible even to speculate,—when petrol replaces Producer Gas as fuel, the average miles per hour would have to be fixed at an even higher level. Besides, as Mr. Watson pointed out, conditions vary from route to route and from district to district. Where stoppages are comparatively few the variation between the average speed of the bus in motion and the average running time computed after allowing for stoppages may not be so marked as in the case of a route where stoppages are many. Mr. Watson contended that if the day's work is based on mileage in Madura, the Company would have to adopt the same basis in other places too where they operate; and in a district like Tanjore for instance, where the stoppages are many, the mileage basis might prove unduly heavy when compared to conditions in Madura district. All things considered, I think, it is impracticable in the fluid conditons of transport that prevail now, to adopt mileage as a basis for computing the hours of work, for a driver and conductor. It is therefore really unnecessary to decide whether 75 miles a day would represent a fair day's work. The Company pointed out that the limit was unduly low, and even on the basis of 15 miles an hour it resulted only in five driving hours a day. In a week of six working days the maximum would be 30 driving hours; the alternative the Union itself put forward was for a week of 36 driving hours.

16. The proposal to fix the maximum at 36 driving hours a week does not commend itself to me either. I think the limit is unduly low. Even the Geneva Convention of 1939, on which Mr. Ramamoorthi relied to a considerable extent, never contemplated so low a maximum. With a week of six working days, the adoption of this principle would result in the maximum being fixed at 36 driving hours plus 6 hours for subsidiary work, i.e., 42 hours. It may be that in practice some drivers and conductors have less than 42 hours of work a week now. But that by itself is no reason for the adoption of 42 as the maximum.

17. I have already pointed out that the determination in these proceedings in adjudication of the maximum hours of work has to be really independent of the provisions of section 65 of the Act. There is therefore no real sanctity attached to the statutory maximum of 54 hours, interference with which the Company deprecated. One other feature deserves notice. The maximum of 54 hours a week was common to the Factories Act and to the Motor Vehicles Act. The Factories Act has since been amended and allows only a maximum of 48 hours of work a week. It is not for me to recommend in these proceedings an amendment of the Motor Vehicles Act to bring the maximum hours of work in the Motor Vehicles Act on a line with the maximum prescribed by the Factories Act. To reiterate, my determination of a suitable maximum is really independent of the legislation on the subject, even with reference to drivers.

18. From the reports of discussion which preceded the adoption of the Geneva Convention, it is obvious that the maximum of 48 hours a week in that convention was based both on the road safety and the social aspects. That, in my opinion, seems to furnish a better basis for adjudication than the statutory maximum under section 65. No doubt even the statutory maximum of 54 hours must have taken into account both the safety and social aspects. Enough data has not been placed before me in these proceedings to fix with any degree of precision what constituted the safety limit in prescribing the maximum hours of work for a driver. Nor has any data been furnished to me to arrive at an independent conclusion of what should constitute the maximum from the social aspect, i.e., from the point of view of the obligations, the society owes the employee in a road transport concern. Conditions all over the world in their immense variety must have been considered before the Geneva Convention adopted a 48-hour week as a workable maximum both from the point of view of road safety and from the social aspect. Is there any bar to the acceptance of that maximum is what I think I have to consider now. A study of Appendix III, which sets out the hours of work at present in vogue, these hours of work include the driving hours plus the hour's allowance per working day—should itself suffice to show that no great hardship will be imposed upon the Company if it is asked to adopt 48 hours a week as the maximum. On the Karaikudi-Kilachevalpatti route, the driver does only 30 hours in a week of six working days. Only in one case, on the Madura-Poolankurichi route, has the driver to work for 50 hours in a week of six working days. Out of the 32 routes set out in that list, only on five routes, Devakottai to Ramnad, Devakottai to Thondi, Devakottai to

Athangudi, Devakottai to Manamadura and Mandalamanickm to Manamadura, is the driver called upon to work 48 hours in a week. On all other routes the actual hours of work are less than 48.

19. The Union and the Company both agreed that a weekly basis for determining the maximum hours of work is more practicable than a daily basis. There is already a statutory limit in section 65—however that section may be interpreted—on the amount of work that can be extracted in a day; no driver can be called upon to "work" continuously for more than five hours without rest or for more than nine hours in all in a day. There is no call to fix a different set of maxima in these proceedings. If on a given route a driver has to spend more hours on the road on his working day, than another driver on another route, compensation is provided by reducing the number of working days. For example, while the 48 hours on the Devakottai-Athangudi route, 26 miles in length, are done on six working days, 48 hours on the Devakottai-Ramnad road, 90 miles in length, have to be done on four working days; while the driver on the Devakottai-Athangudi route gets one day off in a week, the driver on the Devakottai-Ramnad route gets three days off in a week.

20. To sum up, I consider that 48 hours a week should be the maximum for the drivers and conductors. As I have already indicated, the hours of work include the running time *plus* the time spent on subsidiary work. The running time itself includes driving hours *plus* the stoppages. The maximum of 48 hours should represent the "hours of work." This maximum should entail practically no change at all in the allotment of work now in force; only in one case, the Madura-Poolankurichi route, where the driver and conductor at present work for 50 hours in a week, would there be any need to effect a re-arrangement. To bring the hours of work on that route also within the maximum limit of 48 hours should not be difficult The driver and conductor can be asked to work for five days in a week instead of six days.

21. The adoption of the 48-hour maximum does not necessarily imply a daily maximum of 8 hours of work. That I have already made clear. Nor does the adoption of the maximum on a weekly basis really solve the other point in dispute between the Union and the Company, the actual spread-over of the day's work. The problem of spread-over is acute only in the case of short distance routes; for example, Madura to Melur, Madura to Vellalapatti, Sivaganga to Melur, Karaikudi to Kilachevalapatti. The Company called these "shuttle service routes." The same driver will have to do two or more trips per day each way. The bus that leaves Sivaganga at 7-41 a.m. on the Sivaganga-Melur route, eventually returns to the stand at Sivaganga after completing the day's work at 8-04 p m. with short intervals of rest at either end. On the Sivaganga-Emaneswaram route on which the bus has to do two trips per day the bus that leaves Sivaganga at 7-45 a.m. eventually returns to Sivaganga at 8-45 p.m. To these timings must be added the time of subsidiary work. The spread-over in the case of the Sivaganga-Emaneswaram route is fourteen hours. The question of spread-over can seldom arise on the long distance routes. Section 65 of the Motor Vehicles Act, even if it can be construed to prescribe only a maximum of nine driving hours per day, sets a natural limit to the actual period of work on the long distance route. The Union contended that the existing hours of work on every one of the 32 routes were onerous. I have already said enough to indicate that even with the adoption of a maximum of 48 hours a week, the existing total number of hours of work cannot be treated as onerous, except possibly on the Madura-Poolankurichi route, where the driver and conductor have to to do 50 hours of work. The question whether the existing hours of work on a given route are onerous, cannot be answered solely with reference to the maximum hours of work per week. The spread-over of the hours of work on each day of work is a more important factor in deciding whether the complaint of the Union, that the existing hours of work are onerous, is well-founded.

22. During the enquiry the Union virtually abandoned the extreme position it took up, that the hours of work on *every* one of the bus routes were onerous and asked for a rectification of the spread-over only on certain specified routes. Before taking up these routes individually I have to consider the difficulties the company is likely to experience if it were forced to limit the spread-over to any definite period. The timings of departure and arrival are not fixed by the company but by the transport authority. No doubt the company could move the transport authority to alter the timings to bring the spread-over within reasonable limits. But so could the Union move the transport authority. Naturally the company has to look to the public to pay, and the company will naturally pay more attention to the convenience of the public than one could expect the Union to do. Mr. Upadya pointed out that there should be less difficulty in altering the existing timings where the company enjoys a monopoly of service, i.e., on the routes where no other transport concern operates. On the routes on which competing transport companies ply their buses, the timings of the buses of those companies will have to be fixed by the Road Transport Authority to avoid overlapping and conflict. In such cases it will be very difficult indeed to alter the existing timings. Mr. Upadya pointed out that the public normally appreciate the last bus of the day on a given route being run as late as possible, particularly the members of the litigant public who attend courts. Since all these difficulties cannot be reconciled in proceedings to which the Union and the company alone are parties, I find it very difficult to fix an absolute limit for the spread-over of the hours of work.

23. The Company should endeavour as far as possible to limit the spread-over to 12 hours in a working day. If a spread-over of more than 12 hours is inevitable, the Company should endeavour to secure at least one interval of a clear two hours for rest. If a spread-over of over 12 hours a day cannot be avoided on any given route, the Company should see that no driver or conductor is employed on that route continuously for a period of more than three months; of course, if the driver or conductor wishes to be kept on for special reasons he might be allowed to continue for a longer period, but even then the social aspect of the case will have to be considered, and no one should be kept on continuously on a route where the spread-over is over 12 hours, say, for more than one year at a time.

24. On which of the thirty-two routes the spread-over of work operates as a real hardship, has next to be determined. Exhibit P-12 has been accepted as a substantially correct account of the timings on the several routes on which the company operates.

(1) *Sivaganga-Emaneswaram.*—The bus that leaves Sivaganga at 7-45 a.m. arrives at Emaneswaram at 9-20. It leaves Emaneswaram at 9-45 and reaches Sivaganga at 11-29 a.m. There is a clear period of rest of nearly of five hours between 11-29 and 16-30. The bus leaves on its second trip at 16-30 and eventually returns to Sivaganga at 20-44. The period of rest, it will be noticed, is during the hottest part of the day. The Company conceded that, since it has a monopoly on this route, it should be easy to alter the timings and reduce the spread at least by one hour. The bus can leave Sivaganga at 8-45 a.m. instead of 7-45 a.m. Mr. Upadya pointed out that it was not possible to alter the timings for the second trip. It was not possible for the bus to leave earlier than 4-30 p.m. since an earlier hour would seriously inconvenience the litigant public that uses that line. The Company should endeavour to secure the alterations in timings of the bus that it has suggested. Even then the spread would be over 13 hours. The other remedy I have suggested is that no one should be kept on continuously on this route for more than three months.

(2) *Sivaganga-Melur.*—One bus plys on this route and does three trips a day each way. The bus leaves Sivaganga at 7-41 a.m. and eventually returns to Sivaganga at the end of the day's run at 8-04 p m. The only long period of rest is between 10-34 a.m. and 1-06 p.m. The Company enjoys a monopoly on this route. The Company suggested that the spread could be reduced by one hour by altering the timings so that the first bus leaves Sivaganga one hour later. That would naturally reduce the interval of rest between the first and the second trips. Still the Company's proposal is the only practicable one. There is, of course, the other safeguard, that the driver and conductor will be taken off this route at least after three months of service.

(3) *and* (4) *Devakottai-Ramnad and Madura-Trichinopoly.*—Originally two trips a day were prescribed for the driver and conductor on these two routes. That was the basis on which the Company furnished figures in Schedule A to the statement of 7th July 1946. Mr. Upadya represented that the conditions have since changed and the driver does only one trip per day. There is therefore no question of any onerous spread-over on these two routes. It is just an example of what I stated earlier, that the question of spread-over is hardly likely to arise in the case of long routes.

(5) *Devakottai-Athangudi.*—The one bus that plys on this route does three trips a day each way. The running time for each trip is generally one hour and twenty-four minutes. The bus leaves Devakottai for its first trip at 7-30 a m. and returns to Devakottai at 8-11 p.m. at the end of the day's run. No interval of rest of even two hours is allowed. As the Company enjoys a monopoly on this route also, it should be easy for the Company to ask for a revision of timings to reduce the spread-over by one hour and also to secure at least one interval of rest of one and a half or two hours.

(6) *Srivilliputhur-Watrap.*—The one bus that plys on this route does four trips each way every day. Taking the schedule timings alone, the spread-over is from 7 a.m. to 8-48 p.m. The actual spread-over is nearer 14 hours if we take into account the time spent on subsidiary work. The long intervals of rest are between 7-48 a.m. and 9-20 a.m. and 2-40 p.m. and 5-30 p.m. Unfortunately the Company does not enjoy a monopoly. Three other transport companies have their buses on this route, and the timings cannot be easily altered without affecting the workers of the other Companies. I have already pointed out that one of the remedies is to provide for an interval of rest of at least two hours if the spread is over 12 hours a day. Such an interval the existing timings already provide. The only other remedy that is practicable is that no driver or conductor shall be employed on this route normally for more than three months at a time.

(7) *Tiruppattur-Ponnamaravathi.*—The distance is 18 miles. Two buses ply on this route, and each bus does three trips a day. The driver and conductor work six days in the week. The spread-over in the case of one bus is from 5-30 a.m. to 7-08 p.m. and in the case of the other from 6 a.m. to 7-38 p.m. To this, of course, will have to be added the extra hour for subsidiary work. In the case of one bus, the longest interval of rest is between 11-38 a.m. to 1-30 p.m. In the case of the other bus no period of rest comes up to even an hour and a half. Since the Company has a monopoly of transport on this route, it should be possible to ask for a revision of timings and reduce the spread-over or at least to provide for one period of rest of two hours within that spread-over.

(8) *Tiruppattur-Kottampatti.*—The only bus employed on this route does one round trip in the course of the day. It is scheduled to leave Tiruppattur at 6 a.m. and it

reaches Kottampatti at 9-54. It leaves Kottampatti at 10-33 and reaches Ponnamaravathi at 11-55. It leaves Ponnamaravathi at 13-15 and returns to Kottampatti at 14-43; leaving Kottampatti at 14-48, it returns to Tiruppattur at 18-09. The total distance covered is 112 miles. During the discussion, the company offered to cut out the trip from Kottampatti to Ponnamaravathi and back. This will substantially reduce the hours of work for the driver and conductor. As against a spread of a little over 12 hours, there will be a fairly long period of rest between 9-54 and 14-48 No other relief appears necessary.

(9) *Tiruppattur-Siraganga.*—The timings given in Exhibit P-12 would indicate that the Company operates all the four buses. That is not correct. Two companies operate on this route—one Company running the first and third buses of the day on one day and the second and fourth buses the next day. The intervals of rest are fairly long and furnish adequate compensation for the spread-over. It may not be possible to alter the timings to reduce the spread-over. To repeat, a further remedy for the long spread-over would be to take the driver and conductor off this route after three months of continuous service and put them on a route with a shorter spread-over.

(10) *Madura-Palni.*—This is probably the only case of a long distance route presenting the problem of a long spread-over. The total distance is 71 miles, and the scheduled running time between the two points is 4 hours and 25 minutes. The Company represented that it was impossible to adhere to these timings and that they proposed to ask the Transport Authority to increase the running time to at least 4¾ hours. A driver does one trip each way per day, but he is called upon to work only four days in seven. The problem of spread-over arises in the case of the bus that leaves Madura at 8-15 and returns to Madura at 21-20. It may not be possible to give effect to the remedy suggested by the Union, that each driver should be called upon to do only one trip per day, without increasing the number of working days in a week. I am not sure if the drivers and conductors would like that. Another incidental disadvantage would be that the driver and conductor would have to spend alternate days at Palni, which again may not appeal to them. Since the length of the route and the necessity for a decent interval of rest make the long spread-over inevitable on this route, and since the Company has already compensated the drivers and conductors by requiring them to work only four days in the week, the only further relief that I can recommend is that no driver and conductor shall be employed on this route continuously for more than three months at a time.

(11) *Madura-Melur.*—The distance between the two points is 18 miles Four buses ply on this route, and each bus does three return trips a day. The actual running time is 1½ hours for each trip So the driver who does 6 trips does 7½ hours of running time alone. Adding the one hour for subsidiary work, it comes to 8½ hours of work a day. The spread-over of the scheduled timings alone is between 13 and 14 hours. The Company pointed out that it was not possible to alter the timings since other companies operated on this route. The Union suggested that the number of trips might be reduced to 5 per day. Obviously that cannot be effected without increasing the number of working days in the week from 5 to 6. The two days' rest in a week that the present arrangement provides certainly affords real relief to the driver and conductor. The only other relief possible is what the company suggested, that no driver and conductor shall be required to work on this route for more than one month in four.

(12) *Madura-Vellalapatti.*—The only bus that runs on this route does three trips a day each way. The timings set out in Exhibit P-12 are not correct. They appear to have been revised (See page 7 of the statement, dated 4th June 1946, filed by the Company.) The actual running time comes to 9 hours a day. But the spread-over is from 6 a.m to 8-30 p.m. The longest interval of rest is between 1-50 p m. and 5 p.m. at Madura. Since the Company enjoys a monopoly on this route, it should be possible to revise the timings and reduce the spread-over by an application to the transport authority. A maximum spread of 13 hours between the scheduled hour of departure for the first bus and the scheduled arrival of the last bus should be possible. On this route also as in the case of the Madura-Melur route, I should recommend to the Company not to employ a driver and a conductor for more than one month in four.

(13) *Madura-Saptur.*—Originally the driver did two trips each way covering a distance of 144 miles a day. But he worked only five days in the week. During the discussions it transpired that the Regional Transport authority has since ordered the reduction of the number of trips by one. Since the driver does only three trips in a day covering 108 miles, the revised schedule substantially reduces the spread-over to well within 12 hours. No further relief is necessary for the drivers and conductors on this route.

25. I have to consider next the hours of work of the checking inspectors. The real trouble in their case is the spread-over and not the actual time spent by them on their work. Exhibit D-19 is the statement prepared by the Company showing the several beats for the checking inspectors, the number of buses that run on that beat and the spread of hours of duty. The work is heaviest on the Madura-Othakadai and the Othakadai-Melur beats, where 32 buses pass each way. On these two beats alone the checking inspectors work in two shifts. The Madura-Tirumangalam and Tirumangalam-Kallupatti are the next heaviest beats, with 20 buses passing each way On many of the other beats the number is below 10. On certain sections there is only one bus each way to check. The actual time spent in a bus, in checking tickets, etc., cannot be high. But the Inspector will necessarily have to hang

about either in a bus or on the road side to complete his day's work. Mr. Upadya said that though the checking inspectors were not expected to check every one of the buses on their beat, they were bound to check the first bus and the last bus of the day. That was why I said the real trouble in the case of the checking inspectors is the spread of hours. When the figures in Exhibit D-19 are analysed, it will be found that the longest spread is on the Madura-Tirumangalam section. It is 16 hours. On three beats, Karaikudi-Devakottai, Maravanoor-Trichinopoly and Sembatti-Palni, the spread is 15 hours. But then on the Karaikudi-Devakottai section only 16 buses have to be checked during the day. The number is 12 on the Maravanoor-Trichinopoly section and only 4 on the Sembatti-Palni section. The spread is 14 hours in the case of six other sections: Krishnankoil-Rajapalayam, Melur-Kottampatti, Kamuthi-Bungalow, Chitrakudi-Ramnad, Sarugani-Thondi and Ponnamaravathi-Pudukottai. The spread is 12 hours in the case of seven beats: Tirumangalam-Kallupatti, Kallupatti-Krishnankoil, Krishnankoil-Watrap, Karaikudi-Devakottai, T. Kurichi-Trichinopoly, Paramakudi-Chitraikudi and Tiruppattur-Ponnamaravathi. The shortest spread is on the Madura-Ladanendal beat, where it is only 8 hours. The difficulty of tackling this question will be apparent when it is realized that to check the one bus that runs each way on the Sivaganga-Yamaneswaram section, the checking inspector has a spread-over of 12 hours. That does not really mean that his time has to be at the disposal of the Company throughout that period of 12 hours. The nature of the work is such that it is impossible to avoid what appears to be a long spread-over. The contention of the Union that in no case should the spread-over exceed 8 hours it is impossible to accept. It is an unworkable scheme. Mr. Ramamurti next said that any spread of over 8 hours, when the total number of buses to be checked per day was over 15 each way would be a hardship. There are only three beats, Madura-Tirumangalam, Tirumangalam-Kallupatti and Kallupatti-Krishankoil where the total number of buses exceed 15 each way. On the Tirumangalam-Kallupatti beat the spread is between 6 a.m. to 7-30 p.m. On the Kallupatti-Krishnankoil, the spread is from 6-30 a.m. to 8 p.m. I do not think the contention of the Company, that the work even on these two beats does not justify a double shift of checking inspectors is unreasonable. The spread on the Madura-Tirumangalam section is 16 hours, and though the total number of buses to be checked is the same as in the Tirumangalam-Kallupatti section, I think on the Madura-Tirumangalam section, the Company should be called upon to provide a double shift, one operating for the first eight hours from 4-30 a.m. and the second shift from 12-30 p.m. to 8-30 p.m The spread-over of work on the other beats must remain unchanged. In discussing the spread of work on given routes for drivers and conductors, I have indicated a possibility of changes in timings being effected. If that is done, that would naturally reduce the spread in the case of checking inspectors also on those routes. The Union admitted that the checking inspectors were frequently changed from one beat to another, thus alternating heavy with light charges. To repeat, the very nature of the work necessitates a long spread-over. It is not really possible to prescribe any workable maximum for the spread. The work of the checking inspectors is in no way analogous to those employed in mines or factories. So the provisions in the Acts governing the work in mines and in factories are of no real help in determining what should be the maximum spread for the checking inspector To sum up my decision is, the existing practice will have to continue, except on the Madura-Tirumangalam beat, on which beat the Company should be asked to employ a double shift in the place of the single shift employed now.

26. The problem of the men employed in the workshops at Devakottai, Karaikudi, Thiruppattur, Sivaganga, Kamuthi and Rajapalayam was considerably simplified during the concluding stages of the enquiry by the offer of the Company to limit the spread of work to 12 hours a day. Though the Union vehemently denied at first that the work in these branches was intermittent, Mr. Thangamani, when he was examined, had to admit that the work was really intermittent. Mr. Upadya estimated that the maximum period spent on work by any workman in any of these branches would seldom exceed seven hours. The work being intermittent, a long spread-over is inevitable. Mr. Ramamurti conceded towards the conclusion of the enquiry that, if the spread was limited to 12 hours a day, the Union should have no grievance. Of the six branches referred to above, there is provision for a day and night shift only at Devakottai. At other places, the men are employed only on a day shift. The Company will give effect to its undertaking to limit the spread at all these branches to 12 hours a day.

27. Mr. Ramamurthi urged that to compensate the workmen in these workshops in the outlying branches for the long spread of hours of work, they should at least be given a weekly holiday. Since these workshops are not within the purview of the Factories Act, there is no statutory liability to grant them a weekly holiday. The workmen in these branches get the leave concessions enjoyed by all the employees of the Company, i.e., 14 days in a year with pay. There is certainly a good deal of force in the contention of the Company, that it is not possible to enlarge the leave concessions in the case of the workmen employed in these branch workshops, lest it should lead to trouble in the Madura Workshop, the men employed in which might also demand a similar addition to the 14 days' leave. Besides, as the Company pointed out, the staff employed at these workshops is so small that it is impossible

to arrange for a weekly holiday without an increase in the number of men employed and an increase in the wage-bill, which would affect the Company's finances. I am afraid I am unable to accept the proposal of the Union, that there should be a provision for a weekly holiday for the men employed at these branch workshops also.

28. *Issues 6 and 7* deal with the question of hours of work, and the discussion of this question can be summed up by answering these issues as follows:—

Issue 6.—The hours of actual work for the checking inspectors it is difficult to determine with precision. The spread of hours of work ranges from 8 to 16. It is not possible to prescribe the maximum number of hours of work per day or per week for the checking inspectors. In the case of workers employed in the workshops in the outlying branches, the work is intermittent and the Company has agreed to limit the spread of the period of work to 12 hours a day.

Issue 7 (*a*).—The running time and the one hour's allowance per working day for subsidiary work should furnish the basis for the calculation of the hours of work for the driver and the conductor.

Issue 7 (*b*).—It was conceded by Mr. Ramamurthi that if only the running time and the one hour's allowance for subsidiary work be taken into consideration, there is no case of any driver and conductor being employed for more than 54 hours in a week. Appendix III will show that only on one route, the Madura-Poolangurichi route do the drivers and conductors work even for 50 hours in a week.

Issue 7 (*c*).—The demand of the Union that 75 miles per day be reckoned as a working day is not reasonable and practicable of enforcement.

Issue 7 (*d*).—I have examined in detail the 13 routes specified by the Union during the enquiry. Even the Union did not contend during the enquiry that the existing hours of work on any of the other routes were onerous.

Issue 7 (*e*).—The maximum of 36 hours of running time a week, it is not possible to accept. I am unable to hold that it is a reasonable demand.

29. *Issue* 9.—This question of permanent night shift is best dealt with in this section of my report dealing with hours of work. Exhibit D-21 is the note prepared by the Company to explain its contention, that it is impossible to avoid the employment of 25 men on a permanent night shift. When Mr. Upadya was being examined, Mr. Watson represented that though the Company was anxious to avoid, if possible, the incidence of a permanent night shift, he was unable to devise a scheme which would eliminate a permanent night shift, when the economical maximum for the cleaners employed was 60 or below. Though Mr. Ramamurthi first offered to devise a scheme, he later expressed he was unable to do so if a limit was set to the number of men employed. Even at the stage of arguments, Mr. Upadya for the Company said that he would accept any scheme prepared by the Union, provided the Company was not asked to increase the number of cleaners. The difficulties of the position were explained in full to the representatives of the Union, and I think it is unnecessary to deal with them at length now. The cleaners employed in the workshop at Madura, which is a factory, must get the statutory weekly holiday; but the work in the Transport department must go on throughout the week, Sundays included, and the weekly day of rest has to be arranged to leave enough men to work on Sundays too. There is more work to be done at nights; and the cleaners employed during the daytime, though apparently large in number, are allotted other work too. Besides they operate in two shifts. Mr. Upadya explained that at the garage at Madura, 70 buses have to be cleaned and re-fuelled every day. Each bus would take 3 hours. They had to provide for 210 working hours on that basis. He contended it would be an economic waste to employ any more than 58 cleaners. I agree. If the Union can work out a scheme to avoid the incidence of a permanent night shift within the limit of 60 cleaners—the Company has agreed to accept the scheme. As it is, I am afraid the incidence of a permanent night shift of some of the cleaners at least—the number is no doubt 25—cannot be avoided.

30. I am fully alive to the social aspect of the case of men on duty on a permanent night shift. The word 'permanent' in this case only means continuous night shift for a time. The Company pointed out that whenever it was possible men on continuous night shift were moved into the other categories of either a permanent day shift or an alternating day and night shift. The Union no doubt pointed out that in some cases men had been continuously on the night shift for considerable periods of time. If people are recruited only for the night shift, it seems to me rather hard on the company to be told that it is unreasonable to employ men permanently on night shifts. A night watchman, for instance, has necessarily to do his work at night. After accepting employment as a night watchman, it would be rather unreasonable to claim that he should not be worked at nights. I do not think that in the conditions as they exist now anything effective can be done to avoid the incidence of a continuous night shift in the case of the 25 cleaners in question.

31. Should they be granted any relief is the next point. The company pointed out that one remedy is already in operation; men on continuous night shifts are moved into the other groups on a day or a day and night shifts when vacancies arise in those groups. Mr. Ramamurti on behalf of the Union urged that monetary compensation should be provided for mitigating the incidence of a continuous night shift. The real danger in making such a provision is that a cleaner in the night shift

group would be reluctant to be moved into the other groups if his emoluments were to suffer by such a transfer. When the objection to a permanent night shift is based not so much on the individual worker's view point as on the social aspect, any scheme which would make a continuous night shift financially attractive has to be viewed with considerable caution. All the same, if relief is to be granted at all to mitigate the incidence of a permanent night shift, I am unable to think of any scheme other than monetary relief. Mr. Ramamurti demanded an allowance of 25 per cent of the pay. That appears to be too high, and besides that would make employment in the night shift group more attractive than employment in the other groups. I think an increase of 12½ per cent of the basic wage should provide reasonable compensation for the hardship of a continuous night shift. If the Union, which has been so eloquent about the social aspect of every question concerning the workers, co-operates with the Company, there should be little difficulty in moving a workman from the group of continuous night shift to other groups, even though his emoluments will suffer. I do not want this monetary relief of 12½ per cent of the basic pay to result in a workman being kept on even at his own request permanently on a night shift. It may not be possible to prescribe any rules for a transfer to the other groups. I can only leave it to the good sense of the Company and the Union to work in co-operation with each other to avoid a really permanent night shift.

CONCLUSION.

In my report itself I endeavoured to answer seriatim the several issues that were framed by me. The grouping of the points in dispute when I discussed them in this annexure was on a slightly different basis. I shall conclude that discussion by setting out the salient features of my award.

1. The scales of basic pay and batta shall remain unchanged for the present: the minimum basic pay is likely to be one of the subjects of the contemplated legislation.

2. The present system of calculating the wages of the drivers and conductors on a hourly basic does not affect their earnings adversely and calls for no change.

3. Dearness allowance for the employees whose basic wages are Rs. 30 and below a month shall be paid at 3 annas a point.

4. Twelve and a half per cent of the basic wages shall be paid as additional remuneration for the cleaners employed in the permanent night shift at Madura.

5. The question of payment of bonus for the year of service 1946 should be left over for determination till the profits of 1946 can be ascertained or at least forecast with reasonable certainty.

6. The men employed in the workshops at the six outlying branches should also be provided with a free supply of two sets of dress a year.

7. The maximum number of hours of work for the drivers and conductors shall be 48 a week. Hour of work shall be construed to mean the actual running time of of the buses (including stoppages) and an allowance of one hour per day of work for subsidiary work.

8. The spread of hours of work shall be limited to twelve per day in the case of men employed in the workshops in the six outlying stations.

9. Every effort should be made to minimise the spread of hours for the drivers and conductors wherever the spread exceeds 12 hours a day. If that is not possible, relief should be given (i) by provision of an interval of rest of at least two hours and (ii) by periodical changes alternating heavy with light charges.

10. The checking inspectors are on a slightly different footing. The work of many is intermittent and a long spread is inevitable. A double shift of checking inspectors should be provided on the Madura-Tirumangalam section also. Periodical changes of beats is the only practicable relief for the others.

11. At least 50 per cent of the vacancies among drivers and conductors shall be filled by promoting employees of the Company certified by the Company to be fit for such promotion.

12. Among the dismissed workers Mani, Natarajan and Srinivasa Rao, should be offered re-employment. The dismissal of the others will stand. The charge of victimization was not proved.

There are other recommendations on details of minor importance, and these have been set out in the earlier parts of this report; it seems unnecessary to recapitulate them at this stage.

Adjudication of so limited a scope cannot possibly have any lasting effects when conditions of the road transport business are changing with such rapidity. Adjudication cannot command, the only factors that will ensure a harmonious adjustment of the relations between the employer and the employed to suit the changed conditions —co-operation and goodwill. The company and the workmen should each realize its liabilities to the other, and both should be conscious all the time of their responsibility to their real paymasters, the travelling public. Without such co-operation and goodwill the award itself can start off fresh disputes, even as the settlement by the Commissioner in March 1946 did. Unless the hours of work, for instance, are understood against such a realization of rights and responsibilities the business can be brought to a standstill; and the largest sufferer will be the public. The Union and the company should endeavour to avert such a catastrophe.

List of exhibits filed on behalf of the Union.

P-1/24—6—45—Copy of the letter from the General Secretary of the Madura Motor Labourers' Union to the Manager, S.R.V.S., Ltd., Madura.

P-1-*a*/28—6—45—Copy of the letter Ref. No. T-SV-22 from the Traffic Manager, S.R.V.S., to the General Secretary of the Union.

P-1-*b*/1—7—45—Copy of the letter from the General Secretary of the Union to the Traffic Manager, S.R.V.S., Ltd., Madura.

P-1-*c*/5—7—45—Copy of letter Ref. G-VRS-45 from the Manager of the Company to the General Secretary of the Union, that the President may call on the Manager on any working day.

P-1-*d*/25—10—45—Copy of memorandum submitted by the Union to Mr. E. A. Watson detailing their demands.

P-1-*e*/9—12—45 Copy of letter L-63 from the General Secretary of the Union to the District Manager, S.R.V.S., Ltd., regarding the acceptance of wages for November 1945, under protest.

P-1-*f*/27—10—45—Copy of letter G-VRS-3 from the District Manager, S.R.V.S., Ltd., to the Secretary of the Union asking for the strength of the Union, etc.

P-1-*g*/31—10—45—Copy of the letter L-41 from the General Secretary of the Union to the District Manager, S.R.V.S., Ltd., in reply to Exhibit P-1-*f*.

P-1-*h*/31—10—45—Copy of the letter L. No. 40 from the General Secretary of the Union to the District Manager furnishing information regarding the strength of the Union.

P-1-*i*/1—11—45—Copy of letter G-VRS 2 from the District Manager to the Secretary of the Union calling for a list of the members working in S.R.V.S., Limited, Madura.

P-1-*k*/10—11—45—Copy of letter No. L-49 from the Secretary of the Union to the District Manager informing that full particulars can be had by inspection of the registers.

P-1-*l*/20—9—45—Copy of letter L. No. 17 from the President of the Union to the Manager, S.R.V.S., Ltd., Madura, regarding suspension of drivers, Muhammad, Narayanaswami, etc.

P-1-*m*/25—9—45—Copy of letter No. G.V.R.S.-22 from the Manager, S.R.V.S., Ltd., to the President of the Union regarding re-employment of Muhammad and Narayanaswami (drivers).

P-1-*n*/15—10—45—Copy of letter No. 1/31 from the General Secretary of the Union to the District Manager, S.R.V.S., Ltd., Madura, regarding dismissal of driver, Nachimuthu and his reinstatement

P-1-*p*/16—10—45—Copy of letter G-VRS-11 from the District Manager, S.R.V.S., Ltd., to the President of the Union.

P-2—Printed hand-book in Tamil containing the by-laws and rules of the Madura Motor Labourers' Union.

P-3/15—2—46—Copy of the memorandum from the General Secretary of the Union to Mr. E. A Watson, General Transport Manager, Madras, detailing the demands and grievances of the workers and praying for redress.

P-3-*a*/22—2—46—Copy of letter B-RR/231 from the General Manager, Madras, to the Conciliation Officer, Madura, referring to the Union's memorandum, dated 15th February 1946.

P-4/23—2—46—Copy of the strike notice issued by the Union, to the District Manager, S.R.V.S., Ltd., Madura, setting forth their demands and grievances.

P-4-*a*/1—3—46—Copy of letter B.R. 1 from Mr E. A Watson, General Manager, to the Commissioner of Labour, Madras, referring to the strike notice, dated 23rd February 1946.

P-5/8—3—46—Copy of letter C. 4/1166/36 from the Commissioner of Labour, Madras, to the General Manager, S.R.V.S., Ltd , Madras, setting forth the terms of settlement.

P-6/18—3—46—Copy of the notice of withdrawal of the strike notice, dated 23rd February 1946, by the Union.

P-6-*a*/19—3—46—Copy of letter B.R 162 from Mr. E. A. Watson to the Commissioner of Labour, Madras, regarding item 8 of the terms of settlement.

P-6-*b*/22—3—46—Copy of letter C-4-1116/46, from the Commissioner of Labour, Madras, to the General Manager, Madras, in reply to Exhibit P-6-*a*.

P-6-*c*/22—3—46—Copy of letter B.R. 192 from Mr. E. A. Watson to the Commissioner of Labour, Madras, regarding *ex gratia* payment.

P-6-*d*/27—3—46—Copy of letter C-4-1166/46 from the Commissioner of Labour, Madras, to the General Manager, Madras, that the terms of the notice are approved.

P-7/30—3—46—Copy of letter B.R. 246 from Mr. E. A. Watson to the Commissioner of Labour, Madras, regarding the terms of settlement.

P-8/8—4—46—Copy of strike notice issued by the Secretary of the Union to the District Manager, S.R.V.S., Ltd., Madura.

P-8-*a*/11—4—46—Copy of letter B.R. 79 from Mr. E. A. Watson to the Commissioner of Labour, Madras, referring to the strike notice, dated 8th April 1946.

P-8-*b*/12—4—46—Copy of letter No. C. 4-1166/46 from the Commissioner of Labour, Madras, to the Joint Secretary of the Union regarding their strike notice, dated 8th April 1946.

P-8-*c*/17-4-46—Copy of letter from the General Secretary of the Union to the Commissioner of Labour, Madras, in reply to his letter, dated 12th April 1946 (Exhibit P-8-*b*).

P-8-*d*/20—4—46—Copy of letter B.R. 178 from Mr. E. A. Watson, to the Commissioner of Labour, Madras, referring to the letter of the Union, dated 17th April 1946 (Exhibit P-8-*c*).

P-8-*e*/ Do. —Copy of letter B.R. 179 from Mr. E. A. Watson, to the Commissioner of Labour, Madras, regarding the strike notice.

P-9—Time-table of the trips (up and down) from Madura to Rajapalayam showing the hours of arrival and departure.

P-10—Statement showing the cost of living index for the working class for Madras City (produced by the Union).

P-11 ... —Statement showing the wages of the several classes of workers obtaining elsewhere (produced by the Union).

P-12—Time-table for the S.R.V.S., Ltd., Branch buses as on 1st July 1946.

List of exhibits filed on behalf of the company.

D-1/31—1—1946—Copy of notice issued by the District Manager that drivers and conductors are to report themselves to duty only thirty minutes before the scheduled time of each bus.

D-2/19—3—1946—Copy of the company's Office Manual (Serial No. 23) regarding leave with pay, to come into force from 1st April 1946.

D-2-*a*/1—5—1946—Copy of the company's Office Manual (Serial No. 32) regarding festival holidays to the workers.

D-2-*b*/11—5—1946—Copy of company's instructions on free passes for employees and their family.

D-3—Notes on hourly-wage system adopted by S.R.V.S., Ltd.. Madura (furnished by the District Manager, Madura).

D-4—File relating to the dismissal of M. Alagiriswami, fitter.

D-5—File relating to the dismissal of V. Shanmugam, Conductor.

D-6—File relating to the dismissal of K. Alagaraja Konar, Driver.

D-7—File relating to the dismissal of Nachimuthu Servai, Driver.

D-8—File relating to the dismissal of M. B. S. Mani, Driver.

D-8-*a*/29—6—1946—Report of the Sub-Inspector of Police, Kottampatti regarding investigation into Crime No. 9 of 1946 in which the driver, M. B. S. Mani was concerned.

D-9—File relating to the dismissal of Natarajan, Conductor.

D-10—File relating to dismissal of A. Narayana Reddi, Cleaner.

D-11—File regarding dismissal of Mohideen (Moideen Batcha), Cleaner.

D-12—File regarding dismissal of C. V. Ramanujam, Greaser.

D-13—File relating to the termination of service of Dhanushkodi, Driver.

D-14—File relating to the dismissal of Soosai Manickam, Conductor.

D-15—File relating to dismissal of Alagu Servai, Agent.

D-16—Extract of the entry, dated 4th September 1945, made by P. N. Krishna Ayyar in the note-book maintained by the company for recording defects noted in the bus. The entry relates to bus No. MDU 1125.

D-17—Minutes book containing the proceedings of enquiries maintained by Mr. Upadya, the District Manager.

D-17-*a*—Proceedings at page 21 of Exhibit D-17 relating to enquiry regarding M. Alagirisami.

D-18—Statement filed by company showing the number of employees employed at the different stations for cleaning and for mechanical work both for the day and for the night.

D-19—Statement furnished by the company regarding the beats of the Checking Inspectors and the spread of hours.

D-20/5—7—46—Statement made by the company furnishing a copy of the rules of the Varadaraja Motor Service (V.M.S.) entitled ' V.M.S. Company Code, 1946.'

D-21/4—7—46—Statement furnished by the company regarding the working of the cleaners on the day and night shifts working at S.R.V.S., Ltd., Madura.

D-22/28—12—45—Letter No. L-64 from the Secretary of the Union to the District Manager, S.R.V.S., Ltd., Madura, regarding grant of dress, Victory bonus, etc.

Witnesses examined.

On behalf of the Union—

(1) Mr. K. T. K. Thangamani, Bar.-at-Law, President of the Union.
(2) T. Meenakshisundaram, Driver.
(3) Gopala Panickar, Mechanic.
(4) Ramanujam.
(5) Moideen Batcha.
(6) M. Alagirisami. ...
(7) Nachimuthu Servai
(8) Mahalingam. ...

On behalf of the Company—

(1) Mr. Upadya, District Manager of S.R.V.S., Ltd., Madura.
(2) Mr. E. A. Watson, General Manager, Madras, S.R.V.S., Ltd.

APPENDIX I.

Rates and classification for S.R.V.S., Limited.

Mechanical Section.

Group A—Rs. 10—1—15.

Fitter's helper.
Blacksmith's helper.
Tinker's helper.
Carpenter's helper.
Painter's helper.
Tyreman's helper.
Electrician's helper.
Vulcanizer's helper.
Turner's helper.
Tailor's helper
Liner's helper.
Moulder's helper.
Welder's helper.
Hammerman (Class II).
Greaser (Class II).
Cleaner.
Cooly.
Charcoal grader.
Watchman (Class II).
Sweeper.

Group C—Rs. 15—1½—22½.

Greaser (Class I).
Cleaner G.L.
Cooly G.L.
Charcoal grader G.L.
Watchman (Class I).
Sweeper G.L.

Group D—Rs. 15—2—25.

Assistant fitter.
Do. blacksmith.
Do. tinker.
Do. carpenter.
Do. painter.
Tyreman.
Assistant electrician.
Do. vulcanizer.
Do. turner.
Do. tailor.
Do. liner.
Do. moulder.
Do. welder.
Hammerman (Class I).
Assistant head watchman.

Group A—Rs. 10—1—15.

Time-keeper (Class IV).
Checking Inspector (Class III).

Group B—Rs. 12—2—22.

Bus conductor.
Lorry attendant.

Group D—Rs. 15—2—25.

Time-keeper (Class III).
Checking Inspector (Class II).
Mail guard.

Group E—Rs. 20—2½—32½.

Checking Inspector (Class I).
Bus conductor, senior.
Lorry attendant, senior.
Bus driver.
Lorry driver.
Car driver.

Group E—Rs. 20—2½—52½.

Fitter.
Head watchman.

Group G—Rs. 30—3—45.

Assistant mechanic.
Blacksmith (Class II).
Tinker (Class II).
Carpenter (Class II).
Painter (Class II).
Tyreman G.L.
Electrician (Class II).
Vulcanizer (Class II).
Turner (Class II).
Tailor.
Liner (Class II).
Moulder (Class II).
Welder (Class II).

Group K—Rs. 45—3½—62½.

Mechanic.
Blacksmith (Class I).
Tinner (Class I).
Carpenter (Class I).
Painter (Class I).
Electrician (Class I).
Vulcanizer (Class I).
Turner (Class I).
Tailor G.L.
Liner (Class I).
Moulder (Class I).
Welder (Class I).

Group L—Rs. 50—4—70.

Mechanic G.L.
Blacksmith G.L.
Tinker G.L.
Carpenter G.L.
Painter G.L.
Electrician G.L.
Vulcanizer G.L.
Turner G.L.
Liner G.L.
Moulder G.L.
Welder G.L.

Group M—Rs. 75—7½—112½.

Assistant foreman (Class II).

Traffic.

Group F—Rs. 25—2½—37½.

Time-keeper (Class II).

Group H—Rs. 35—3—50.

Time-keeper (Class I).
Chief Checking Inspector.
Bus driver (Senior).
Lorry driver (Senior).
Car driver (Senior).

Group L—Rs. 50—4—70.

Traffic Inspector (Class II).

Group M—Rs. 75—7½—112½.

Traffic Inspector (Class I.)

Office and stores.

Group A—Rs. 10—1—15.

Sweeper.
Sepoy, junior.
Watchman (Class II).

Group C—Rs. 15—1½—22½.

Sweeper G.L.
Sepoy, senior.
Watchman (Class I).
Clerk (Class VI).

Group D—Rs. 15—2—25.

Assistant head watchman.
Clerk (Class VI).

Group E—Rs. 20—2½—32½.

Head watchman.
Clerk (Class V).

Group F—Rs. 25—2½—37½.

Clerk (Class IV).
Typist (Class II).

Group H—Rs. 35—3—50.

Clerk (Class III).
Stenographer (Class II).
Cashier (Class III).

Group K—Rs. 45—3½—62½.

Typist (Class I).

Group L—Rs. 50—4—70.

Clerk (Class II).
Stenographer (Class II).
Cashier (Class II).

Group M—Rs. 75—7½—112½.

Clerk (Class I).
Stenographer (Class I).
Cashier (Class I).

APPENDIX II.

Notes on hourly-wage system adopted by S.R.V.S., Limited, Madura.

1. The basic minimum pay for driver is Rs. 20 per mensem but in practice this is established as 16·41 pies per hour. The hourly rate is arrived at as follows:—

	Rs.
Basic pay per month	20
Do. for 12 months	240

Twelve months = 52 weeks
Working hours per week = 54.
Total working hours per year = 52 × 54 = 2,808.

$$\text{Therefore rate per hour} = \text{Rs.} \frac{240}{2{,}808} = 16{\cdot}41 \text{ pies.}$$

2. Drivers' work at present falls under three categories:—
Short routes—Category A—6 days per week.
Medium „ — „ B—5 „
Long „ — „ C—4 „
depending upon the number of trips that could be allotted within the 54 hour-a-week limit required under Motor Vehicles Act.

3. Taking the month of Mag 1946 as an example, the wages paid to the three categories of drivers will be as follows:—

	Working days-A.	Working days-B.	Working days-C.
May 1— 4 (part week)	3	3	3
May 5—25 (three weeks)	18	15	12
May 26—31 (part week)	6	5	4
Total ..	27	23	19
Wages paid for	27 × 54 / 6 = 243 hours.	23 × 54 / 5 = 248-2/5 hours	19 × 64 / 4 = 255½ hours.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
At 16·41 pies per hour	20 12 0	21 3 0	22 0 0

4. Thus an employee gets paid 1/52 of annual basic pay if he does the scheduled number of trips per week. Although the wages paid from month to month will vary, depending on the number of days in the month and the scheduled number of trips, the total for one year will equal 12 times the basic rate of pay per month.

5. It should also be pointed out that driver gets paid 7 days' wages per week irrespective of whether the actual working hours mount to 54 or less, provided the scheduled number of trips for the route concerned are completed by him. In other words, a driver in Category A gets paid 7 days wages for working 6 days, one in Category B for working 5 days and one in Category C for working 4 days. In practice, therefore, he gets paid holidays one day or two days or three days per week as the case may be.

6. If a driver misses on trip due to his own default, deduction from 64 hours' wages is made proportionately on the basis of the scheduled number of trips for the route concerned. This is in accordance with section 9 (2) of the Payment of Wages Act.

7. Following are examples of deductions that would be made for such weekly period if a driver does not complete his scheduled trips or days of work:—

Example (1).—If one scheduled day is missed—

	Category A.	Category B.	Category C.
Deduction	9 hours = Re. 0-12-0.	10-4/5 hours = Re. 0-15-0.	13¼ hours = Re. 1-2-0.
Amount paid	45 hours = Rs. 3-14-0.	43-1/5 hours = Rs. 3-11-0.	40½ hours = Rs. 3-8-0

Example (2).—If two scheduled days are missed—

Deduction	18 hours = Rs. 1-9-0.	21-3/5 hours = Rs. 1-14-0.	27 hours = Rs. 2-5-0.
Amount paid	36 hours = Rs. 3-1-0.	32 2/5 hours = Rs. 2-12-0.	27 hours = Rs. 2-5-0

The deductions are naturally greater for Category B and Category C than for Category A because B and C drivers work fewer days for the equivalent amounts of basic pay than A drivers.

8. The same principle is followed in calculating the wages for conductors, whose working hours are the same as those for drivers, even though the Motor Vehicles Act does not put any statutory limit on the hours of work for conductors.

9. The above examples are not meant to apply to any specific person or persons but are illustrations only.

APPENDIX III.

	Route.	Miles.	Number of working days in a week.	Number of hours of work in a week.	
				Hrs.	Mts.
1	Madura to Devakottai	64	5	38	00
2	Madura to Thondi	72	5	45	00
3	Madura to Rajapalayam	53	6	41	00
4	Madura to Kamuthi	54	6	43	00
5	Madura to Watrap	48	6	36	00
6	Madura to Saptur	36	5	45	00
7	Madura to Melur	18	5	37	30
8	Madura to Melur (via) Alagarkoil	22	5	40	00
9	Madura to Vallalapatti	18	5	45	00
10	Madura to Paganeri	50	6	40	00
11	Madura to Trichinopoly	84	*4	*48	00
12	Madura to Pudukotta (via) Singampunari ..	92	6	39	00
13	Madura to Pudukotta (via) Tiruppattur	70	5	43	24
14	Madura to Palni	74	5	45	00
15	Madura to Ramnad	71	5	43	20
16	Madura to Poolankurichi	62	6	50	00
17	Sivaganga to Puduvayal	48	6	36	00
18	Tirupattur to Keelasevalpatti	..	5	45	00
19	Tiruppattur to Manamadura	34	5	45	00
20	Tirupattur to Sivaganga	22	5	45	00
21	Sivaganga to Melur	16	6	42	00
22	Sivaganga to Yamaneswaram	32	6	36	00
23	Sivaganga to Paganeri	18	6	42	00
24	Tirupattur to Ponnamaravathi	18	6	43	30
25	Devakottai to Ramnad	90	*4	*48	00
26	Devakottai to Thondi	32	6	48	00
27	Devakottai to Attangudi	26	6	48	00
28	Devakottai to Manamadura	40	6	48	00
29	Srivilliputtur to Watrap	..	6	39	00
30	Karaikudi to K.S. Patti	14	6	30	00
31	Mandalamanickam to Manamadura	..	6	48	00
32	Kamuthi to Kokakarai	54	5	41	40

* NOTE.—The schedules were changed after the company filed its statement. Now the drivers and conductors on the Madura-Trichinopoly and the Ramnad-Devakottai routes do only one trip each way, but on five days in the week; the total number of working hours is now much less than 48.

APPENDIX IV.

Sri Rama Vilas Service, Limited, Madura.

Checking Inspectors.

	Area.	Number of buses, Up and Down.	Spread of hours.
1	Madura-Tirumangalam	20	4–30 a.m. to 8–30 p.m.
2	Tirumangalam-Kallupatti	20	6 a.m. to 7–30 p.m
3	Kallupatti-Krishnankoil	17	6–30 a.m. to 8 p.m.
4	Krishnankoil-Sivagalayam	15	6 a.m. to 8 p.m.
5	Krishnankoil-Watrap	4	7 a.m. to 7–30 p.m.
6	Kallupatti-Saptur	4	6 a.m. to 6 p.m.
7	Melur-S.S. Kottai	15	8 a.m. to 8 p.m.
8	S.S. Kottai-Tiruppattur	15	8 a.m. to 8 p.m.
9	Tiruppattur-Karaikudi	8	8 a.m. to 8 p.m.
10	Tiruppattur-Karaikudi (via) Kunnakudi	6	7 a.m to 7 p m.
11	Karaikudi-Devakottai	8	5 a.m. to 8 p m
12	Karaikudi-Devakottai (via) Aravayal	6	8 a.m to 9 p m.
13	Melur-Kottampatti	8	7 a.m. to 9 p m.
14	Kottampatti-T. Kurichi	8	8–30 a.m. to 8–30 p.m.
15	T. Kurichi-Kavakarapatti	8	9 a.m. to 8 p.m.
16	Kavakarapatti-Maravanur	6	8 a.m to 7 p.m.
17	Maravanur-Trichinopoly	6	5 a m. to 8 p.m.
18	T. Kurichi-Trichinopoly	6	9–30 a.m. to 10 p.m.
19	T. Kurichi-Trichinopoly (via) Viralimalai ..	2	5 a.m. to 5 p.m.
20	Kamuthi-Bungalow	7	6 a m to 8 p m.
21	Bungalow-Manamadura	7	8 a.m to 6 p m
22	Parthibanur-Paramakudi	6	8–30 a.m. to 8 p m.
23	Paramakudi-Chatrakudi	6	8 a.m. to 8–30 p m.
24	Chatrakudi-Ramnad	6	7 a.m. to 9 p.m.
25	Ramnad-Kilakarai	3	7 a.m. to 7 p m.
26	Tiruppattur-Kottampatti	1	6 a m to 6 p m.
27	Tiruppattur-Madagupatti	3	8 a.m to 6 p m.
28	Madura-Sembatti	2	9 a.m. to 9 p.m.
29	Sembatti-Palni	2	6 a m. to 9 p m
30	Madura-Alagarkoil	1	8 a.m to 7 p.m.
31	Sembur-Natterasankottai	4	8 a m. to 8 p m.
32	Natterasankottai-Sarugani	5	7 a.m to 7 p.m
33	Sarugani-Thondi	5	7 a m to 9 p m.
34	Sarugani-Devakottai	3	8 a m. to 8 p.m.
35	Sivaganga-Emuneswaram	1	9 a m. to 9 p.m.
36	Sembur-Madura	4	6 a m. to 4–30 p.m.
37	Sivaganga-Melur	1	7 a m. to 6 p m
38	Sivaganga-Madagupatti	2	8 a m. to 6 p.m.
39	Sivaganga Manamadura	2	9 a m to 7 p.m.
40	Manamadura-Ladenandal	1	10 a.m. to 6 p m
41	Pudukottah-Ponnamaravadhi	2	5 a m to 7 p m.
42	Pudukottah-Kilasevalpatti	2	6 a m. to 7 p.m.
43	Kilasevalpatti-Tiruppattur	2	9 a m. to 6 p m.
44	Tiruppattur-Ponnamaravathi	2	6 a.m. to 7 p.m.
45	Tiruppattur-Kottampatti	1	8 a.m. to 6 p.m.

These are approximate spread of hours.

Checking Inspectors on shift system.

Madura-Othakadai	32	5	a.m. to 10 p m.
Othakadai-Melur	32	6	a.m. to 8 p.m.

In the above two sections, there are four Checking Inspectors who alternate their shifts.

Order—No. 8225, *Development, dated* 23*rd August* 1946.

In G.O. Press No. 1349, dated 9th May 1946, the Government directed that the trade dispute between the workers and management of the Sri Rama Vilas Motor Service, Limited, Madura, should be referred to Mr. P. Rajagopalan, I.C.S., District and Sessions Judge, Madura, for adjudication under clause (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules. After a preliminary enquiry the adjudicator framed the issues on which adjudication is necessary. He has completed the enquiry and submitted his report.

2. The adjudicator has made the following recommendations on the issues framed by him :—

Issue (1).—*Whether the strike that commenced on 24th April* 1946 *was illegal* ?

(*a*) Even if the strike was in accordance with the provisions of law, was the strike which commenced on 24th April 1946 justified ?

(*b*) Did the employer fulfil his part of the agreement arrived at before the Commissioner of Labour between the Union and the Company or did the Company deafult in the performance of any of the obligations imposed upon it by the settlement ?

(*c*) Quite apart from the settlement arrived at before the Commissioner of Labour, does the notice of strike dated 8th April 1946 legalize or justify on grounds of expediency the strike that commenced on 24th April 1946 ?

(*d*) With reference to the averments in paragraph (1) (*a*) of the statement of the Company, were the issue of strike notice and the subsequent strike authorized by the union and were they in accordance with the rules of the Union ?

(*e*) Even if the strike fulfils the requirements of the rules of the Union, was the verdict of the Union in accordance with the views of the majority of the employees of the Company. [This has been reference to the averments in paragraph (1) (*e*) of the statement of the Company.]

Recommendations of the Adjudicator.—The strike that commenced on 24th April 1946 was neither illegal nor unjustified, though there was no real default on the part of the Company in implementing the terms of the settlement effected by the Commissioner of Labour on 8th August 1946.

Issue (2).—*Whether the employers were justified in dismissing any or all of the* 17 *employees whose names have been specified in Schedule C of the statement of Union.*

(*a*) Does the consideration of the dismissal of Dhanushkodi Soosai, Alagu Servai and Srinivasa Rao (numbers 14 to 17 of the Schedule C) arise for adjudication at all in these proceedings ?

(*b*) Whether with reference to the merits and circumstances of each case of dismissal the orders of dismissal were unduly harsh ?

(*c*) Whether the Company has to be advised to modify the orders of dismissal in any given case ?

(*d*) Is the charge of victimization levelled by the union against the Company with reference to any of these dismissals justifiable ?

Recommendation of the Adjudicator.—The charge of victimization levelled by the Union against the Company has not been proved. Of the seventeen cases of dismissals that were taken up for consideration, four were dropped by common consent during the enquiry. The Union accepted the offer of the Company to re-employ Muniraj and Amir Sahib. As Vembuli and Mohideen were not anxious to return to the service of the Company, the Union withdrew its demand for an investigation into the dismissals of these two. The dismissals of (1) Dhanushkodi, (2) Susai Manikkam, (3) Alagu Servai, (4) Narayana Reddiar, (5) Mohideen Batcha, (6) Ramanujam, (7) Nachimuthu, (8) Alagiriswami, (9) Shanmugam and (10) Alagaraja Konar were justified, and a demand for their re-instatement must be rejected. Srinivasa Rao, Mani and Natarajan were removed from service without proper enquiry. Mani and Natarajan should be re-appointed and the Company should be advised to re-appoint Sreenivasa Rao also.

Issue (3).—*Whether the wages not given to the employees are adequate* ?

(*a*) Whether the present rates of basic wages and dearness allowance are adequate ?

(*b*) Whether the batta paid at present is adequate and whether the rates claimed in paragraph (9) of the statement of the Union are reasonable ?

(*c*) Whether the bonus paid to the employees is adequate ? Whether it is open to the employees to question the adequacy of any payment like bonus made ex gratia ?

(*d*) Whether it is open to the union to raise the question of the adequacy of wages, dearness allowance, batta and bonus at this stage in view of the statement by the Commissioner of Labour which preceded the strike ?

Graduate Library

Recommendation of the Adjudicator.—The present scale of basic wages and batta has not been proved to be inadequate; under neither of these heads is there any call for an enhancement. Dearness allowance to employees in receipt of a salary of Rs. 30 and below should be enhanced from two annas a point to three annas a point, with adjustments for those in receipt of wages just above Rs. 30 a month to equalise their total emoluments made up of basic wages and dearness allowance with these who are granted an increase of dearness allowance. Bonuses paid to the employees in November 1945 and April 1946 should be correlated to the profits earned by the Company in 1945. The payment for 1945 is adequate, it is not possible to define the quantum of bonus that should be paid in future years.

Issue (4)—*Other amenities.*—

(*a*) *Dress.*—(i) Is the claim for four sets of uniforms for each employee consisting of shorts and shirts and two caps and two pairs of chappals reasonable or is the provision now made for two uniforms for each employee adequate ?

(ii) Is the claim for the provision of uniforms for employees other than conductors, drivers, checking inspectors and employees employed in the Madura Workshop reasonable ?

NOTE.—The company undertook to supply uniforms to time-keepers.

(*b*) Is it necessary to provide for the free medical attendance of the employees (vide paragraph 16 of the memorandum attached to the statement of the Union) ?

(*c*) Is the present provision for the issue of family passes adequate (see paragraph 23 of the memorandum) ?

(*d*) Is the company bound to provide a Co-operative stores (vide paragraph 22 of the memorandum) ?

(*e*) What provisions should be made for holidays with pay to the employees (paragraph 6 of the memorandum—page 5 of the written statement of the Company) ?

Recommendation of the Adjudicator.—The concession of free supply of uniforms should be extended to the men employed in the workshop at the outlying branches, Devakottah, Karaikudi, Tiruppattur, Sivaganga, Kamuthi and Rajapalayam. In other respects the scale of supply of dress in force now is adequate.

The Company should pay for the medical certificates if the Company required any of their employees to produce one: no further provision for medical attendance is practicable at this stage.

The present provision for the issue of free family passes for holiday travel is adequate.

The Company is not bound to provide the employees with a co-operative store. The provision now in force for the grant of fourteen holidays a year with pay to the employees is adequate, and does not call for any alteration.

Issue (5).—*What is the basis for calculating the ages of drivers and conductors* ?

What is the basis for deduction of work not done by a driver or a conductor on the dates on which he is bound to work ? Does the system of calculation of wages earned or of wages to be deducted call for any revision ?

Recommendation of the Adjudicator.—The method of calculation adopted by the Company for ascertaining the basic wages earned by drivers and conductors and the deductions that have to be made for work not done causes no hardship to the employees and there is no justification for calling upon the company to give up that method of calculation. The charge that an adoption of an hourly wage has led to intensification of work is baseless.

Issue (6)—*Hours of work.*—What are the hours of work for (i) checking inspectors;

(ii) workers in the workshops in the outlying branches, Devakottai, Karaikudi, Tirupattur, Sivaganga, Kamuthi, and Rajapalayam.

Is it necessary to prescribe the maximum number of hours per week for each of these classes of workers ?

Recommendation of the Adjudicator.—A double shift of checking inspectors should be employed on the Madura-Tirumangalam route and the spread over of hours of work for the men employed in the workshops in Devakottai, Karaikudi, Tiruppattur, Sivaganga, Kamuthi and Rajapalayam, should be limited to twelve.

Issue (7)—*Hours of work for drivers and conductors.*—

(*a*) What is the basis for calculation of the hours of work for (1) a driver and (2) a conductor ?

(*b*) Is there any case of a driver or a conductor being employed more than 54 hours in a week ?

(*c*) Is the demand of the union that 75 miles per day be reckoned as a working day reasonable and practicable of enforcement ?

(*d*) Is the contention of the labour union that the existing hours of work on every one of the routes are onerous, justified ?

(*e*) Is the claim of the union that no conductor or driver should be employed for more than 36 hours (running time) in a week reasonable ?

Recommendation of the Adjudicator.—Hours of work should include the actual scheduled running time of the bus plus an hour for subsidiary work on each day of work.

The maximum number of hours of work for drivers and conductors in a week should be 48.

Neither the demand of the union that the maximum should be 36 hours of running time in a week, nor the alternative demand that hours of work should be correlated to mileage on the basis of 75 miles a day is reasonable or practicable.

Efforts should be made to reduce the spreadover of hours of work on the routes as specified in detail in the annexure to the adjudicator's report wherever the spreadover exceeds 12 hours a day. The spreadover depends upon the timings fixed not by the company but by the transport authorities. Where it is not possible to alter the timings, relief should be granted by changing the routes for drivers and conductors from time to time alternating light with heavy charges, judged by the spreadover.

Issue (8).—Is the claim of the Union that charcoal cleaners should be promoted as conductors and conductors as drivers on obtaining the requisite licences from the Police in preference to a candidate not already in the service of the company, reasonable and practicable ?

Recommendation of the Adjudicator.—A list of employees qualified to be appointed as conductors and drivers should be drawn up by the company after subjecting the candidates to such tests as the Company may prescribe. At least fifty per cent of the vacancies among drivers and conductors should be filled up by men included in such a list.

Issue (9).—Is the contention of the union that none should be employed continuously on night shifts reasonable ? Are the cases specified true ? What steps should be taken to redress their grievances ?

Recommendation of the Adjudicator.—The incidence of a permanent night shift cannot be avoided in the case of twenty-five of the cleaners employed in the workshop at Madura. To mitigate the hardship of continuous night shift work, there should be an allowance of 12½ per cent of the basic wages. Vacancies in the groups of day workers and workers on alternating day and night shifts should be filled to relieve the incidence of continuous night shifts, even though such a transfer might involve loss of the extra allowance recommended.

3. The Government agree with all the above recommendations of the Adjudicator and make the following order :—

ORDER.

Whereas in the opinion of His Excellency the Governor of Madras, it is necessary for the maintenance of supplies and services essential to the life of the community that the decision of the Adjudicator appointed in Public Works Department notification No. 95, dated the 9th May 1946, published at page 329 of Part I of the *Fort St. George Gazette*, dated the 14th May 1946, in regard to the trade dispute between the workers and management of Sri Rama Vilas Motor Services, Ltd., Madura, should be enforced;

Now, therefore, in exercise of the powers conferred by clauses (*d*) and (*e*) of sub-rule (1) of rule 81 (A) of the Defence of India Rules, read with the notifications of the Government of India, Department of Labour No. 3005, dated the 20th May 1942, and No. LR. 16, dated the 11th December 1943, His Excellency the Governor of Madras hereby directs—

(i) that the decisions specified in the annexure to this order shall be in force and shall be binding on the workers and management of the Sri Rama Vilas Motor Services, Ltd., Madura, from the date of this order and until so long as the Defence of India Rules continue to be in force, and

(ii) that neither the said management nor the workers nor any other person shall contravene or abet the contravention of any term of the said decisions.

4. With reference to sub-rule (1) of rule 119 of the Defence of India Rules, His Excellency the Governor of Madras hereby directs that this order be sent by post to the management of the Sri Rama Vilas Motor Services, Ltd., Madura, and its workers.

The Adjudicator has made the following recommendations on the issues framed by him:—

Issue (1).—*Whether the strike that commenced on 21st April 1946 was illegal*—

(*a*) Even if the strike was in accordance with the provisions of law, was the strike which commenced on 24th April 1946, justified?

(*b*) Did the employer fulfil his part of the agreement arrived at before the Commissioner of Labour between the union and the company or did the company default in the performance of any of the obligations imposed upon it by the settlement?

(*c*) Quite apart from the settlement arrived at before the Commissioner of Labour, does the notice of strike, dated 8th April 1946, legalize or justify on grounds of expediency the strike that commenced on 24th April 1946?

(*d*) With reference to the averments in paragraph (1) (*a*) of the statement of the company, were the issue of strike notice and the subsequent strike authorized by the union and were they in accordance with the rules of the union?

(*e*) Even if the strike fulfils the requirements of the rules of the union, was the verdict of the union in accordance with the views of the majority of the employees of the company. [This is with reference to the averments in paragraph (1) (*e*) of the statement of the company.]

Recommendation of the Adjudicator.—The strike that commenced on 24th April 1946 was neither illegal nor unjustified, though there was no real default on the part of the company in implementing the terms of the settlement effected by the Commissioner of Labour on 8th March 1946.

Issue (2).—*Whether the employers were justified in dismissing any or all of the seventeen employees whose names have been specified in Schedule C of the statement of union*—

(*a*) Does the consideration of the dismissal of Dhanushkodi, Soosai, Alagu Servai and Srinivasa Rao (Nos. 14 to 17 of the Schedule C) arise for adjudication at all in these proceedings.

(*b*) Whether with reference to the merits and circumstances of each case of dismissal the orders of dismissal were unduly harsh.

(*c*) Whether the company has to be advised to modify the orders of dismissal in any given case.

(*d*) Is the charge of victimization levelled by the union against the company with reference to any of these dismissals justifiable?

Recommendation of the Adjudicator.—The charge of victimization levelled by the union against the company has not been proved. Of the seventeen cases of dismissals that were taken up for consideration, four were dropped by common consent during the enquiry. The union accepted the offer of the company to re-employ Muniraj and Amir Sahib. As Vembuli and Mohideen were not anxious to return to the service of the company, the union withdrew its demand for an investigation into the dismissals of these two. The dismissals of (1) Dhanushkodi, (2) Susai Manikkam, (3) Alagu Servai, (4) Narayana Reddiar, (5) Mohideen Batcha, (6) Ramanujam, (7) Nachimuthu, (8) Alagiriswami, (9) Shanmugam and (10) Alagaraja Konar, were justified, and a demand for their reinstatement must be rejected. Srinivasa Rao, Mani and Natarajan were removed from service without proper enquiry. Mani and Natarajan should be re-appointed and the company should be advised to re-appoint Sreenivasa Rao also.

Issue (3).—*Whether the wages now given to the employees are adequate*—

(*a*) Whether the present rates of basic wages and dearness allowance are adequate?

(*b*) Whether the batta paid at present is adequate and whether the rates claimed in paragraph (9) of the statement of the union are reasonable?

(*c*) Whether the bonus paid to the employees is adequate? Whether it is open to the employees to question the adequacy of any payment like bonus made *ex gratia*?

(*d*) Whether it is open to the union to raise the question of the adequacy of wages, dearness allowance, batta and bonus at this stage in view of the settlement by the Commissioner of Labour which preceded the strike?

Recommendation of the Adjudicator.—The present scale of wages and batta has not been proved to be inadequate; under neither of these heads is there any call for an enhancement. Dearness allowance to employees in receipt of a salary of Rs. 30 and below should be enhanced from two annas a point to three annas a point, with adjustments for those in receipt of wages just above Rs. 30 a month to equalise their total emoluments made up of basic wages and dearness allowance with these who are granted an increase of dearness allowance. Bonuses paid to the employees in November 1945 and April 1946 should be correlated to the profits earned by the company in 1945. The payment for 1945 is adequate. It is not possible to define the quantum of bonus that should be paid in future years.

Issue (4)—*Other amenities*—

(*a*) *Dress.*—(1) Is the claim for four sets of uniforms for each employee consisting of shorts and shirts and two caps and two pairs of chappals reasonable or is the provision now made for two uniforms for each employee adequate?

(2) Is the claim for the provision of uniforms for employees other than conductors, drivers, checking inspectors and employees employed in the Madura workshop reasonable?

NOTE.—The company undertook to supply unforms to time-keepers.

(*b*) Is it necessary to provide for the free medical attendance of the employees (vide paragraph 16 of the memorandum attached to the statement of the union)?

(*c*) Is the present provision for the issue of family passes adequate (see paragraph 23 of the memorandum)?

(*d*) Is the company bound to provide a co-operative store (vide paragraph 22 of the memorandum)?

(*e*) What provisions should be made for holidays with pay to the employees (paragraph 6 of the memorandum—page 5 of the written statement of the company)?

Recommendation of the Adjudicator.—The concession of free supply of uniforms should be extended to the men employed in the workshop at the outlying branches, Devakottai, Karaikudi, Tirupattur Sivaganga, Kamuthi and Rajapalayam. In other respects the scale of supply of dress in force now is adequate.

The company should pay for the medical certificates if the company requires any of their employees to produce one: no further provision for medical attendance is practicable at this stage.

The present provision for the issue of free family passes for holiday travel is adequate.

The company is not bound to provide the employees with a co-operative store. The provision now in force for the grant of fourteen holidays a year with pay to the employees is adequate, and does not call for any alteration.

Issue (5).—*What is the basis for calculating the wages of drivers and conductors?*—What is the basis for deduction of work not done by a driver or a conductor on the dates on which he is bound to work? Does the system of calculation of wages earned or of wages to be deducted call for any revision?

Recommendation of the Adjudicator.—The method of calculation adopted by the company for ascertaining the basic wages earned by drivers and conductors and the deductions that have to be made for work not done causes no hardship to the employees and there is no justification for calling upon the company to give up that method of calculation. The charge that an adoption of an hourly wage has led to intensification of work is baseless.

Issue (6)—*Hours of work.*—What are the hours of work for—

(i) Checking inspectors;

(ii) workers in the workshops in the outlying branches, Devakottai, Karaikudi, Tirupattur, Sivaganga, Kamuthi and Rajapalayam.

Is it necessary to prescribe the maximum number of hours per week for each of these classes of workers?

Recommendation of the Adjudicator.—A double shift of checking inspectors should be employed on the Madura-Tirumangalam route and the spreadover of hours of work for the men employed in the workshops in Devakottai, Karaikudi, Tirupattur, Sivaganga, Kamuthi and Rajapalayam, should be limited to 12.

Issue (7)—*Hours of work for drivers and conductors*—

(*a*) What is the basis for calculation of the hours of work for (1) a driver and (2) a conductor?

(*b*) Is there any case of a driver or a conductor being employed more than 54 hours in a week?

(*c*) Is the demand of the union that 75 miles per day be reckoned as a working day reasonable and practicable of enforcement?

(*e*) Is the claim of the union that no conductor or driver should be employed for more than 36 hours (running time) in a week reasonable?

Recommendation of the Adjudicator.—Hours of work should include the actual scheduled running time of the bus plus an hour for subsidiary work on each day of work.

The maximum number of hours of work for drivers and conductors in a week should be 48.

Neither the demand of the union that the maximum should be 36 hours of running time in a week, nor the alternative demand that hours of work should be correlated to mileage on the basis of 75 miles a day is reasonable or practicable.

Efforts should be made to reduce the spreadover of hours of work on the routes specified in detail in the annexure to the adjudicator's report wherever the spreadover exceeds twelve hours a day. The spreadover depends upon the timings fixed not by the company but by the transport authorities. Where it is not possible to alter the timings, relief should be granted by changing the routes for drivers and conductors from time to time alternating light with heavy charges, judged by the spreadover.

Issue (8).—Is the claim of the union that charcoal cleaners should be promoted as conductors and conductors as drivers on obtaining the requisite licences from the police in preference to a candidate not already in the service of the company, reasonable and practicable?

Recommendation of the Adjudicator.—A list of employees qualified to be appointed as conductors and drivers should be drawn up by the company after subjecting the candidates to such tests as the company may prescribe. At least fifty per cent of the vacancies among drivers and conductors should be filled up by men included in such a list.

Issue (9).—Is the contention of the union that none should be employed continuously on night shifts reasonable? Are the cases specified true? What steps should be taken to redress their grievances?

Recommendation of the Adjudicator.—The incidence of a permanent night shift cannot be avoided in the case of twenty-five of the cleaners employed in the workshop at Madura. To mitigate the hardship of continuous night shift work, there should be an allowance of 12½ per cent of the basic wages. Vacancies in the groups of day workers and workers on alternating day and night shifts should be filled to relieve the incidence of continuous night shifts, even though such a transfer might involve loss of the extra allowance recommended.

(7)

BEFORE THE ADJUDICATOR:

SRI RAO BAHADUR M. VENKATARAMAYYA, M.A., B.L.

(Retired District and Sessions Judge.)

[Under rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF THE MADRAS ELECTRIC TRAMWAY COMPANY

and

THE MANAGEMENT OF THE MADRAS ELECTRIC TRAMWAY COMPANY, LIMITED.

Subject.—Revision of rate of wages.

Held the rate of wages is inadequate, that it is difficult to decide when times will become normal, that workers cannot be made to wait indefinitely, that workers in other employment are paid less is no argument against revision of wages.

Adequacy of wages (including the question of promotion by seniority and direct recruitment on a higher scale and starting pay for skilled workers).—The adjudicator has observed that the wages are inadequate and has recommended the following revised rates of wages which should come into effect from 1st July 1946 :—

Coolies.—A class (pointsmen, line cleaners, wheelmen, fitter coolies, moulder coolies, pump attendant coolies and coolies who are doing work with the skilled labour)—Fourteen annas to one rupee with an annual increase of half an anna.

B class (manual-labourers such as gangmen, men and women doing roadpicking, digging and similar work)—12 annas to 14 annas with an annual increment of half an anna.

Women and boys will start on 10 annas and go up to 14 annas with annual increment of half an anna.

Semi-skilled workers.—One rupee to one rupee and eight annas with an annual increment of one anna. Any one who passes the trade test shall be put on Re. 1-4-0 or in the corresponding scale for skilled workmen.

Skilled workmen.—(i) From Re. 1-4-0 to Rs. 1-8-0 with an annual increase of two annas a year.

(ii) From Rs. 1-8-0 to Rs. 2 with an increment of one anna a year.

(iii) From Rs. 2 to Rs. 3 with an annual increment of two annas—efficiency bar at Rs. 2-8-0.

(iv) Special and exceptionally skilled workmen.—

From Rs. 3 to Rs. 3-8-0 with an annual increase of four annas.

Every one who passes the prescribed test shall be a skilled man and must be started on Re. 1-4-0 and he will get his increment ordinarily in the normal course up to Rs. 2-8-0 when efficiency will be considered for putting him to the next higher grade.

Conductors and motormen.—From Rs. 30 per mensem to Rs. 50 per mensem with an annual increment of Re. 1.

Monthly paid men in the traffic and in the Engineering sections and also in the Madras Electric Supply Corporation.—An increase of 10 per cent of their present salary shall be given to those who get Rs. 50 and less, an increase of 5 per cent to those whose salary is between Rs. 50 and Rs. 75 and an increase of 3 per cent to those who get above Rs. 75 and less than Rs. 100. No part of the dearness food allowance is to be merged with pay.

Ordinarily every man who is a senior should be promoted to the next higher appointment; but where an exceptionally capable man is available and the man at the top is not so capable, the management has power to take direct recruits.

There is no need to impose a trade test on the existing men who are drawing a wage of more than Re. 1-4-0; but in the case of fusemen such of them as satisfy the officer concerned of his capacity, shall be promoted to the post of pillar inspector as a matter of course.

Holidays.—Besides 21 days now granted 10 days recuperative leave, 10 days sick leave and festival holidays claimed—*Held* the statutory provision of 10 days leave does not come into operation where workers are given more than 10 daysl eave; Recommended—

15 days sick leave on half pay to workers with one year service.

30 days leave on loss of pay when the worker compelled to absent himself.

7 festival holidays with pay.

Bonus.—Victory bonus should not be taken as consideration in granting bonus upon profits—recommended half month bonus in addition to what was paid in respect of 1945.

Gratuity.—Conditions for the grant of gratuity to be clearly defined.

Overtime wages.—*Held* no inducement should be offered to workers to work overtime—if workers work for over 10 hours overtime wage at 1½ rate should be paid.

Absenteeism on circular days.—Held the number of circular days should be reduced. Bonus for perfect attendance on circular days at Rs. 2-8-0 per half year and Rs. 7-8-0 for the whole year should be paid.

Security deposit of Rs. 15 for uniform.—Held legitimate—Recommended repayment in instalment of Re. 1 for nine months and the balance as the last instalment.

Reinstatement of workers.—Dismissal of Inspector Subbiah justified but recommended for reinstatement in view of his long service.

G.O. No. 2718, Development, dated 11th July 1946.

[Labour—Disputes—Dispute between the workers and management of the Madras Electric Supply Corporation and between the workers and management of the Madras Electric Tramways—Recommendations of the Adjudicator—Orders passed.]

Read—the following papers :—

I

G.O. No. 987, P.W., dated 4th January 1946.

G.O. No. 1355, P.W., dated 10th May 1946.

G.O. No. 1356, P.W., dated 10th May 1946.

II

From the Adjudicator (Rao Bahadur M. Venkatramayya, Retired District and Session Judge), dated 5th July 1946.

Report of the dispute between the management and the workers of the Madras Electric Tramways Company, Limited.

I. The Workers' Union states that the wage rates obtaining in the company are too low and that the wages were fixed in 1930 when prices of commodities had fallen to the lowest level, and that though the prices have been going up from that time no revision of wages has taken place. Controverting this, on behalf of the company, it is urged that prices reached lowest level in 1939 and not in 1930. With regard to the statement that wages are the same as they were in 1930, this is the answer of the Company :—

"It is true that the schedules are the same but it is quite untrue to imply that the workers in 1946 are on the same wages as they were in 1930. Workers engaged now are given higher starting wages if they are worth more."

To my mind this point gives no difficulty of solution. It is true that the men who were in employment in 1930 have been getting increments and so too those who were employed after 1930. But the question is not whether increments are or not being given and consequent on the earned increments, workers are getting more than what they were getting in 1930, but whether the scales of pay and rate of increments which are in vogue are commensurate with the rise in the standard of living and rise in prices of commodities and also considering the economic conditions now prevailing in the City. Even now, the schedule of rates of wages shows that a woman is paid 8 annas and a man 11 annas and not only coolies of this type but men who may be called semi-skilled are given increments of 3 pies. I don't think much argument is necessary to state that the wages are quite inadequate and need revision.

It is strongly urged before me that this is not the proper time to revise basic wages and that whatever increase the workers appear to require may be given in the nature of an allowance, viz., dearness food allowance. It is said that the revision of basic wage can only be taken up when the times are normal and the present must be said to be abnormal because we are having the after-effects of the termination of the war. There are a few points which cannot be ignored in considering the subject. The wages fixed in 1930 are low on the face of it. In 1943 when the tramway workers applied for increase of wages, the Government stepped in and said that owing to the prevalence of war and the pre-occupation of everybody in its prosecution, that was not the time for asking for revision of wages, and that it could be done soon after the war ended. The war terminated nearly a year ago. Eruptions of labour discontent are noticeable throughout the country. The workers seem to feel that this is the time for the revision of wages and that view, I find is also shared by some authorities on labour problems. The war has had two effects on the workmen. Their services were largely requisitioned for purposes connected with the prosecution of war and they responded in large numbers and by working long hours. They were given high wages and salaries and were promised better employment, after the war. So much so that workmen in some concerns left their jobs and went

in for new jobs There were, of course, regulations preventing the desertion from duty in essential services. And those who stayed firm at their posts like Tramway-Company's workers obviously were hoping for the betterment of their conditions soon after the war. Similar must have been the state of affairs in many other concerns in the country, with the result that the workmen are not in a mood to show patience or contentment. They cannot be put off any longer. The second effect is a sense of labour's importance in the economy of life and consequently high expectations.

Another factor which should be remembered is that if there is an increase in the basic wage, there will be improvement, in the financial position of the worker who will be able to contribute more to Provident Fund and also when he takes leave he may thereby have certain advantages. It is a difficult problem to decide when the times are normal. Whether the lowest level of prices was reached in 1930 or 1939, it is clear that financial depression throughout the world took place between 1930 and 1932. Between 1930-31 and 1938-39 things cannot said to be normal either. What is the test by which we can say conditions or times are normal ? The future investigator into the economic conditions will be equally at sea to say whether what people say normal conditions existed in any year. Some persons would forecast 1948 would be normal. If certain standards are laid down as denoting normal times, we can say whether times are normal or not. If the prices come down next year by 25 per cent, would that be said to be normal. It is futile to speculate on this problem and no one can say with any degree of reasonable probability for how many years the existing conditions will last. For how long then, can we ask the grumbling worker to wait ?

With regard to the fixing of wage, there are numerous factors to be considered. First and foremost what is the minimum amount required for the maintenance of a family of the labour class ? In the absence of an enquiry into the conditions of living of the workers in the Tramway Company any opinion expressed cannot be exact. But there was an enquiry into the family budgets of the industrial workers in Madras in the year 1938. Taking the labour unit of 3·6 or 4 which I think at present is the unit of labour family, one can immediately lay down Rs. 30 as the minimum required. In the opinion of Dr. Aykroyd, the cost of well-balanced diet in South India was five to six rupees per man in 1936. But this amount is exclusive of some items such as sugar. He opines that for these extras, 25 per cent must be added. Therefore the minimum requirement of a labour family would be $4 \times 6 = 24 + 25$ per cent of it, namely, Rs. 30. Mr. Rao suggested Rs. 36 as the minimum for railway workers. And before me, the demand made is that Rs. 35 should be fixed as the minimum wage. I must emphasize the fact that I am not fixing any minimum wage for the tramway worker or any other worker. I am trying to-day to determine what increase made to the basic wage of the several classes of workmen at present will be reasonable, the fixation of a minimum wage, and standardization of wages can only be done after a comprehensive enquiry into labour conditions with special reference to a particular industry.

Another interesting enquiry attempted in these proceedings is the comparison of the wages paid by the Madras Electric Company with the wages of the Tramway Companies at Bombay and Calcutta. Bombay and Calcutta seem to be no better than Madras so far as workers' discontent is concerned. In the beginning of this year, adjudications were made in disputes between the tramway workers and the management in both these cities. It is again a difficult matter to decide what should be said reasonable wage in Madras, if say, Rs. 40 is the wage at Bombay or Calcutta. Any opinion expressed on the point must be considered haphazard—such as that the cost of living in Madras is 2/3 of Bombay or 3/4 of Calcutta and so on. In their statement, or the Madras Electric Tramway Company have said that it may be taken that Bombay is 33⅓ higher than Madras. While it is true that the cost of living in Bombay is higher than in Madras, one cannot accept this ratio of 33⅓. I should put it at 4 : 5, that is to say, Madras is 4/5 of Bombay in cost of living. The only reason I can give for this is the rate of daily allowance paid to touring officers in some of the companies and to Government officers, where the allowance is 20 in Madras, it is 25 in Bombay.

One other point that is brought out is, comparison of wages paid by the Madras Electric Tramways with the wages paid in Madras City by the Corporation of Madras, by the Port Trust and Public Works Department to their employees. I do not give any consideration to such a comparison. Where it is distinctly proved that the wages are low, it is no use pointing out other persons who are paying less. One should try to raise the lower paid to a higher level. If the Corporation of Madras pays Rs. 16 for a man coolie, it does not mean that the Corporation's example should be followed by others. If what is mentioned is a fact, I can only say that the workmen in the Corporation of Madras are in such a helpless position that they cannot help themselves to get better terms. I am told that in the Public Works Department coolies' wage is Rs. 13. There again, I should think that it is not a concern which should be copied by others. Coolies and skilled workers are said to be pouring in for employment at existing rates. I do not know if this is really true. However, this too is not a point to be considered in the fixation of a reasonable wage. All are agreed that every endeavour should be made to raise the standard of living. By keeping the men at the starving level of wage, in a locality, one can make them agree to any conditions. This class of worker, namely, coolie, knows only two things, hunger and fear. He has no courage to speak boldly to his employer, he has not even sense of proportion in many matters. In almost all cases, he is illiterate, ignorant and uneducated. And therefore in many of these cases it is useless to even ask him either what he wants or whether he is prepared to work either for Rs. 10, Rs. 15 or Rs. 20. This is a matter in which so far as India is concerned, the State has to interfere and fix reasonable wage commensurate with the required rise in the standard of living.

In the recommendations, I have made, I feel I have been too modest, excepting probably in the case of some in the traffic department. The increase recommended in the case of others is not high. In the case of the coolies whose deplorable state I described above increase will be from 10 annas which was in force before 1945 to 12 annas (minimum). The reason for this very cautious increase recommended is the financial condition of the Madras Electric Tramways Company as disclosed by the dividends that they have paid. From 1938 up to 1942 no dividend was paid; in 1945, 5 per cent and in 1944, 10 per cent and the results of 1945 have been described by the employer's representative as "VERY GOOD." Of course, while the profits have increased, the expenditure too has increased. But I have satisfied myself that the recommendations I am making are such that they may be given effect to without any disturbance to the financial condition and stability. In fact, I envisage a future revision of the wages when the financial condition of the company, after effecting necessary repairs, replacements, etc., can be judged better; by then times which *are* abnormal now may be at least less abnormal, if not normal. That may be five years hence or even ten years.

The revised wages shall come into effect from 1st July 1946.

The coolies shall be of two classes, A and B—

B class.—12 annas to 14 annas with an annual increment of 6 pies.

A class.—14 annas to Re. 1 with an annual increase of half an anna.

Women and boys will start with 10 annas and go up to 14 annas with an annual increase of half-anna.

The B class shall consist of merely manual labour, such as gangmen, men and women doing road-picking, digging and similar work.

Pointsmen, line-cleaners, wheelmen, fitter coolies, moulder coolies, pump attendant coolies and coolies who are doing work with the skilled labour shall be included in A class.

Semi-skilled.—Re. 1 to Rs. 1-8-0, increase one anna every year. Their increment stops at Rs. 1-8-0.

Anyone who passes the trade test shall be put on Re. 1-4-0 or in the corresponding scale for skilled workmen.

Skilled workmen —(1) Re 1-4-0 to Rs. 1-8-0 with an increase of 2 annas a year. (2) Rs. 1-8-0 to Rs. 2 with an increment of one anna a year. (3) Rs. 2 to Rs. 3 with an annual increment of 2 annas. Efficiency-bar at Rs. 2-8-0. For special

nd exceptionally skilled workmen, the scale may be Rs. 3 to Rs. 3–8–0 with 4 annas increase a year. Promotion to this shall be only on merit. Everyone who passes the prescribed test shall be a skilled man and must be started on Re. 1–4–0 and he will get his increment ordinarily in the normal course up to Rs. 2–8–0, when efficiency will be considered for putting him to the next higher grade.

Conductors and motormen.—Rs. 30 per month to Rs. 50 per month with an annual increment of Re. 1.

In the case of the monthly paid men in the traffic as well as the Engineering Sections and also in the Madras Electric-Supply Corporation following shall be the revised wages. (The increase to be given only is shown below.)

Ten per cent of their present salary to those who get Rs. 50 and less, 5 per cent to those whose salary is between Rs. 50 and Rs. 75, 3 per cent to those who get above Rs. 75 and less than Rs. 100. No increase in the rate of increment per year is recommended in the case of monthly paid men. Those who get Rs. 100 and above are not given any increase.

I am fortified in these conclusions by the following facts. While in England, the cost of living increased by 40 per cent owing to war, in India it increased by over 200 per cent. Persons engaged in the study of world conditions tell us that in India, 50 per cent of the dearness allowance now paid will become merged in the wages or salaries. A few say that only 40 per cent of it will become merged. Whatever may be the proportion, it is evident that opinion is unanimous that the wage or salary now in existence must be raised sooner or later and my recommendations do not on the average exceed 10 per cent of the existing wage. The dearness food allowance paid by the company fluctuates with the cost of living index, and it is now about Rs. 22. I am not merging any part of dearness food allowance with pay, as from what has been said above, it is obvious we will never go back to pre-war rates of wages and pay.

An examination of the cost of living indices maintained by the company affords interesting and useful data. I am aware that style or mode of living of one family is different from another and some allowance has to be made for it. The price of commodities which a unit of family required in 1926 was Rs. 49–10–0. For the same commodities and for living in the same state that family requires Rs. 86–1–0 in March 1946. If we add Rs. 20–8–0 (dearness food allowance) to Rs. 49–10–0 roughly it is Rs. 70 and it yet leaves Rs. 16 for the man to find. It is said he has also to share the burden due to increased cost of living. A well-paid man may share but not the low paid. Thus a man who was getting Rs. 49–10–0 or Rs. 50 in 1926 needs to be paid Rs. 86 and is being paid a dearness food allowance Rs. 20 and consequently the wages he was getting in 1926 (same as in 1930) must be raised immediately by 32 per cent. As I said my recommendations do not give more than 10 per cent on the average.

Ordinarily, everyman who is a senior will be promoted to the next higher appointment. But where an exceptionally capable man is available and the man at the top is not so capable the management should have power to take direct recruits.

There is no need to impose a trade test on the existing men who are drawing a wage of more than Re. 1–4–0. But in the case of fusemen, I would suggest that such of them as satisfy the concerned officer of the company of his capacity, shall be promoted to the post of pillar inspector as a matter of course.

II. At present the employees get leave with pay and dearness allowance for 21 days and sick leave with pay and dearness food allowance for 5 days in a year after a service of 5 years, and in addition to this there is povision for leave for 10 days with dearness food allowance only. There is a further provision; " All sick leave granted by the company's doctor carries with it payment of dearness food allowance."

The demand of the workers is that in addition to this, they should be given recuperatory leave for 10 days, sick leave for 10 days more, besides holidays given for festivals.

What is called recuperatory leave by them is what is contained in a recent enactment of the Government of India by which every employer is bound to give 10 days leave at least to the employees in a factory. The Madras Electric Tramways Workers'

Union is apparently taking advantage of it but I fear, they are twisting the meaning of this statutory provision. Even now, there are factories in which no leave is granted to the employees. There are, however, companies where much more than 10 days is being given. What the law now lays down is that in every factory the employees must be given at least 10 days leave at a time. This does not mean that those who are already given 15 days or 21 days in a month as privilege leave to their workers should increase those leave periods by 10 days. Twenty-one days privilege leave in a year is quite adequate and there is no reason to add 10 days more. The statutory provision does not come into operation in the case of this company because they are already giving more than 10 days privilege leave. With regard to the other kinds of leave I recommend that all the employees who have put in one year service shall be entitled to 15 days sick leave on half pay and dearness allowance. Should exigencies arise, that is, if the leave allowed is exhausted, and the worker is compelled to absent himself, provision may be made in the rules regulating the grant of leave, that in such cases workmen may be given 30 days leave on loss of pay, provided that within 14 days of continued absence, application is made for leave or permission obtained for the absence.

2. The existing practice of granting sick leave where the worker is sick for a long time should be continued.

3. Where the worker satisfies that, leave or absence on loss of pay was due to causes beyond his control, the company may in individual cases pay dearness food allowance for a period up to 10 days. I do not make this compulsory. The decision of the head of the department will be final on this point.

Another point connected with this is the demand for payment of wages for the holidays which are granted. The holidays now granted are 11 in number and are—

(1) Christmas Day,
(2) New Year's Day,
(3) Good Friday,
(4) Pongal,
(5) Telugu New Year's Day,
(6) Tamil New Year's Day,
(7) Mahalaya Amavasya,
(8) Avani Avittam,
(9) Vinayaka Chathurthi,
(10) Ayudha Pooja and
(11) Deepavali.

I find that even in countries like Australia, the system of holidays with pay is being introduced, and in India also in many industrial concerns pay is given during holidays, though the number varies. I recommend that for the following holidays pay shall be given. I do not think it is necessary to expatiate on the reasons which prompted me to recommend this, but will only say that national festivals generally observed in India and national festivals of the employers are included in the list :—

(1) Christmas Day.
(2) New Year's Day.
(3) Pongal.
(4) Good Friday.
(5) Telugu New Year's Day.
(6) Tamil New Year's Day.
(7) Deepavali.

III. Electric Tramway Company has not been a very profitable concern for several years and no bonus was paid till 1944. No dividend was even paid to the shareholders from 1938 to 1942. Consequently the management is not prepared to give any more bonus in 1945 than what they have paid. On result of 1944 one month's pay was given as bonus in January 1945. On the results of 1945 one month's pay was given as bonus in January 1946. The workers demand one more month's bonus in respect of 1945, and the answer is that towards the end of 1945 immediately on the conclusion of the war a Victory Bonus was given of one month's pay. That is, it is pointed out that the workers have got two months' bonus in respect of 1945. 1945 has been a year of exceptional prosperity for the company and I do not think it right that what was paid as Victory Bonus should be taken as consideration in the granting of bonus upon the profits. Much may be said on the point whether payment of Victory Bonus was due to the profits made or to joy at the victory won in the war. Taking all things into consideration, I decide that the workers shall be paid a bonus of half month's pay in addition to what was paid (in respect of 1945).

IV. Even now, the Madras Electric Tramway Company is paying gratuity to some of the workers who leave the service owing to retirement due to sickness or old age. But there is no hard and fast rule and the conditions on which the gratuity will be paid are not embodied in the rules. Here, as in other matters, I am informed that if there are rules which are made binding, the management will not be so liberal in dealing with individual cases deserving consideration and sympathy. This may be true but there may also be cases whether the absence of a rule may be taken advantage of to the detriment of deserving case. I hold it is time to put in black and white whatever is intended to be given to the workmen and not to leave it to the generosity of the employer. I therefore think that the gratuity that is now being paid should be continued to be paid but the conditions and the amount to be paid proportionate to the length of service, etc., should be clearly defined and made known to the workers.

V. At present the workers in the traffic department are paid at the ordinary rates if they are to work for more than 8 hours. They demand overtime rates for excess of over 8 hours. In Bombay overtime is paid. The area served by the tramway there is very large. Ordinarily, in Madras, there should be no need for overtime work, and I am loathe to give inducement to work for more than 8 hours. I do not recommend overtime rates. As for inspectors, they are of higher grade and the existing conditions are quite sufficient. As, however, work for over 10 hours is too great a strain, for all work over 10 hours, overtime at 1½ rates shall be paid.

VI. There are what are called circular days in every month during which days the traffic people can absent themselves at very grave risk to their employment. The number of days are fixed and notice is given to the employees that these days would be treated as circular days. If any one is absent on a circular day he is given warning. A second warning is given on a second absence. And if he is absent for a third time, a more severe warning and finally he is removed from service after three warnings. This is a rigid rule, no doubt, to which these traffic people are specially subjected. The cause for this system is said to be too much absenteeism on those days. During the course of our discussion, on behalf of the management a scheme for a grant of a bonus for traffic workmen attending to work during these days was suggested, and I think it may be adopted. No extra wage need be paid. Attendance and attention to duty should be the normal feature of a good workman and no encouragement should be given for neglect of work on such important days. At the same time, I should note that the rigour of the rule may be alleviated by reducing the number of circular days. It is not fair to declare a large number of days as circular days and thus subject the men to heavy penalties. Sundays shall not be declared as circular days unless Sundays fall on a festival. The following rule may be observed in this behalf:

"If at the end of the first half year a worker in the Traffic Department has perfect attendance on circular days he is to be paid Rs. 2–8–0; similarly at the end of the second half year Rs. 2–8–0. If he has a perfect attendance on circular days for three consecutive half years he is to be paid Rs. 2–8–0 plus Rs. 5 as prize, total, Rs. 7–8–0."

VII. The workshop and the pits where repairs to cars, cleaning of cars are done, were inspected by me. In the sixth pit, a tramcar or part of it is lifted by means of a crane. Whether it be repairing or cleaning work, it is of the same nature as what is going on in other pits. The very slight difference is that in the sixth pit use of machinery is on a larger scale. There is no justification for demanding extra wages for this kind of work.

VIII. It occasionally happens that a bogey car has only one conductor although the understanding is that there should be two conductors for every bogey car. It is brought to my notice that too much of absenteeism is responsible for this and that the company is not in favour of having one conductor for a bogey car under any circumstances. During these proceedings an understanding has been come to, that the number of conductors which is 430 at present should be increased to 470 and that from 1st August 1946 or thereabouts no bogey car shall go out without

two conductors. It should hereafter be a rare thing if the full complement of conductors required are not available on any day. The Union may do useful work by preventing absenteeism. The extra wages demanded under this issue is not a reasonable demand.

IX. Line cleaners demand uniform and footwear. The management is prepared to give the uniform but not the footwear. These men number about 100. I do not wish to compel the management to give footwear but they can make it part of the uniform if they approve of the suggestion. As most of these men have an increase by virtue of this award, they should be able to buy the shoes themselves, if the management does not give.

X. There is a scale of wage for the hammerman which is slightly higher than the coolies' wages. When there is need for tightening two rails, a coolie is sometimes asked to strike the nail or bolt and that is done with a hammer. I am asked to hold that when the ordinary coolie is asked to do this work, he must be treated as hammerman and be paid wages as are given to hammerman. He does not become a hammerman because he occasionally strikes with a hammer. There is no reason in this demand.

XI. In paragraph 14 of their statement, the workers demand that overhead wiremen should not be asked to work more than 8 hours per day. From 1st August the period of work cannot exceed 8 hours and there is no reason for me now to make any alteration in the existing periods. They are included as workers in workshop though they work on the line.

XII. The traffic workers who get uniform have to deposit Rs. 15 which will be repaid after a service of nine months. Inasmuch as the clothing is given to a new entrant, the requiring of a deposit is quite legitimate. It is now agreed that the repayment will begin from the first month after service. Rupees 15 will hereafter be repaid at Re. 1 per month for nine months, and Rs. 6 at the end of ninth month.

XIII. The appointment of a lawyer to defend motormen or other workmen who may be involved in any case due to an accident is a matter in the hands of the management. The choice of the lawyer should be left to them. Only they should take care to see that the lawyer does his work himself. The complaint is that the present incumbent never appears in court but sends a junior. I am sure that management will see that the lawyer appointed by them does his work satisfactorily.

XIV. Six dismissed or discharged workers apply to be reinstated.

(1) *Venkatesan.*—This *man* has been taken back as a result of negotiations during the adjudication proceedings. So also No. (2) *Pappiah.* (3) *Shanmugasundaram* was a conductor who joined service on 14th November 1944 and from March 1945 until October 1945 every month he was showing a shortage in the daily collections ranging from Rs. 5 to Rs. 9. A conductor who shows shortage every month deserves no consideration and he has been rightly removed from service. (4) *Veeraswami* was working in an essential service and leaving that and without informing it to Madras Electric Tramway Company he got service in the Tramway Company. There was a case of mischief in the factory and he along with two others were arrested but in the end he was acquitted. He was also prosecuted under the Defence of India Act, and was convicted. In the face of these facts, I cannot say that his dismissal was wrong or unjustified. (5) *Subbiah* was an Inspector whose rank is superior to that of the conductor and above him is Chief Inspector. One day in February last, when the Chief Inspector checked the Inspector Subbiah he had Rs. 2-8-0 on his person, and he admitted that while Rs. 2-4-0 was his own, he had taken 4 annas from the conductor. This is a serious wrong according to the canons of the traffic department and so Subbiah was summarily dismissed. In view of the strict discipline that has to be maintained in the observance of such a rigid rule prohibiting Inspectors, conductors and motormen from carrying money of their own while on duty, it cannot be said that the management was not justified in removing him from service. However it should be noted that Subbiah has put in 18 years' service. I leave it as recommendation to the company that, should his service record be clean, he may be treated as under suspension during the period that

has elapsed and that he may be reinstated. This is only a recommendation which if other things are satisfactory, the management may accept. (6) The case of Venugopal is not pressed.

XV. The police investigated into a case of mischief which occurred in the factory and filed a charge-sheet against Elumalai, Srinivasan and Veeraswami. The first two were arrested and released on bail and after trial were acquitted. When they were released on bail they went back to work and since then they are in the company's service. But they were not paid wages during the period when they were under remand. They now apply for wages for the period. It is plain that the management is not responsible for their detention in custody. There is no reason why they should be paid wages for the period when they did no work.

By this award, the workers have gained many points. But there are three essential matters which I should mention as very necessary for their guidance. There are numerous complaints against traffic men especially, of rude behaviour (bad manners), too much absenteeism and pilfering. They should realize that it is only if the company grows from prosperity to prosperity that they can hope to better their lot. Needless to say, a man who unjustly appropriates to himself money or property belonging to the company is unfit to be trusted or shown any consideration in the grant of pay, bonus or gratuity. The company's prosperity is dependent partly on the business they get from the public and therefore a worker who is rude or behaves badly with the public is unfit to be in the service of the company. I, therefore, end my report with an appeal to the workers that they should not hereafter expose themselves to such charges. The Union officers will do well to impress on them the importance of these three points—Good manners, no absenteeism and honesty (that is, no thieving). Finally they may feel gratified at the managements' agreeing to permit the conductors, inspectors and motormen to have 4 annas of their own money with them, while on duty and the management will also consider the feasibility of getting canteens or coffee shops opened to cater to them at certain points in the routes.

REPORT.

I. Same as what has been recommended in the Tramway Company's dispute.
II. Do.
III. Do.
IV. Do.

V. Rosaiah was discharged on the ground of chronic disease of the heart. During these proceedings the company has been so good as to take his brother into employment and Rosaiah who appeared before me is satisfied and this point is therefore not pressed.

VI. The shift-workers of the power-house are being given holidays according to the rules. And I do not find any cause for complaint.

APPENDIX.

Witnesses for the workers—

1 S. Vijayaraghavan.
2 Murugappa Naicker.
3 Sadayappan.
4 Munuswamy.
5 Perumal.
6 Kuppuswamy.
7 Muthuswamy.
8 Rajagopal.
9 Papiah.
10 Shanmugasundaram.
11 Subbiah.
12 Somasundaram.

Witness for the management—*Nil.*
Exhibits for the workers—
I Budget of expenses of family of Murugappa Naicker filed on behalf of workers.
II Budget of expenses of family of Thambu Naidu.
III Budget of expenses of family of Murugesam.
IV Budget of expenses of family of Vellai.
V Budget of expenses of family of Vijayaraju.
VI Madras Electric Tramway list of holidays in 1946.
VII Notice of circular days.
VIII Do.

Exhibits for the management—
A Schedule of wages.
B Table of wages and number of men in workshop and shed.
C Memorandum filed by Madras Electric Tramway Company.
C-1 Memorandum filed by Madras Electric Supply Corporation.
D Comparative statement of wages.
E List of persons employed in Madras Electric Tramway.
F Comparative statement of leave rules.
G Cost of living per family, 1926, 1938 and 1946.
H Rules and regulations of Madras Electric Supply Corporation.

Order—No. 2718, *Development, dated 12th July* 1946.

In G.O. No. 1355, P.W., dated 10th May 1946 and in G.O. No. 1356, P.W., dated 10th May 1946, the Government directed that the trade dispute between the workers and management of the Madras Electric Supply Corporation and the workers and management of the Madras Electric Tramways, be referred to Sri Rao Bahadur M. Venkatramayya, for adjudication under clause (c) of sub-rule (1) of rule 81-A of the Defence of India Rules. Of the six points referred for adjudication in the dispute between the workers and management of the Madras Electric Supply Corporation, the adjudicator has reported that no action is called for in regard to two points. Of the fifteen points referred for adjudication in the dispute between the workers and management of the Madras Electric Tramways, the adjudicator has reported that no action is called for in regard to seven points. On the remaining points in both the disputes the adjudicator has made the following recommendations :—

(1) *Adequacy of wages (including the question of promotion by seniority and direct recruitment on a higher scale and starting pay for skilled workers).*—The adjudicator has observed that the wages are inadequate and has recommended the following revised rates of wages which should come into effect from 1st July 1946 :—

Coolies—A class (pointsmen, line cleaners, wheelmen, fitter coolies, moulder coolies, pump attendant coolies and coolies who are doing work with the skilled labour).—Fourteen annas to one rupee with an annual increase of half an anna.

B class (manual labourers such as gangmen, men and women doing road-picking, digging and similar work).—Twelve annas to fourteen annas with an annual increment of half an anna.

Women and boys will start on ten annas and go up to fourteen annas with an annual increment of half an anna.

Semi-skilled workers.—One rupee to one rupee and eight annas with an annual increment of one anna. Anyone who passes the trade test shall be put on Re. 1-4-0 or in the corresponding scale for skilled workmen.

Skilled workmen.—(i) From Re. 1-4-0 to Rs. 1-8-0 with an annual increase of two annas a year.

(ii) From Rs. 1-8-0 to Rs. 2 with an increment of one anna a year.

(iii) From Rs. 2 to Rs. 3 with an annual increment of two annas—efficiency bar at Rs. 2-8-0.

(iv) Special and exceptionally skilled workmen—

From Rs. 3 to Rs. 3-8-0 with an annual increase of four annas.

Every one who passes the prescribed test shall be a skilled man and must be started on Re. 1-4-0 and he will get his increment ordinarily in the normal course up to Rs. 2-8-0 when efficiency will be considered for putting him to the next higher grade.

Conductors and motormen.—From Rs. 30 per mensem to Rs. 50 per mensem with an annual increment of Re. 1.

Monthly paid men in the traffic and in the engineering sections and also in the Madras Electric Supply Corporation.—An increase of ten per cent of their present salary shall be given to those who get Rs. 50 and less, an increase of five per cent to those whose salary is between Rs. 50 and Rs. 75 and an increase of three per cent to those who get above Rs. 75 and less than Rs. 100. No part of the dearness food allowance is to be merged with pay.

Ordinarily every man who is a senior should be prompted to the next higher appointment; but where an exceptionally capable man is available and the man at the top is not so capable, the management has power to take direct recruits.

There is no need to impose a trade test on the existing men who are drawing a wage of more than Re. 1-4-0; but in the case of fusemen such of them as satisfy the officer concerned of his capacity, shall be promoted to the post of pillar inspector as a matter of course.

(2) *Grant of the recuperative leave of ten days in addition to the* 21 *days' leave already allowed, payment of wages for the holidays and increase in the number of days of sick leave.*—Privilege leave for twenty-one days in a year is quite adequate and there is no reason to add ten more days. All employees who have put in one year of service shall be entitled to fifteen days' sick leave on half pay and dearness allowance. If the leave allowed is exhausted and the worker is compelled to absent himself, the rules regulating the grant of leave should provide that in such cases they may be given thirty days' leave on loss of pay provided application is made for leave or permission obtained for the absence within fourteen days of continued absence.

The existing practice of granting sick leave where the worker is sick for a long time should be continued.

Where the worker satisfies that leave or absence on loss of pay was due to causes beyond his control, the company may in individual cases pay dearness food allowance for a period up to ten days.

Pay should be given for the following holidays :—

Christmas day.	Telugu New Year's day.
New Year's day.	Tamil New Year's day.
Pongal.	Deepavali.
Good Friday.	

(3) *Adequacy of the bonus paid in* 1945-46 *and whether one month's bonus should be paid in addition.*—The workers should be paid a bonus of half a month's pay in addition to what was paid in respect of the year 1945.

(4) *System and rates of gratuity.*—The gratuity that is now being paid should continue to be paid, but the conditions and the amount to be paid, proportionate to the length of service should be clearly defined and made known to the workers.

(5) *Payment of overtime rates to workers in the traffic department other than inspectors and whether inspectors should be given the same concession as motormen and conductors.*—The adjudicator is loathe to give any inducement to workers to work for more than eight hours and does not recommend overtime rates to workers in the traffic department. The existing conditions are quite sufficient in the case of inspectors who are of a higher grade. As, however, work for over ten hours is too great a strain, overtime at one and a half rates should be paid for all work over ten hours.

(6) *Relaxation of conditions relating to absenteeism on circular days.*—The number of circular days should be reduced and Sundays should not be declared as circular days unless they fall on a festival day. Bonus should be granted to the traffic workmen attending to work on these circular days on the following scale :—

If at the end of the first half year a worker in the traffic department has perfect attendance on circular days he should be paid Rs. 2-8-0;

Similarly at the end of the second half year Rs. 2-8-0. If he has a perfect attendance on circular days for three consecutive half years he is to be paid Rs. 2-8-0 plus Rs. 5 as prize, total Rs. 7-8-0.

(7) *Whether the rule requiring a deposit of Rs. 15 as security from traffic workers is unfair and should be abrogated.*—As clothing is given to a new entrant the requiring of deposit is quite legitimate. The repayment of deposit will hereafter begin from the first month after entry into service and will begin at the rate of Re. 1 per month for nine months and end with Rs. 6 as the last instalment.

(8) *Dismissal of workers.*—The dismissal of Subbiah, who was an inspector, was justified ; however, in view of his long service, the adjudicator recommends that he may be reinstated, if his service record has been clean, treating the period that has elapsed as under suspension.

2. The Government agree with all the above recommendations of the adjudicator. The first four items mentioned in paragraph 1 above are common to the workers in the Madras Electric Supply Corporation and Madras Electric Tramways.

3. The Government make the following order on the recommendations made by the adjudicator :—

ORDER.

Whereas in the opinion of His Excellency the Governor of Madras, it is necessary for the maintenance of supplies and services essential to the life of the community that the decisions of the adjudicator appointed in Public Works Department Notification No. 73, dated the 4th April 1946, published at page 247 of Part I of the *Fort St. George Gazette*, dated 9th April 1946, in regard to the trade dispute between the workers and management of the Madras Electric Supply Corporation and the workers and management of the Madras Electric Tramways should be enforced ;

Now, therefore, in exercise of the powers conferred by clauses (*b*) and (*c*) of sub-rule (1) of rule 81-A of the Government of India, Department of Labour, No. 3005, dated the 20th May 1942 and No. L.R. 16, dated the 11th December 1943, His Excellency the Governor of Madras hereby directs—

(1) that the decisions specified in the annexure to this order shall be in force and shall be binding on the workers and management of both the Madras Electric Supply Corporation and Madras Electric Tramways from the date of this order and until so long as the Defence of India Rules continue to be in force, and

(2) that neither the said management nor the workers nor any other person shall contravene or abet the contravention of any term of the said decisions.

4. With reference to sub-rule (1) of rule 119 of the Defence of India Rules, His Excellency the Governor of Madras hereby directs that this order be sent by post to the management of both the Madras Electric Supply Corporation and Madras Electric Tramways and the Tramway and Electric Supply Workers' Association.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

ANNEXURE.

1. *Adequacy of wages (including the question of promotion by seniority and direct recruitment on a higher scale and starting pay for skilled workers.*—The adjudicator has observed that the wages are inadequate and has recommended the following revised rates of wages which should come into effect from 1st July 1946 :—

Coolies—A class (pointsmen, line cleaners, wheelmen, fitter coolies, moulder coolies, pump attendant coolies and coolies who are doing work with the skilled labour).—Fourteen annas to one rupee with an annual increase of half an anna.

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Semi-skilled workers.—One rupee to one rupee and eight annas with an annual increments of one anna. Anyone who passes the trade test shall be put on Re. 1-4-0 or in the corresponding scale for skilled workmen.

Skilled workmen.—(i) From Re. 1-4-0 to Rs. 1-8-0 with an annual increase of two annas a year.

(ii) From Rs. 1-8-0 to Rs. 2 with an increment of one anna a year.

(iii) From Rs. 2 to Rs. 3 with an annual increment of two annas—efficiency bar at Rs. 2-8-0.

(iv) Special and exceptionally skilled workmen—From Rs. 3 to Rs. 3-8-0 with an annual increase of four annas.

Every one who passes the prescribed test shall be a skilled man and must be started on Re. 1-4-0 and he will get his increment ordinarily in the normal course up to Rs. 2-8-0 when efficiency will be considered for putting him to the next higher grade.

Conductors and motormen.—From Rs. 30 per mensem to Rs. 50 per mensem with an annual increment of Re. 1.

Monthly paid men in the traffic and in the engineering sections and also in the Madras Electric Supply Corporation.—An increase of ten per cent of their present salary shall be given to those who get Rs. 50 and less, an increase of five per cent to those whose salary is between Rs. 50 and Rs. 75 and an increase of three per cent to those who get above Rs. 75 and less than Rs. 100. No part of the dearness food allowance is to be merged with pay.

Ordinarily every man who is a senior should be promoted to the next higher appointment; but where an exceptionally capable man is available and the man at the top is not so capable, the management has power to take direct recruits.

There is no need to impose a trade test on the existing men who are drawing a wage of more than Re. 1-4-0; but in the case of fusemen such of them as satisfy the officer concerned of his capacity, shall be promoted to the post of pillar inspector as a matter of course.

2. *Grant of recuperative leave of ten days in addition to the 21 days' leave already allowed, payment of wages for the holidays and increase in the number of days of sick leave.*—Privilege leave for twenty-one days in a year is quite adequate and there is no reason to add ten more days. All employees who have put in one year of service shall be entitled to fifteen days' sick leave on half pay and dearness allowance. If the leave allowed is exhausted and the worker is compelled to absent himself, the rules regulating the grant of leave should provide that in such cases they may be given thirty days' leave on loss of pay provided application is made for leave or permission obtained for the absence within fourteen days of continued absence.

The existing practice of granting sick leave where the worker is sick for a long time should be continued.

Where the worker satisfies that leave or absence on loss of pay was due to causes beyond his control, the company may in individual cases pay dearness food allowance for a period up to ten days.

Pay should be given for the following holidays:—

Christmas day.	Telugu New Year's day.
New Year's day.	Tamil New Year's day.
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Good Friday.	

3. *Adequacy of the bonus paid in 1945-46 and whether one month's bonus should be paid in addition.*—The workers should be paid a bonus of half a month's pay in addition to what was paid in respect of the year 1945.

4. *System and rates of gratuity.*—The gratuity that is now being paid should continue to be paid, but the conditions and the amount to be paid, proportionate to the length of service should be clearly defined and made known to the workers.

5. *Payment of overtime rates to workers in the traffic department other than inspectors and whether inspectors should be given the same concession as motormen and conductors.*—The adjudicator is loathe to give any inducement to workers to work for more than eight hours and does not recommend overtime rates to workers in the traffic department. The existing conditions are quite sufficient in the case of inspectors who are of a higher grade. As, however, work for over ten hours is too great a strain, overtime at one and a half rates should be paid for all work over ten hours.

6. *Relaxation of conditions relating to absenteeism on circular days.*—The number of circular days should be reduced and Sundays should not be declared as circular days unless they fall on a festival day. Bonus should be granted to the traffic workmen attending to work on these circular days on the following scale:—

If at the end of the first half year a worker in the traffic department has perfect attendance on circular days he should be paid Rs. 2-8-0; similarly at the end of the second half year Rs. 2-8-0. If he has a perfect attendance on circular days for three consecutive half years he is to be paid Rs. 2-8-0 plus Rs. 5 as prize, total Rs. 7-8-0.

7. *Whether the rule requiring a deposit of Rs. 15 as security from traffic workers is unfair and should be abrogated.*—As clothing is given to a new entrant the requiring of deposit is quite legitimate. The repayment of deposit will hereafter begin from the first month after entry into service and will begin at the rate of Re. 1 per month for nine months and end with Rs. 6 as the last instalment.

8. *Dismissal of workers.*—The dismissal of Subbiah, who was an inspector, was justified; however, in view of his long service, the adjudicator recommends that he may be reinstated, if his service record has been clean, treating the period that has elapsed as under suspension.

(8)

BEFORE THE ADJUDICATOR:

P. RAMAKRISHNA AYYÀR, M.A., I.C.S.

(District and Sessions Judge of Ramnad at Madura.)

[Under rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF MADURA MILLS AT MADURA AND VIKRAMA SINGAPURAM

and

THE MANAGEMENT OF THE MADURA MILLS COMPANY, LIMITED.

Sir JAMES DOAK—*For Madura Mills Company, Limited.*

Sri P. KANNAYYA NAYUDU—*For Madura Labour Union and Papanasam Labour Union.*

Sri P. RAMAMURTHI—*For Madura Textile Workers' Union and Vikramasingapuram Textile Workers' Union.*

Subject.—Recognition of rival unions. *Held* rival unions should not be prohibited as such, but the existence of only a single union should be provided for having reference to the condition in that area or in that undertaking. Standing Order No. 21 of the Madura Mills Company, Limited, examined. Approved of company's policy to recognize one union only which is non-political and non-communal in character. *Held* further that the clause "any worker who is found to work in a manner that will prejudice the above policy shall be liable for dismissal," cannot be allowed to remain either on the grounds of principle or on the advantages of practice.

Held further that the orthodox theory of letting men do as they please—Join or not join union rarely works well.

A modified Standing Order in the place of Standing Order No. 21 suggested.

Reinstatement of workers dismissed under Standing Order No. 21 recommended (vide Schedule) but arrears of wages refused as the workers took the risk, knowing full well the clause in the Standing Orders.

G.O. No. 3840, Development, dated 9th October 1946.

[Labour—Disputes—Dispute between the workers and management of the Madura Mills Company, Limited, at Madura and Vikramasingapuram—Recommendations of the adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. No. 2610, Development, dated 5th July 1946.

II

Letter from the District Judge of Ramnad at Madura and Adjudicator, to the Secretary to Government, Development Department, dated the 28th August 1946.

[Labour—Disputes—Dispute between the workers and the management of the Madura Mills Company, Limited, at Madura and Vikramasingapuram—Ordered to be referred to the District and Sessions Judge of Ramnad for adjudication. *Reference.*—G.O. No. 2610, Development, dated 5th July 1946.]

I am enclosing herewith my findings after adjudication in the above dispute.

Issue 1.—My finding is that the existing Standing Order No. 21 should be cancelled and in its place, a new standing order whose terms have been set out in paragraph 40 of the finding should be introduced.

Issue 2.—I have found that workers Nos. 1 to 7, 12 and 13, 16 and 21 of Appendix E and Nos. 10 and 17 to 37 of Appendix F of the management's written statement and Nos. 1 and 4 to 6 of Schedule I (*a*) of the Textile Union's written statement have been dismissed as a result of the operation of the standing order. They will have to be reinstated if my finding under issue No. 1 is accepted by the Government. But there is no need to pay them arrears of wages.

FINDING.

I was appointed in G.O. No. 2610, Development, dated 5th July 1946, as Adjudicator in a dispute between the Madura Mills and their workers. The Government were pleased to direct that adjudication might be on the following lines :—

(1) Whether Standing Order No. 21 should be cancelled or modified; if a modification is necessary, in what way ?

(2) Whether there was any victimization of labour on account of the operation of the said standing order, and if so, what relief is justified ?

2. It appeared during enquiry, that there were three parties to the contest, namely, (1) the Madura Mills; (2) the Madura Labour Union and the Papanasam Labour Union whose interests were identical; and (3) the Madura Textile Workers' Union and the Vikramasingapuram Textile Workers' Union whose interests were identical. Notices were given to those parties and they filed written statements. Notice was given to another union—the Tuticorin Mill Workers' Union, Tuticorin, but they did not appear.

3. The Madura Labour Union is the oldest having been formed at the end of 1929, and subsequently registered under the Trade Unions Act. The Papanasam Labour Union was started in 1930 but was registered under the Trade Unions Act only in 1943. The Vikramasingapuram Textile Workers' Union was founded in 1940 and registered in 1941. The Madura Textile Workers' Union was founded only in 1944. Mr. S. R. Varadarajalu Nayudu was the Secretary of the Madura Labour Union ever since its inception and became later on its President. He was also President of the Papanasam Labour Union for a very long time. On 16th June 1944, he was convicted by the Subdivisional Magistrate, Shermadevi, for the offence of criminal breach of trust of the Union's funds and sentenced to one and a half year's rigorous imprisonment. He was released sometime in May 1946, and soon afterwards, on 16th June 1946, he was again elected President of the Madura Labour Union. The Vice-President of this Union is Mr. P.A. Kanniah Nayudu, B.A., B.L. One Sundararajulu Nayudu was elected President of the Papanasam Labour Union in 1945.

4. Ever since its inception in 1944, the Madura Textile Workers' Union had as its President Mr. P. Ramamurthi, a Communist in politics. He was actively taking part in the affairs of the Papanasam Textile Workers' Union ever since 1943.

5. From the statements given before me, the following table shows the strength of the labour force and the relative strength of the rival unions :—

		Total Labour force.	Madura Labour Union.	Madura Textile Labour Union.
Labour force ..	Madura ..	13,255	7,153	1,600
	Pandian Mills.	1,608		
			Papanasam Labour Union.	Vikramasingapuram Textile Workers' Union.
	Papanasam ..	7,934	2,697	4,194 of whom 2,088 have paid up arrears of subscription.
	Tuticorin ..	4,449		

6. A short summary may be given of the high lights in the history of the unions. There was a strike in the Madura Mills at Madura in 1937 and this led to an elaborate enquiry by Mr. Chandrasekhara Ayyar who was then District Judge, Madura, and who was appointed as a court of enquiry. His report is Exhibit M-1 in this case. The next year, in 1938, Mr. Strathie, the then Commissioner of Labour, made an enquiry into the conditions of wages in Papanasam and submitted a report. The last paragraph of his report, Exhibit M-2, shows that as a result of his arbitration, the management had agreed to recognize the Labour Union with Mr. Varadarajulu Nayudu as Secretary. The recognition of the Madura Labour Union by the management commences from this date. Ever since 1937, up to the early months of 1943, there appears to have been harmony between the management and the workers. During this period substantial welfare schemes were started due to the co-operation of the management and the union. Among these were co-operative stores, labour welfare associations at Papanasam and at Madura and a residential colony at Harvipatti. The labour welfare associations were managed by the union and received subsidies from the management. The other institutions were run on co-operative lines and they were also given subsidies by the management. Appendices A to C of the management's statement give a list of their contributions and subsidies. A sum of over ten lakhs of rupees had thus been paid by the management between 1940 and 1946 to these welfare objects.

7. Trouble started in the early months of 1943, when the management decided to give two months' bonus for the year 1942, one month's bonus to be paid in cash, and the other month's bonus to be kept in deposit as the nucleus of a contributory provident fund. At that time, the Textile Workers' Union started agitation for the payment of the whole bonus in cash. This seems to have been ultimately compromised at the intervention of the Tahsildar of Ambasamudram and the Textile Workers' Union agreed to receive one month's bonus under protest. Shortly after this period, there were complaints about wrongful dismissals, to the labour department authorities, made at the instance of the Textile Workers' Union. For the first time, on 2nd August 1943, we find that the workers were told about the bringing into existence of a new Standing Order No. 21, which has become the subject of the present dispute. In November 1943, the Textile Workers' Union conducted a production week, when indicator readings were taken without the consent of the management, for the purpose of deciding which worker produced most. This also led to suspensions and dismissals and consequent protests. On or about 10th May 1944, Mr. Ramamurthi became President of the Madura Textile Workers' Union and he renewed the agitation against the Standing Order No. 21. At or about this time, the Textile Workers' Union at Papanasam, initiated the criminal complaint against Mr. Varadarajalu Nayudu, which led to his conviction by the criminal court on 16th June 1944. There is nothing much of note in the year 1945, but in 1946 soon after the release of Mr. S. R. Varadarajalu Nayudu and his fresh election as President of the Madura Labour Union, strike notices were sent by the Textile Workers' Union on 11th June 1946 and 14th June 1946.

8. It may be stated at the outset that the Textile Workers' Union is very strongly represented in Papanasam, and the atmosphere there is quite tense. In Madura, though the Textile Workers' Union has a much smaller membership, they are very vocal and aggressive, and the strained feelings form a danger to the workers and the public of Madura.

9. The Standing Order No. 21 was introduced about July 1943, soon after the agitation over the payment of bonus, and on or about the time when the Papanasam Labour Union got itself registered under the Trade Unions Act. There is no precise evidence regarding the circumstances under which this Standing Order was brought into existence. Mr. Kanniah Nayudu on behalf of the Madura Labour Union says that the Standing Order was arrived at, as a result of agreement between his union and the management but the evidence on this point is meager. Sir James Doak was good enough to give me Exhibit M-7, a copy of the notes which he made at the time of a discussion between himself and Mr. F. R. Brislee, the then Commissioner of Labour. These notes show that Sir James Doak was very keen at that time on discouraging rival unions, and following a policy of recognition of one union only.

10. The management in their statement, stressed the disadvantages of rival unions in their undertaking, and the advantages which have accrued by the recognition of one union ever since 1938. They urge that the penal clause in the Standing Order prohibiting active support of a rival union was intended to prevent dissipation of energy of labour, and disintegration among the ranks, and to ensure the full productive capacity of the factory. They had applied the penal clause only on rare occasions and in a few cases, as mentioned in Appendices E and F to the statement. The managment say that if any doubt is cast upon the support of the workers to the Standing Order, they are prepared to abide by the decision of the workers, by means of a ballot taken under official auspices, both at Madura and at Ambasamudram.

11. The Madura Labour Union and the Papanasam Labour Union, in their joint statement, stressed the fact that the Standing Order was brought into force as a result of an agreement between themselves. They have also given an elaborate account of the benefits to the workers which have accrued after the Standing Order came into force. They stressed the disadvantages of having rival associations based on communal or caste considerations. They are one with the management in this respect. They are also prepared to abide by the result of a ballot among the workers both at Madura and Vikramasingapuram on the issue of the Standing Order.

12. The Textile Workers' Union have made a vehement and violent attack both on the management and the Madura and Papanasam Labour Unions. They go to the extent of alleging that these unions are company unions, and that Mr. S.R. Varadarajulu Nayudu, the prime mover behind these unions, was only a "stooge" of the management. These unions alleged acts of mismanagement in all their concerns by the Madura and Papanasam Labour Unions. They allege that the Standing Order takes away from the workers their fundamental right to form themselves into free trade unions unfettered by the management. In the conclusion of their written statement, the Textile Workers' Unions say that their unions should be recognized for the purpose of collective bargaining and that they are prepared to make their representative character abide the result of a ballot of the entire mass of workers. They have also pleaded for the reinstatement with compensation of workers who have been dismissed for contravention of Standing Order No. 21.

13. I will now take up the issues set down by the Government for adjudication.

14. The first issue is whether Standing Order No. 21 should be cancelled or modified; if a modification is necessary in what way?

15. The decision turns upon general principles and the way in which they have to be applied to the existing state of things in Madura.

16. I will take up the question of general principles first. The Standing Order contains broadly two portions, viz.,

(*a*) "The company's policy is to recognize one union only, which must be non-political and non-communal in character. The recognized union is at present the Madura Labour Union. The company will not entertain representations from political or communal bodies purporting to speak on behalf of its workers."

(*b*) "Any worker who is found to work in a manner that will prejudice the above policy, may be dismissed as being guilty of misconduct under Standing Order No. 17."

17. The question of recognition is a vexed problem in the history of Indian Trade Union Legislation. The Trade Unions Act of 1926, provides for the registration of Trade Unions, giving liberty to any seven or more members of a Trade Union to apply for registration of the Trade Union, if they comply with the provisions of the Act. No restriction is placed in this Act, on the liberty of workers to organize themselves as a trade union; the minimum strength qualifying for registration is as low as 7. But this Act makes no provision for recognition. The Bombay Industrial Disputes Act of 1938, makes a further advance in that it takes into account the fact of recognition, and provides that a recognized union can be

registered if it has 5 per cent of the workers entered in its rolls, and that a non-recognized union can be registered only if it has a membership of 25 per cent in its rolls. Withdrawal of recognition will involve the cancellation of registration of those unions when membership is less than 25 per cent . Unions which have between 5 and 25 per cent membership, and which are not registered come under an intermediate class of "qualified unions," if there is no registered union functioning in the area. The Bombay Industrial Disputes Act thus contains a bias in favour of one registered union for one industry in a given local area. Section 10 of the Act provides for the registration of another union in the place of an existing registered union, if the former has a larger membership than the latter, and the cancellation of the registration of the latter. Thus, while the Act allows the existence of several unions of the type "qualified unions" and "representative unions," it restricts the definition of "registered unions" to only one union for one industry in a given local area. The single "registered union" gets the highest status under the Act; it alone has power along with the employer to submit a dispute to arbitration under section 43 of the Act.

18. I was told that in Mysore, an Act was passed in 1942, which provided for the registration and compulsory recognition of one union for each undertaking in a given area provided that it is representative of the workers.

19. In the Bill L.A. Bill No. 18 of 1946 published in the *Fort St. George Gazette*, dated 19th May 1946, Indian Legislative Assembly sought to make provision for recognition. The terms of the Bill provide for recognition by agreement between the employer and the Trade Union, and in the alternative for recognition by the "appropriate Government" on the recommendations of the Industrial Court. On such recognition, the union is given statutory power to negotiate with the employer. In other words, though an employer cannot be compelled to recognize an union, the substantial benefit of such recognition are given to an union, if it gets "recognition" as defined in the Bill. This Bill has not yet become law.

20. The net effect of the existing legislation in this country, is that the position about rival unions for a given industry in one area, and the position about recognition are still undefined, and though the Bombay Act has expressed itself in favour of one "registered union" for one industry in one area, the position in Madras, marks no improvement from the stage at which matters were left by the Trade Unions Act of 1926 and the Trade Disputes Act of 1929.

21. When legislation does not come to our aid, we have to look at what committees and experts have laid down. It is well recognized that Trade Unionism in India is of very recent growth, any activity worth the name commencing only in the first decade after the war of 1914–18. The Whitley Commission has some significant points to make in this connection :—

"A movement which is facing so many difficulties cannot be expected to begin at the stage achieved in other countries through long experience and many vicissitudes. Responsibility can only be developed through power and experience. If relationships and co-operation are to be withheld, until individual unions or the movement generally attain vigorous health, that stage is likely to be long deferred . . . It was suggested that an employer should be compelled to recognize a registered union of his men. Recognition may mean much, but it may mean nothing. *No law can secure that genuine and full recognition that we desire to see* . . . We are anxious to see recognition based on reason and not on force, and the fact that the union consists of only a minority of employees, is no adequate reason for withholding recognition. Similarly the existence of two or more rival unions is not in itself a sufficient ground for refusing to recognize any or all of them. The combination of all employees with common interests in a single union, is eminently desirable in their own interests, but this is a matter for them and not for the employers."

The Commission has also some significant remarks to make about unions depending on the employer's support :

"We should be doing a disservice to the movement if we encouraged any trade unionists to suppose that its development depended upon the action of the

employers rather than upon their own . . . There is too great a tendency to allow the members to remain passive supporters of the union instead of making them an active force . . . Labour is weak. Leaders are few."

22. A different note is struck by Dr. Radhakamal Mookerjee in his recent book "The Indian Working Class," Hind Kitabs, published in 1945. He is wholly in favour of compulsory recognition by legislation. "In order that labour organizations may be effectively set up in India, it is essential that employers be compelled to recognize unions." The author has no positive suggestions to make about rival unions, but he appears to prefer the adoption of certain provisions of the National Labour Relations Act of 1935 of the United States of America. That Act contains a provision in section 8, clause (iii), which enables an agreement to be made between the employer and a representative labour organization, to require as a condition of employment membership therein. Otherwise, the Act gives the employees freedom for self-organization, to form, join or assist labour organization, to bargain collectively through representatives of their own choosing, and prohibits the refusal by the employers to bargain collectively with duly elected employee representatives. The American Act visualises in certain cases the existence of a single union only, on the analogy of a close shop system and that only on the basis of agreement. The Bombay Textile Committee commented on the views of the Bombay Mill Owners' Association, and the conditions which the association held as the prerequisites of recognition. The Committee observed :

"This and similar conditions which were stipulated relate to matters of internal working of a union regarding which in our opinion employers ought not to impose any conditions."

23. I may also observe that there is statutory provision in Australia and New Zealand enacted in 1925 for the registration of one union only in each industry :

"The Registrar shall, unless in all the circumstances he thinks it desirable to do so, refuse to register any association as one organization, if an organization to which the members of the association might conveniently belong has already been registered."

The point to note is that the existence of rival associations is prevented not by the act of the employer or even by the employee, but through the discretion of the Registrar of Unions—an outside and neutral agency.

24. The foregoing review indicates that in India where the Trade Union movement is still in its infancy, where the workers are illiterate and often badly disciplined, where they are often unable to draw the distinction between politics and labour welfare, the movement has to be allowed to grow in a normal way, and such restrictions as are placed on it must be so designed as to make the growth follow proper lines. Statutory checks must be placed to achieve this object. Freedom of association, and the right to negotiate with the employer, and to be heard by the employer, should be provided for by statute in the case of registered unions. Recognition by the employer ought not to be made compulsory, because a statutory recognition cannot be the same as recognition through the employer's free will. Rival unions should not be prohibited as such, but the existence of only a single union in a particular locality and a particular undertaking, should be provided for, having reference to the conditions in that area or in that undertaking. The last-mentioned saving clause will be necessary, in cases where, as observed by Dr. Mookerjee in his book, rival unions are deliberately fostered by the management to split the movement, or where, as in Madura, the temper of the workers against the background of rival unions has been proved to be inconsistent with peace and harmony. Agreement in the nature of close shop may be provided for by legislation, but they should be subject to the approval of the Registrar, and jealously watched, to see that the real advance of the movement is not paralysed by the formation of company fostered unions.

25. I will proceed to examine the two portions of the Standing Order A and B referred to in paragraph 16 above, in the light of the foregoing general discussion :

"The company's policy is to recognize one union only."

No objection can be taken to this clause. In fact recognition was achieved after the sanguinary conflicts between the company and the Madura Labour Union in 1937 and 1938. Sir James Doak rightly contended that his recognition has brought substantial benefits to the workers, and ensured peace for nearly four to five years, till 1943, covering the critical days of the War. Substantial benefits to labour have resulted as a result of the policy of recognition. The Madura Mills Co-operative Stores, the Welfare Associations at Papanasam and Madura, the Residential Colony at Harvipatti and the Savings Fund Scheme are among the most shining examples in the history of Indian Labour Welfare, of what can be achieved through a policy of recognition achieved voluntarily and not through compulsion. Both the employer and the Madura Labour Union have given details of these items of welfare work. I do not want to repeat them here, but this opportunity may be taken to record what is realized on every hand, that Sir James Doak has, after recognition was given in 1938, acted up to it honourably and well, and shown himself to be a generous hearted and magnanimous employer. The policy of recognition that has borne such splendid fruits should be commended and allowed to continue. No one can advice the reversal of this policy in the interests of labour and the management.

26. The next clause to be considered is " *Which must be non-political and non-communal in character.*"

27. All parties to the present dispute are agreed that these clauses should be made more precise. It is admitted that unions which are patently communal or political should not receive recognition. It is obvious that no union should be recognized which restricts its membership only to those of a particular community, say, Pillamar or a Moslem community, or of a particular political party, say, members of the Congress Party, or the Muslim League Party. At the same time, as observed by the Bombay Textile Labour Enquiry Committee at page 377 of Volume II of its report, " The views held by some of the officials of a trade union on the political or economic structure of society ought not to influence the working of the union as such." The management is entitled to insist that the workers do not band themselves on the basis of their communal or political affiliations, but if they associate themselves under their articles of association, on non-political and non-communal grounds, no restriction should be placed as regards the political activities of the members or the executive, in spheres outside the factory, or conditions of employment. The management has made it clear in more than one place that the political predilection of the union does not weigh with it. For example in paragraph 9 of its written statement, the management state : " Although they did not agree with the policy of the Communist Party in India, yet in 1943, they recognized the Tuticorin Labour Union even though it had come under Communist control." Again in Exhibit M-7 the record of a conversation between Sir James Doak and Mr. F. R. Brislee, the then Commissioner of Labour we find:

" When I now express myself against the Communists, it is not against the Communists as such (although I don't like them), but against the tendency all too well known in India, of breaking up into two rival associations, with all the consequences which inevitably follow ."

28. All the parties before me were agreed that this clause may be more precisely stated, preferably thus :

" Whose membership must not depend upon political or communal affiliations, and which in activities connected with the day-to-day activities of the undertaking should be non-political and non-communal in character."

29. The next clause is " *The recognized union at present is the Madura Labour Union/Papanasam Labour Union.*" This records an existing fact and calls for no comment.

30. The clause " *The company will not entertain representations from political or communal bodies purporting to speak on behalf of its workers,*" is also salutary and calls for no comment.

31. Now we come to the clause "*Any worker who is found to work in a manner that will prejudice the above policy may be dismissed as being guilty of misconduct under Standing Order No.* 17." This is the provision that is the most important, and which is at the root of the whole controversy. In practice, this clause has worked in the following manner. Workers are given freedom to join either the Madura Labour Union or the Papanasam Labour Union or the Madura Textile Union or the Papanasam Textile Union, but as long as they continue to be merely members of the latter two unions, they are not penalized under this clause; but when they actively espouse the cause of the Madura Textile Union or the Papanasam Textile Union at the time of elections, or actively pursue any policy laid down by the rival union, for example, take indicator readings in a contest for maximum production, or actively support rival candidates put up by the rival unions for elections to the co-operative stores, the axe is applied, and they are removed under the above clause. That this has been the position, is candidly admitted by the management. Nos. 1 to 7, 12, 13, 16, 21 of Appendix E (Ambasamudram), Nos. 10, 11 to 37 of Appendix F (Madura) and No. 1 and 4 to 6 of Schedule I (*a*) are cases of workers who were, according to the management, dismissed under Standing Order No. 21 in consultation with the Madura Labour Union and the Papanasam Labour Union. Exhibits M-6 series of the management show that these workers were dismissed for carrying on activities on behalf of the rival unions, and that the Madura Labour Union and the Papanasam Labour Union were consulted before their dismissal.

32. The real question is that while no one can fetter the discretion of the management to recognize one union only, can the management say that the workers, while being permitted to join a rival union, should not work actively on behalf of it? This principle goes against the fundamental right of freedom of associations which every worker has. Throughout the present enquiry, it struck me forcibly, that it will be going against human psychology, if we are to tell a body of workers, "You can if you like join a rival union; but you should do nothing more than that, and if you take an active part as a member, you are liable to be dismissed." Bearing in mind the illiteracy of the workers, and their emotional temperament, it will be too much to ask them to remain passive, after joining a rival union. It is this aspect of the manner in which the standing order has worked, that has led to more than one explosive situation in Papanasam and in Madura, and to more than one deplorable acts of violence on rival bodies of workers, including murder and maiming. Even during the progress of the present enquiry the fact that a solemn judicial tribunal was going into the dispute, was not sufficient to deter the violence of the workers. One worker was assaulted outside the premises of the Court with a soda water bottle soon after the enquiry, and on subsequent dates of hearing police bandobust had to be secured to obtain a peaceful atmosphere for the enquiry. On another hearing date, the workers' representative Mr. Krishnaswami could not attend, because he apprehended physical violence on the way to Court. His letter, Exhibit T-11, is illuminating in this connection. On the final days of the enquiry, feelings had risen to such a pitch, that firing had to be resorted to in the mill area, and throughout one whole night, the District Superintendent of Police had to be on duty in the mill area. The newspaper reports published in the "Hindu" this week, makes this clear. If a peaceful judicial enquiry like the present should be made the background for so much irresponsible behaviour by the workers, one wonders how they will conduct themselves on other occasions, when matters of substantial contest arises between them. I cannot impress too strongly on the workers the necessity for restraint, the need for avoiding every form of violence and for conducting their deliberations in a peaceful and law-abiding manner. The public of Madura have come to realize in the mill disputes, a menace to the peace of Madura City. It is probably worse in the Papanasam area. No measure designed to advance the cause of the workers can be suggested or carried out, if this state of things were to continue.

33. I have digressed a little, in order to make the point, that the clause in the standing order providing for passive membership and at the same time discountenancing active membership, in a rival union, has been the fertile seed of rivalry

and violence, against the background of the psychology and mental make up of the workers at Madura and Papanasam. I am of the emphatic opinion that the clause now under discussion cannot be allowed to remain either on grounds of principle, or on the advantages of practice.

34. Suppose this clause were to be deleted. Can we allow the standing order to remain with the remaining clause with the modifications suggested in the preceding paragraphs ? The management is in a very strong position when they say that against the background of the conditions in Madura and Papanasam the existence of two rival unions will be a menace to industrial peace and harmony. In paragraph 9 of the written statement the management says :

" The foregoing facts make it clear that the management had set their face against the fissiparous tendencies so ready to appear in India as matter of principle."

In paragraph 14—" Conditions of rivalry in Vikramasingapuram have continued with all that it involves. In Madura the Textile Union contains only a sprinkling of workers and so the rivalry has not been so serious."

In paragraph 16—" The management has consistently followed a steady policy of refusing to allow itself to be sidetracked into adopting any form of divide and rule policy."

In paragraph 17—" The management recognize that if the main mouthpiece of the workers is one union, that union must be fully representative of the great majority of workers and must be completely independent."

In paragraph 19—" When a number of organizations were formed in opposition to the union recognized by the management, there have been as mentioned previously a number of conflicts very often resulting in riots and bloodshed."

35. This will show that the whole plea of the management is that they would like to have only one union actively functioning at a time, in the interests of industrial peace, so long as that is representative.

36. The Textile Unions represented by Mr. P. Ramamurthi are not in terms opposed to this principle of one union at a time. In substance, they attack the bona fides and representative character of the Madura Labour Union and the Papanasam Labour Union, allege that they are company fostered unions, and that Mr. S. R. Varadarajalu Nayudu recently convicted by the criminal court for the misappropriation of the union's funds, is still in power as a " stooge " of the management. It is unfortunate that Mr. S. R. Varadarajalu Nayudu who began well after the recognition of his union in 1938, should have fallen on evil days and should have come to the stage of a criminal conviction for misappropriation. His union has suffered in public estimation by the fact of his still being retained as President of the Madura Labour Union, even though as alleged by the management, he and his union might command the support of the majority of workers in Madura. Mr. Ramamurthi in one of his letters marked as Exhibit T-4 has stated his position thus :

" We are not anxious to perpetuate a situation where two unions function in one undertaking. Even today, we are willing to abide by any democratic verdict of the workers. Let the Government depute any Gazetted Officer and take a ballot from the mass of workers as to which union they prefer. If the majority decides in favour of a particular union, let the other union be dissolved, and let there be democratic elections to the union chosen after three months, during which period the workers will be given an opportunity to join the union chosen."

37. Mr. Ramamurthi reiterated the same position during arguments, that if a vote is taken among all the workers as to which union has the confidence of workers and if the vote goes against the Textile Workers' Unions, he is prepared to dissolve those unions.

38. Thus there is the noteworthy result which emerged prominently during the concluding days of the enquiry, when both Mr. Ramamurthi and Sir James Doak were present across the table, that both are in favour of *the one union principle*, provided it has the support of the majority of workers. However, when I asked

Sir James Doak, if he were prepared to have a vote taken now, he shifted his ground somewhat, and said two things which appeared to me rather inconsistent with his principles of one union at a time, viz. :

(1) He would like to have the ballot taken a year hence from now, and in the meantime, the *status quo* should be maintained, and the Madura Textile Workers' Union and the Papanasam Textile Workers' Union should be given free admission to the Madura Labour Union and the Papanasam Labour Union, and they should improve the policy of the latter unions, and change the executive if they so desire from within, and

(2) He would like to have a ballot taken on the issue whether the standing order as a whole should or should not remain. If the ballot goes against the Madura Labour Union and the Papanasam Labour Union, he would withdraw recognition altogether. He also concedes that such a ballot on the standing order would be considered by him, as a vote of censure on the Madura Labour Union and the Papanasam Labour Union.

39. Sir James Doak could not give me adequate arguments to support either of the two positions set down above. One may understand time being asked for before the ballot, so that the present strained feelings among the workers might subside, but one year is too long for the purpose. The second suggestion of his, with a threat of withdrawal of recognition if the Madura Labour Union and the Papanasam Labour Union do not get a majority at the ballot, is far from being a happy one. Recognition has done so such good, and it will be a retrograde step, if the management decides to withdraw recognition, if the Textile Workers' Unions and not the Madura Labour Union and the Papanasam Labour Union were to get the confidence of workers. This position is all the more regrettable, when Sir James Doak in Exhibit M-7 has stated categorically that his objection to the Textile Workers' Unions is not on the basis of the Communist policy of its present executive, but because of his objection on principle to rival unions. When he is now offered the choice of recognizing one union on the basis of a majority vote of the workers, it does not appear reasonable to back out of the principle which he has stated so often and so forcibly.

40. The way in which their views were expressed by Sir James Doak on the one hand and Mr. P. Ramamurthi on the other, showed that they are agreed fundamentally on two main principles—

(1) That there should be only one union at a time which shall be representative of the workers, the rival union agreeing to dissolve itself if the ballot goes against it, and (2) that if a vote is taken on the representative character of the existing rival unions and it goes to those unions being dissolved ; and if a vote is taken on the standing order and it goes against the Madura Labour Union and the Papanasam Labour Union, Sir James Doak will treat it as a vote of censure on the Madura Labour Union and the Papanasam Labour Union. This made me formulate the following standing order for adoption in lieu of the existing Standing Order No. 21 :—

" There shall be only one union for the workers in the Madura Textile Mills at Madura and another at Papanasam. Its membership must not depend on political or communal affiliations. In activities connected with the day-to-day work of the mill, it should be non-political and non-communal in character. It should be registered under the Trade Unions Act. It shall be representative of the workers and its representative character shall be decided by a vote of the majority of the workers, the elections being held by a secret ballot under the auspices of the Commissioner of Labour. After the representative union is decided upon thus by ballot, all the workers in the mill, who do not belong to the union, will have the option of joining the union or remaining neutral, till the time of the next ballot which shall be taken on the expiry of every three years. In the interval, there shall be only two classes of workers, viz., members of the representative union and neutrals. Any worker joining a rival union in the interregnum will be liable to be removed. On the expiry of three years, all the workers will be entitled to vote on the issue as to whether the existing union retains their confidence or not, and if the vote goes against it, the workers will have the liberty to organize themselves into a

new union, within a period of three months from the date when the result of the ballot is known. If the new union shows a membership of 25 per cent of workers, it shall be the representative union and it will be so designated by the Commissioner of Labour after examining its books. For every succeeding three years, the same rule about ballot will apply and during the interregnum the same rule of workers being only members of the representative unions or neutrals, will be enforced strictly. If after dissolution, there is more than one union formed with membership of over 25 per cent, the one with the larger membership will be designated as the representative union. It will be open to the management to recognize the representative union thus selected and no other."

41. Mr. Ramamurthi for the Textile Workers' Union agrees in principle to this form of standing order. Sir James Doak's contentions have been summarized in paragraph 39 above. As observed already, I may state that the standing order concedes to him the main principle that he has urged all through, of having only one union to deal with, at a time, irrespective of the political views of its executive (*see* Exhibit M-7). The position of non-union members as neutrals is a more satisfactory one, on the basis of past experience than their being permitted to be only passive members of rival unions, I am of the opinion that the standing order proposed by me, gives the management practically all the advantages they have asked for, without the defects of the existing standing order. It is for the management to decide to give recognition to the representative union thus selected both in the interests of the workers and in the interests of maintaining the continuity of a very beneficial policy followed since recognition was first accorded in 1938.

42. A word about the views of the Madura Labour Union regarding the standing order proposed by me. Mr. Kanniah Naidu took the stand that he agrees to a ballot being taken only as to whether the standing order should remain or go, and that if the vote goes against the standing order, recognition of his union, which was given in 1938, will still remain. (The standing order was introduced in July-August 1943.) He also argued that the standing order was brought into existence as a result of agreement between the management and his union, and in Papanasam the Papanasam Labour Union commanded allegiance of a majority of the workers. As regards the first argument, it may be stated that Sir James Doak has expressed his view that he will consider an adverse vote on the standing order as a vote of censure on the Madura Labour Union and withdraw recognition. Recognition is an unilateral act of the management, and it is not open to Mr. Kanniah Naidu to insist on recognition against the wishes of the management. The second argument of Mr. Kanniah Naidu may also be met by the argument that the alleged agreement brought into effect the clause about permitting workers to remain passive members of rival union and penalizing them the moment they took an active part in the rival union—a position opposed to principle and human psychology, and found impracticable and dangerous to public peace. In my opinion, such a clause must go, if necessary by a direction under the Defence of India, even though it had its origin in an agreement. However, even as regards the agreement which Mr. Kanniah Naidu and the management say preceded the standing order, there is no documentary evidence such as exchange of correspondence or notes of any discussion between the Madura Labour Union/Papanasam Labour Union and the management. All that the management could produce, when repeatedly required to do so, was the record, Exhibit M-7, of a discussion between Sir James Doak and Mr. F. R. Brislee, the then Commissioner of Labour. I have a suspicion that the standing order with its penal clause came into being on account of its obvious convenience to the management and the Labour Union, but without realization at that time, that, in the course of time, the penal clause could be utilized as a gag on freedom of association, and that it would be going against the grain, in the case of illiterate and emotional workers, to permit them to join rival unions and ask them at the same time to remain passive members.

I will, therefore, give my finding that the existing Standing Order No. 21 should be deleted, and in its place a new standing order, as suggested by me in paragraph 40 above, be introduced. I am aware that there are some features of a

'close shop' in the old standing order, such as power of recruitment given to the union. But it was not a thorough going 'close shop' system, because it permitted rival union members to work in the factory, and only put a gag on their militant activity. My suggestion in a sense goes a step further towards 'close shop,' allowing only union men and neutrals. Orthodox economists have expressed themselves against such a system (vide Taussig Principles of Economics, Volume II, page 310, 1932 edition). The reason given is "This plan of letting the men do as they please—join or not join—rarely works well. *So eager and vehement is the unionist spirit that where the movement has once taken hold there is constant nagging of the non-union men.*" I venture to say that the vehement unionist spirit is not yet in evidence in this country, and the danger of harassment of neutrals by the union men, considered by the learned writer, need not be visualized in the near future. I have come to the conclusion that in the peculiar conditions in Madura, the idea of one union for one undertaking, with union members and neutrals only, the safeguard of freedom of association being expressed at periodical intervals, is the only satisfactory via media until a comprehensive labour legislation comes to the rescue.

43. There remains the question of when the new standing order should be brought into effect. My opinion is the sooner the better. The proposal, if put into immediate effect, will involve a secret ballot as to whether the Madura Labour Union and the Papanasam Labour Union or the Madura Textile Workers' Union and the Papanasam Textile Workers' Union have the confidence of the majority of those who cast their vote. This ballot should be taken under the auspices of the Labour Department. Adequate and effective bandobust arrangements should be made. I will not be averse even to an order under section 144, Criminal Procedure Code, prohibiting meetings and speeches, being passed at the time, as the workers could be told what it is all about by hand bills. The contest is likely to be very close in Vikramasingapuram, on account of the very large membership in the Textile Union in that place, and so there will be more likelihood of clashes. The time and method in which the change over has to be carried out, may be decided upon by the Government in consultation with the Commissioner of Labour and the District Magistrates of Madura and Tinnevelly.

44. *Issue* 2.—Whether there was any victimization of labour on account of the standing order and if so what relief is justified ?

45. A decision on this issue is not one of difficulty, because in Appendix E and of their written statement, the management has given the names of men whom they have dismissed on account of the standing order. They are Nos. 1 to 7, 12, 13, 16 and 21 of Appendix E and Nos. 10, 11 to 37 of Appendix F of the mills written statement and 1 and 4 to 6 of section I (*a*) of the Textile Union's written statement. The record of enquiry in these cases, Exhibit M-6, shows that they were dismissed because of the penal clause in the standing order regarding militant activity on behalf of a rival union. The management argued that these workers were bound by the agreement entered into in August 1943, as a result of which the standing order was introduced. My view is that the evidence about the agreement is very meagre; it appears to have been more an arrangement of convenience as between the Madura Labour Union and the Papanasam Labour Union on the one hand and the management on the other, rather than one arrived at after the principles and issues had been carefully considered after full discussion, by the management, and a union working in a bargaining spirit Further, the list, Exhibit M-9, shows that almost all these men were entertained long prior to August 1943, and obviously at the time of their employment, it was not a condition that they would be dismissed if they took an active part in a trade union whether recognized or non-recognized. In any event, the penal clause in the standing order is not a sound one either in principle or in practice, I am of the opinion that the workers dismissed under the standing order whose numbers are given above should be reinstated. But they have been dismissed by the management under the bona fide belief, that the standing order was the best one in the interests of the management and labour. At the time of the activities that led to their dismissal, the workers must have been well aware of the penal clause, and they took the risk open eyed. They have also been given 13

days' wages on dismissal. In view of these circumstances, I will not recommend the payment of any arrears of pay to these workers but I will recommend only reinstatement. This recommendation of mine need be carried out only if my findings under issue (1) are approved.

SCHEDULE I (*a*).

Number and name.	Designation.	Ticket number.
1. Anthonisamy	Spinner	....
4. Nellayappan	Spinner	....
5. Subramaniam	Do.	....
6. Anthoni	Do.	....

APPENDIX E.

Number.	Name.	Department.	Ticket number.	Remarks.
1	Ganapathi	S.M. Bundling ..	126	Workers Nos. 2 to 7 were suspended on 5th April 1943 and No. 1 on 10th April 1943 but Nos. 1, 3 to 7 were given a chance for reinstatement on 31st July 1943 and No. 2 on 2nd August 1943. They refused to abide by the Company's policy and their employment was terminated by payment of 13 days' wages in lieu of notice.
2	Marimuthu	Do. ..	173	
3	Sundararamanujam ..	S.M. Spinner ..	981	
4	Madhava Naidu	S.M. Bundling ..	94	
5	Gomathinayagam	S.M. Spinner ..	1028	
6	R. V. Krishniah	S.M.R.G.S. ..	20	
7	Pitchiah	S.M. Spinner ..	72	
12	Mariappan	S.M. Spinner ..	142	These workers were dismissed on 26th February 1944 for engaging in activities against policy of management after previously agreeing to abide by the policy.
13	Mariappa Chettiar.. ..	Do. ..	351	
16	Meenakshisundaram ..	S.M. Winding ..	293	Dismissed on 15th April 1944 under Standing Order No. 21.
21	Rajagopal	W.M. Bundling ..	47	Dismissed on 27th April 1944 under Standing Order No. 21.

APPENDIX F.

10	Muniandi	N.M. Ring Frame ..	2533	This worker was previously suspended for subversive activities against the management and Madura Labour Union and reinstated after a warning. Dismissed on 22nd March 1944 for again acting against the Company's Policy.
11	Sokkalingam	O.M. R.G.S. ..	10681	Dismissed under Standing Order No. 21 on 5th June 1945.
12	Pakkiam	O.M. Card Room ..	8382	
13	Manikkam	N.M. R.L.G.S. ..	6333	
14	Pakkiam Pillai	O.M. L.Wg. ..	489	
15	Govinda Menon	Comber	642	
16	Mohideen	N.M. L.Wg. ..	242	
17	Subramaniam	Do. ..	102	

Number.	Name.	Department.	Ticket number.	Remarks.
18	Mayandi	N.M. Spinner ..	2440	Dismissed under Standing Order 21 on 6th June 1945.
19	N. Sundara Raju ..	O.M. Spinner ..	9702	
20	Kader Hussain ..	N.M. Spinner ..	1664	
21	Thirukkannu ..	Dunlop	162	Dismissed under Standing Order 21 on 12th June 1945.
22	Ramdoss	Do.	1006	
23	Subba Naidu ..	Do. ..	802	
24	Ponniah	N.M. Doffer ..	4660	
25	Veluchami Gounder	N.M. Bundling ..	6521	
26	Ramasami Reddiar .	N.M. Spinner ..	2771	Dismissed under Standing Order No. 21 on 11th June 1945.
27	Ramakrishnan ..	N.M. R.G.S. ..	3263 (Number given in the list 3265).	
28	Kumarayya Kone ..	N.M. Doffer ..	5703	
29	Rajaram	N.M. L.Wg. ..	284	Dismissed under Standing Order No. 21 on 6th June 1945.
30	Karuppiah	Dunlop	1119	Dismissed under Standing Order No. 21 on 7th June 1945.
31	Thoppiah	N.M. Bundling ..	6475	
32	Irulandi	Dunlop	907	
33	Kasimayan	Do.	1409	
34	Srinivasan	N.M. L.Wg. ..	154	
35	Abbaskhan ..	N.M. Spinner ..	2584	Dismissed under Standing Order 21 on 11th June 1945.
36	Periasami	N.M. Spinner ..	2574	
37	Dakshinamurthi ..	N.M. F.G.S ..	3154	Dismissed under Standing Order No. 21 on 12th June 1945.

Order—No. 3840, *Development, dated 9th October* 1946.

Whereas in the opinion of His Excellency the Governor of Madras it is necessary for maintaining supplies and services essential to the life of the community to enforce the award of the adjudicator, namely, the District and Sessions Judge of Ramnad at Madura appointed under G.O. No. 2610, Development, dated the 5th July 1946, to adjudicate in the trade dispute then existing between the Madura Mills Company, Limited, at Madura and Vikramasingapuram, and its employees;

Now, therefore, in exercise of the powers conferred by Rule 81-A (1) (*d*) and (*e*) of the Defence of India Rules, as continued in force by section 2 of the Emergency Provisions (Continuance) Ordinance, 1946 (Ordinance XX of 1946), His Excellency the Governor of Madras hereby makes the following order and directs with reference to rule 119 (1) of the said Rules that notice of this order shall be given by communication of copies of the order to the employers and the unions and by the exhibition in each mill of at least one copy of the order on the notice board :—

ORDER.

The said award shall remain in force and shall in respect of the matters covered by the award bind the said Madura Mills Company, Limited, and its employees for a period of one year in the first instance and shall thereafter remain in force, subject to such conditions as may be imposed, for such period as the Provincial Government may specify.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

(9)

BEFORE THE ADJUDICATOR:

SRI P. RAMAKRISHNA AYYAR, M.A., I.C.S.

(District and Sessions Judge, Ramnad.)

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF THE RAJAH MILLS, MADURA

and

THE MANAGEMENT OF THE RAJAH MILLS.

Mr. S. KRISHNASWAMI, Mr. K. T. K. THANGAMANI and Mr. P. RAMAMURTHI—*For Workers.*

Mr. A. LAKSHMINARAYANA AYYAR and Mr. R. VISWANATHA AYYAR—*For Management.*

Subject.—Reinstatement of discharged workers—*Held* victimization not proved and recommended reinstatement of some workers.

Dearness allowance to various classes of workers—*Held* present flat rate of Rs. 26, adequate. Reelers should be paid full dearness allowance if their outturn is 20 hanks and proportionately for less outturn. Engine workshop operatives to be paid full dearness allowance.

Uniform rate of wages for male and female doffers—Recommended.

Greater strain on workers consequent on employment of fewer hands—*Held* proved and recommended designating 18 doffers as spinners and employment of 13 more spinners from the retrenched.

Compensation for breakdown of machinery—*Held* under Standing Order No. 16 of the Model Standing Orders framed by Government of India no compensation is payable for short periods.

Compensation for closing down night shift—*Held* one month's notice sufficient compensation for workers discharged—Discharge to be on strict order of seniority.

Bonus.—Claim rejected in the absence of profits.

Modification of Standing Orders.—Classification of workers into permanent badlies and temporary does not require any change.

The names and classification of workers to be entered in muster roll.

Consultation with the Union should await legislation in this behalf.

But classification to be done once every six months and intimated to the Inspector of Factories.

Schedule of wages of all classes of workers to be displayed prominently in the factory.

One month wages should be paid as gratuity for retrenchment.

It is not necessary to provide more than 5 minutes for late attendance.

Ten days casual leave with pay together with ten holidays with pay under the Act and seven festival holidays recommended.

For temporary stoppage of work recommended half days' wages for each day of stoppage—for continuous stoppage—no compensation.

G.O. No. 3189, Development, dated 20th August 1946.

[Labour—Dispute between the workers and management of the Rajah Mills, Madura —Recommendations of the adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. No. 2416, Development, dated 20th June 1946.

II

From the Adjudicator, No. 6507, dated 7th August 1946.

IN THE COURT OF THE ADJUDICATOR, MADURA.

PRESENT :

P. RAMAKRISHNA AYYAR, ESQ., M.A., I.C.S.

(District and Sessions Judge of Ramnad and Adjudicator at Madura.)

Monday, the 5th day of August 1946.

[In the matter of the dispute between the workers and the management of the Rajah Mills, Madura. *Reference.*—G.O. Ms. No. 2416, Development, dated 20th June 1946, and Government Memorandum No. 44534-P/46-3, dated 11th July 1946.]

This matter coming on for hearing on Tuesday, Wednesday, Thursday, Friday, Sunday, Monday, Tuesday, Wednesday, and Wednesday, the 9th, 10th, 11th, 12th, 14th, 15th, 16th, 17th and 31st days of July 1946, before me, in the presence of Messrs. S. Krishnaswami, K. T. K. Thangamani and P. Ramamurthi, for the workers and of Messrs. A. Lakshminarayana Ayyar and R. Viswanatha Ayyar, for the management, and having stood over for consideration, I submit the following

REPORT OF ADJUDICATION.

In G.O. Ms. No. 2416, Development, dated 20th June 1946, the Government of Madras appointed me as Adjudicator in a trade dispute between the workers and the management of the Rajah Mills, Madura. The Government laid it down that adjudication may be made on the following points :—

(1) Reinstatement of discharged workers.

(2) Delegation of powers to a manager.

(3) Payment of dearness allowance to cotton pickers, workshop employees and chittals.

(4) Grant of additional leave with pay for six days on festival occasions.

(5) Payment of uniform rate of wages to male and female doffers.

(6) Employment of two spinners for each ring frame instead of two spinners and one doffer.

(7) Reduction in the rates of dearness allowance.

(8) Payment of compensation to workers during the period of breakdown of machinery.

(9) Increase in the rates of basic wages.

(10) Revision of standing orders in consultation with the workers.

(11) Payment of flat rate of dearness allowance to reelers.

They have also stated that the Adjudicator in his discretion might settle the issues in the light of a preliminary enquiry to be held for the purpose and thereafter effect the adjudication.

In a subsequent Government Memorandum No. 44534-P/46-3, dated 11th July 1946, two more points Nos. (12) and (13) were added as—

(12) Is it necessary to close the night shift ?

(13) Is any bonus due to be granted for 1945–46 ?

Preliminary enquiry was held on 26th June 1946 and 3rd July 1946, when statements were filed by both the parties to the dispute, and the following issues were framed :—

1. Have the workers discharged as per list attached to the Union's statement, been discharged for valid and proper reasons and what directions, if any, are needed in their cases ?

2. Is it necessary for the management to appoint a manager and delegate powers to him ?

3. Is the dearness allowance now paid adequate for the various classes of workers and if not, what are the ways in which it has to be modified ?

4. Is a uniform rate of wages due to be paid to male and female doffers ?

5. Has there been unjustifiable reduction of the number of workers in the several departments, and if so, are any directions necessary regarding the strength of the establishment ?

6. Is any compensation due to be paid for the breakdown of machinery, or through allowing machinery to remain idle ?

7. Do the standing orders require revision and if so, in what respects ?

8. Is any bonus due to be granted for 1945-46 ?

9. Is it necessary to close the night shift ?

It may be observed that the issues follow as far as possible, the points set down by the Government in their two orders quoted above.

It may be stated straightaway that out of the points referred to by the Government, point No. 9 'Increase in the rate of basic wages' and point No. (4) 'Grant of additional leave with pay' were not specifically raised by the Labour Union in their statement presumably because they are agreeable to the matter being considered in the general enquiry relating to the textile industry in the province.

Rajah Mills is a spinning mill and in order of importance based on the number of spindles in use, it occupies the last but one place among the mills in Madura. The bigger mills are those of Madura Mills, Pandian Mills, Mahalakshmi Mills, Meenakshi Mills and so on. In Rajah Mills, the number of spindles working is 8,080. The labour force is somewhere about 700 to 750. The mills form a private concern in the sole control of the young proprietor Mr. Kanakavel Nadar.

There is no recognized separate trade union for its workers. About 80 per cent of them are affiliated to a trade union called Madura Textile Workers' Union, which came into existence in 1944. The proprietor of the mill has not recognized this trade union for the purpose of consultations, negotiations and so on.

A short account of the disputes that preceded the present enquiry may be necessary at the outset. The correspondence, copies of which have been filed by the Labour Union, give us a fair idea of the history. It starts from 19th May 1935, when the Union complained to the Labour Commissioner that no bonus was paid for the year 1944-45 and requesting the Labour Commissioner's interference. There was also a complaint on 18th July 1945 regarding the reduction of dearness allowance. This seems to have been settled through the mediation of the authorities, and on 28th September 1945, we find the Union writing to the Labour Conciliation Officer that the cut in the dearness alllowance has been restored, and on 22nd September 1945 the Union Secretary wrote to the Labour Commissioner stating that a bonus for the year 1944-45 had been declared. On 16th August 1945 there was another complaint by the workers that at that period, the mill switched over from steam power to electric power, that as a result of improper change over of motors, and the diversion of some of the motors to the manager's mill at Pudukkottai, there was a fall in work leading to closure from 6th to 13th of August 1945. Compensation for the loss of employment was asked for. The workers made a claim on 29th October 1945 for the payment of Dipavali bonus which was being paid in other mills at Madura and also a Victory bonus. This claim was not apparently settled until 10th January 1946, when there was an agreement between the workers and the proprietor effected through the intervention of the Commissioner of Labour when it was decided that one month's Dipavali bonus should be paid and two days' wages should be paid under the claim of Victory bonus. The month of November 1945 saw a new agitation by the Labour Union as a result of retrenchment in the ring-frame department which took effect from 16th November 1945, when only two spinners were employed per frame, in the place of three spinners being employed formerly, and it was alleged that the change over would result in the unemployment of 75 workers. This is one of the issues that has fallen for adjudication in the present enquiry. On 26th November 1945 the Labour Union stated that they would have no objection to the system of two spinners per frame if several conditions were satisfied, the most important of which was that the machinery should be overhauled thoroughly, and the workers affected by the change over, should be fully compensated. The gist of the complaint seems to be that as the machinery was worn out and in a bad state of repair, the reduction of the number of spinners would involve extra

strain. On 7th December 1945, the Labour Union catalogued a list of their grievances, among which were mentioned the non-payment of bonus for the year 1943-44, non-payment of Victory bonus of one month's wages, non-payment of Dipavali bonus, the lower wages paid to women workers, punishments and non-reinstatement of victimized workers, and a complaint about retrenchment in the ring-frame department. A strike notice was threatened. A strike notice as served on the proprietor on 29th December 1945. At this stage, the Labour Commissioner interfered, and held discussions with the proprietor and the Union on 2nd January 1946 at Trchinopoly, and on 10th January 1946 at Madras, as a result of which a settlement was arrived at and the terms were reduced to writing. This settlement forms an important landmark in the history of the dispute. It is contained in Exhibit M-12, dated 10th January 1946, and will be referred to more than once in this order. After the agreement on 10th January 1946, the strike notice was withdrawn on 15th January 1946. Hardly a month later, on 12th February 1946, the Secretary of the Union approached the Conciliation Officer, with the complaint that the terms of the agreement had not been honoured, the main complaint being that dearness allowance to reelers and doffing boys, and to women employees in the ring-frame department reinstated after maternity, was not disbursed. On 20th February 1946, a telegram was sent to the Labour Commissioner complaining about the non-fulfilment of the agreement. Early in March 1946, the Labour Union complained against the dismissal of several workers under circumstances amounting to victimization. This question of dismissal of workers forms one of the issues for decision. On 3rd March 1946, a notice of strike was again served on the proprietor. On 7th March 1946, the Conciliation Officer wrote to the Secretary of the Union saying that the Labour Commissioner had asked the proprietor to expedite the fulfilment of the terms of the settlement, and the Conciliation Officer undertook to verify how far the propeietor had fulfilled the terms of the agreement. The Conciliation Officer also drew the attention of the Labour Union to the fact that the fresh demands had been made on the strike notice, dated 3rd March 1946, and that he would investigate into the complaints about wrongful dismissal, victimization and so on. What the complaints made in the strike notice, dated 3rd March 1946 were, could be seen from the letter of the Conciliation Officer, dated 14th March 1946, to the Secretary of the Union. The grievances were (1) summary dismissal of seven workers, (2) delegation of powers to the manager in the absence of the proprietor from headquarters, (3) the payment of dearness allowance to temporary employees with a continuous period of service, (4) confirmation of all temporary employees who have put in a period of two months and more and (5) payment of wages and dearness allowance to cotton pickers. The Conciliation Officer got into touch with the proprietor and he replied to the Union on 16th March 1946, mentioning that the proprietor was making arrangements for dealing with the administration of the mill in his absence, and that in respect of the other requests, no relief would be given by the proprietor. With reference to this strike notice, the parties seem to have met the District Magistrate on 16th March 1946, and the threat of strike apparently was not carried out.

On 10th April 1946, there was a storm when the electric lines conveying currents to the blow room and card room were cut off, and the manager wrote to the Inspector of Factories on the same date, saying that the above departments and the departments connected with them could not be worked until the transmission lines were restored and that the work of restoration was likely to take till the next evening. On 24th April 1946, there was a sudden breakage in the slubbing frame, leading to the stoppage of work in the ring-frame department. The Conciliation Officer wrote to the Secretary on 24th April 1946 that repairs were being made and that normal work could be resumed in a week. This was in reply to a frantic communication from the Secretary, Textile Union, on 23rd April 1946, that the management had dismantled or was keeping idle a good part of the machines in all the departments, and was sending out about 100 workers every day since the 11th instant without assigning any reason, and that only 17 frames out of 26 frames were working and that a number of machines in other departments were lying idle.

There was a complaint on 23rd May 1946 by the Workers' Union that 41 employees in the mills had been served with discharge notice and the Labour Commissioner and

other authorities were approached. This complaint was renewed in a letter by the Secretary of the Union to the proprietor on 30th May 1946, when questions of dearness allowance and the necessity of employing three spinners in the ring-frame department were again revived, but the main complaint seems to have been the discharge of 41 workers. This was the state of affairs that preceded the reference of the Government of the dispute, to adjudication.

Regarding the procedure adopted in the enquiry, I directed both the parties to file statements which they did by 3rd July 1946, and on 5th July 1946, issues were settled. In the meantime, it was brought to notice, that the management had given a notice for closure of the night shift from 13th July 1946, and that the workers had raised in their statements the additional pleas that the closure of the night shift was unjustified and also that they were entitled to a bonus for the year 1945–46. The Government was addressed for enlarging the scope of the enquiry to include these two pleas, and issues 8 and 9 were added to the list on 12th July 1946. Witnesses were examined on the 9th, 10th and 11th of July 1946, the mill was inspected in the presence of both the parties on 14th and 31st July 1946 and arguments were heard on the 15th, 16th and 17th of July 1946 and 31st July 1946. On 31st July 1946, the inspection was held with the aid of a Textile Expert Mr. Amalsad, Principal of the Government Textile Institute, and his evidence was taken on 31st July 1946.

Issue 1.—Have the workers, discharged as per list attached to the Union's statement, been discharged for valid and proper reasons, and what directions, if any, are needed in their cases ?

The Labour Union alleged that a number of employees have been victimized by wrongful punishments including dismissals for their active participation in the Trade Union. They have enclosed an annexure containing a list of such persons. I have considered separately each one of these cases in Annexure I to this report. My conclusions are—

Adequate grounds have not been made out to show that there has been victimization. I do not consider that the dismissal of any of the workers mentioned in the schedule could be considered grossly improper or the direct result of victimization ; but in the following cases, the following directions may be made :—

(1) *Thangavelu Servai.*—His period of detention as a detenu may be condoned and he may be reinstated, as prior to his detention he had long permanent service.

(2) *Muniandi, R.S. No.* 147.—His case requires reconsideration as the proprietor's order of re-entertainment had not been communicated to him, and he should be re-entertained after communicating orders to him.

(3) *Meenakshisundaram,* (4) *Naina Muhammad and* (5) *Kuppuswami.*—These three have to be reinstated if their names are found in the voters' list of the ward. The verification may be made by the Labour Conciliation Officer in consultation with the proprietor.

(6) *E. Perianayakam and* (7) *Mahalingam.*—These two are only badlis, and they may be given the next acting chance.

There is no need to pay arrears of wages in any of the above cases.

Several persons out of Nos. 23 to 36 of the Labour Union's list who were retrenched in the ring-frame department can be re-employed if my findings regarding maintenance of the proper strength in the ring-frame department are approved by the Government. Even in that case, the question of retrenchment caused by the cessation of the night shift will arise. But it may be possible to re-employ a good proportion of these workers.

Issue 2.—Is it necessary for the management to appoint a manager and delegate powers to him ?

The Union complained that the proprietor Mr. Kanakavel Nadar is frequently absent and has business in Madura, Pudukkottai and other places, that during his absence, the head jobber suspends the workers and asks them to wait till the proprietor returns to Madura, and that as a result, the workers have to wait for several days before getting redress. It is necessary to have a person with technical textile qualifications and experience, appointed as manager, so that he might look into the grievances of the workers then and there, and deal with questions affecting discipline. The proprietor states that the mill is a small one owned by a single individual, who

resides in the compound itself, and rarely absents himself from headquarters that the heads of the various departments attend to the discipline and daily routine of the mill, receive complaints and redress the grievances of the workers, that only special cases requiring personal attention of the proprietor are brought to him for decision, and that an additional manager will be an unnecessary burden on the slender resources of the management.

The contention that the mill is a small one is well-founded. It is the smallest but one of the mills in Madura with 8,080 spindles and 700 workers. The proprietor is 35 years of age, quite active and energetic, and if the complaint of absenteeism is redressed, one could expect him to deal adequately with the complaints of labourers, and look after the duties of management. The proprietor admits that he has recently opened a new mill in Pudukkottai, but he denies his other business activities in Tuticorin and other places as alleged by Mr. Ramamurthi, the President of the Labour Union. Admittedly, he has a house near the mill. After hearing both the parties, it was agreed that the following procedure be adopted :—

"A day and specified hours should be fixed in each week for the proprietor to hear the complaints of workers. On days when the proprietor could not be present, the spinning supervisor in charge of the shift should hear complaints and dispose of them in his discretion, referring matters which he considers more important to the proprietor for disposal, on the next occasion when according to the time-table, he has to hear complaints."

If the proprietor strictly adheres to the programme, it will not be necessary for any worker to wait for more than a week at the most to have his grievances redressed. I do not consider that any further direction is necessary in this regard.

Issue 3.—Is the dearness allowance now paid adequate for the various classes of workers, and if not, what are the ways in which it has to be modified ?

The existing position is this : A flat rate of dearness allowance at Rs. 26 per month is paid to all workers except the following :—

(1) Workers in the reeling department ;
(2) half-time doffers ;
(3) engine workshop operatives ;
(4) chittals ; and
(5) cotton pickers.

Item (1).—The proprietor says *that in the reeling department*, as per agreement before the Labour Commissioner on 10th January 1946, it was agreed that a flat rate of dearness allowance should be paid for reelers who turn out 20×13 or 260 hanks in a fortnight of 13 working days, but only proportionate dearness allowance will be paid to those whose outturns are less. The Labour Union originally stated that this agreement was acceptable to them if it was observed strictly by the employer. For the first time during arguments, it was urged that for women reelers, the minimum prescribed for earning full dearness allowance, viz., 20 hanks per day, was excessive, and that in their cases, a minimum of 15 hanks should be fixed. *The reason given is that two women attend to one reel, while men handle one reel each.* I find from the correspondence a letter, dated 28th December 1945, to the Labour Commissioner from the President of the Textile Workers' Union, marked as Exhibit L-5, where he has specifically stated "I am agreeable to the present dearness allowance being fixed for 20×26 hanks per month, and the actual dearness allowance paid to piece-workers should be proportionate to the total in the month on this basis." I must also say that there is a letter of the Labour Conciliation Officer on 9th March 1946 to the Secretary, Textile Workers' Union, Exhibit L-4, where he has observed : "As regards women reelers, the management has based their calculations on 15 hanks minimum followed previously for the payment of full dearness allowance." During arguments, the proprietor strenuously denied that he ever agreed to such a minimum for women reelers. It is possible that the reference in Exhibit L-4 is to the system that prevailed prior to the agreement, when dearness allowance was paid at 10 pies per pound, if the outturn exceeded a certain minimum, and no dearness allowance was paid if it was less. In view of the agreement, dated 10th January 1946, and in view of the position taken by the Labour Union President

in his letter, dated 28th December 1945, it does not appear to be necessary to make any distinction, and fix the minimum outturn in the case of women reelers at 15 hanks per day as suggested by the Labour Union. A uniform minimum of 20 hanks per day will be sufficient. I am supported in this conclusion by certain remarks of the President of the Textile Union in his communication, dated 28th December 1945, Exhibit L-5, that the output in the reeling department depends upon various factors, upon the quality of the yarn given for reeling, upon the the quality of the yarn which again depend on quantity of the yarn which again depends on the quantity of the yarn available for reeling, and on supervisor, and that every reeler naturally desires to reel as much as possible, in order to earn more. The output does not ultimately depend on the question whether the reeler is a man or a woman ; it primarily depends upon the methods of distribution adopted by the reeling supervisor, and it is possible by adopting a proper method of distribution, to see that even though two women work on a single reel, each of them reel more than the minimum of 20 hanks per day.

Item (2)—*Half-time doffers.*—Half-time doffers are paid basic wages of Rs. 6–3–0 plus half the flat rate of dearness allowance, viz., Rs. 13 per month. The Union apparently wants them to be given full dearness allowance, on the principle that the dearness allowance is granted to neutralize the increase in the cost of living irrespective of the period of employment of the worker, half-time or full-time. It appears to be unfair to grant a half-time worker full dearness allowance, at the same rate as full-time workers. My finding is that the existing half-rate of dearness allowance paid to them, is proper.

Item (3)—*Engine workshop operatives.*—The Union contends that piece-workers engaged in the mechanical workshop are paid no dearness allowance. M.W. 1, a time-keeper of the mill, stated in the course of his evidence, that permanent employees in the workshop are being paid dearness allowance at a flat rate of Rs. 26 per mensem from 1942 as in the case of other workers, that within the last one year 35 new workers have been employed as workshop operatives, and they are paid piece-work rates varying from Re. 1 to Rs. 1–8–0 per day without any other payment by way of dearness allowance. The proprietor contends that on account of the temporary character of the work, and the rawness of the employees, who were being employed from time to time to meet urgent repairs and maintenance of work in the factory, leading to the tentative enlargement of the workshop facilities, an inclusive piece-work rate was fixed for them, without any additional dearness allowance. Reference was made to a discussion before the Collector on 26th March 1946, when it was agreed that temporary workers in the workshop department should be allowed to continue as badlis on the same wages as heretofore, that six of the workers should be made permanent on basic wages plus dearness allowance, and that the rest should be sent out. It was mentioned that as the war is now over, and replacement materials can be procured more readily, the services of the temporary workers are no longer necessary. There is no evidence to show that the temporary workers have been retrenched in any large scale. The evidence of M.W. 1 would indicate that even now about 35 persons have to be employed on piece-work in the workshop, without getting any dearness allowance. Since the daily rates vary from Re. 1 to Rs. 1–8–0, some of these persons will get only Rs. 26 a month, and the maximum they would get will be only Rs. 39 per month. These rates do not compare favourably with the wages paid in the other departments in the mill. Since dearness allowance is a payment made to neutralize the cost of living, it appears unfair to treat workers in the workshop doing the same job as other permanent workers, on different terms. My finding is that for the employees in the workshop, the existing piece-work rate of wages may be continued in the case of people with less than two months' continuous service, but in the case of people who have or who may acquire more than two months' continuous service, they should be paid rates for the days of their employment calculated on the basic wages and dearness allowance which are paid to other permanent workers engaged in a similar item of work.

Item (4)—*Chittals.*—These are people who attend to miscellaneous labour such as cutting grass on the compound and petty items of unskilled work. Prior to 1942

they were paid 4 annas per day, and after the year 1942, they are being paid As. 12–6 per day without dearness allowance. M.W. 1 states that from June 1946 there are no Chittals, as there is no work for them. Therefore no direction is necessary for this type of labourers.

Item (5)—*Cotton pickers.*—Generally old women are employed in this department. M.W. 1 states that they were paid formerly 2 pies per lb. for white cotton and 8 pies per lb. for oily cotton. After June 1946, only eight pickers are employed, and they are paid Rs. 5–8–0 basic wages, plus Rs. 26 dearness allowance. Formerly 35 pickers were employed, but in pursuance of an oral agreement with the Collector in March 1946, only essential pickers were retained and the rest retrenched. It is stated that the work in this branch has fallen down considerably. It appears that the management has now adopted the system of paying basic wages plus dearness allowance to a limited number of pickers, after retrenching a considerable number of them. No complaint has been made about retrenchment in this branch of labour. Therefore no direction is necessary in regard to the payment of dearness allowance to the cotton pickers.

The Labour Union has complained in their written statement, that the management refused to relate the dearness allowance to cost of living indices, that other textile mills in Madura have a sliding scale of dearness allowance related to the cost of living indices, that Rajah Mills also followed this practice until three months ago, and that thereafter they have been maintaining a flat rate of Rs. 26. The management contended that during the war they were adopting the rate of dearness allowance granted in the Madura Mills but after the war they are not able to follow the same procedure because of limited resources and production. The proprietor went further and contended that from 1st July 1946, he has proposed to adopt a sliding scale fixed by the Southern India Mill Owners' Association, Coimbatore, based on the cost of living indices. He has filed the rates adopted by the Coimbatore Mill Owners' Association as Exhibit M-15.

It was admitted that in the Harvey Mills, at Madura, dearness allowance is paid at the rate of 3 annas for every point above 100 in the cost of living index. Thus if index was 238, the dearness allowance would be Rs. 25–14–0. I was told that this figure is now Rs. 27. It was ascertained that Meenakshi Mills paid Rs. 27–4–0 in June 1946, based on the cost of living index, that Mahalakshmi Mills has a schedule of dearness allowance which varies with the salary of employees from Rs. 28 maximum for the higher class of employees to Rs. 11 minimum for the coolies and others. Kothandram Spinning Mills has got a rate of dearness allowance which varies from Rs. 27 to Rs. 44 according to the basic wages paid. Thus the practice is not uniform among the different mills in Madura. In the other mills in Madura except the Harveys, the rate of dearness allowance, seems to vary with the basic wages as well as the cost of living index. In the Rajah Mills it is a good thing that the dearness allowance does not fluctuate with the basic wages, and this is an improvement in the right direction. But the complaint is that the dearness allowance was fixed with reference to the cost of living index, on a date three months ago, and has not allowed for the subsequent increase in the index figures. As matters stand at present, the rate of dearness allowance paid in the Rajah Mills, compares very favourably with the rate in the other mills in Madura, approximates to the rate paid in the Harveys; there is the additional favourable factor of the rate not varying with the rate of basic wages. It has been well-recognized "that the cost of living sliding scales assume importance in times when rapid fluctuations take place in the value of the monitary medium especially at the time of rapid rise in prices, that except in times when prices are rising rapidly, the majority of points in respect of which differences as are likely to arise between employers and employed regarding wages cannot be covered by a cost of living sliding scale." (Page 393 of the Bombay Textile Labour Enquiry Committee's report.) It may be possible to state, from a consideration of the general price situation that has prevailed since the termination of the war, when effective controls are in operation, that the maximum period of increase in prices is over, and the change if any in the coming months, will be towards a state of gradual fall; or at least equilibrium will be maintained without

steep fluctuations. It does not appear necessary to prescribe a sliding scale again in such circumstances. The present rate of dearness allowance compares very favourably with the rate paid in Government Services. The proprietor wants to adopt the sliding scale fixed in Coimbatore by the Mill Owners' Association. The main objection to such a course, is that in Coimbatore, the basic wages are higher, the spinner gets Rs. 16–8–0, the reeler gets from Rs. 17 to Rs. 18, while in Madura the basic wages are much lower, e.g., in the Harvey Mills the spinner's basic wage is Rs. 12–2–0, and the doffer's basic wage is the same. In Rajah Mills the male spinner's basic wage is Rs. 13–3–0 and the female spinner's Rs. 12–2–0. Assuming a cost of living index of 238 and adopting the sliding scale fixed in Exhibit M-15, the dearness allowance for a Coimbatore spinner with a basic wage of Rs. 16–8–0 will be Rs. 23–11–6, whereas a spinner in Madura getting basic wage of Rs. 13–2–0, will get on the same sliding scale only Rs. 11 and odd of dearness allowance. This will be a totally unfair reduction, and further it will be very improper to introduce such a scheme only in the Rajah Mills, while other mills in Madura will be getting nearly double that rate of dearness allowance. I consider that the proprietor's suggestion about adopting the Coimbatore scale of dearness allowance, to be wholly unjustified in the state of things prevalent in Madura. Taking into account all the facts into consideration including the circumstance discussed under issues 8 and 9 below, about the profit and loss statements of the mill, the proper course will be to maintain the present flat rate of Rs. 26 until such time, when the cost of living index records a much higher decrease or a much higher increase, say within the region of 20 points, when the question of revision of dearness allowance may be considered.

Issue 4.—Is a uniform rate of wages due to be paid to male and female doffers ?

The complaint of the Labour Union is that male doffers get a basic wage of Rs. 12–4–0 per month, whereas female doffers are paid only Rs. 9, and that this distinction should be removed, because they do similar work. The proprietor admits this difference in the basic wages, but he gives the following reason therefor. The female doffers though designated as doffers, attend to spinning work, that while two male spinners attend to a ring-frame of about 300 spindles, three female doffers attend to a similar frame or one female doffer for 100, that instead of paying the female doffers proportionately at two-third of the rate of a male spinner or Rs. 8 and odd, they are paid Rs. 9 plus the full dearness allowance of Rs. 26. M.W. 1 the time-keeper and cashier of the mill states that prior to 10th January 1946, in all the 26 frames, two spinners were working for each frame together with 25 full-time doffers and a similar number of half-time doffers, that some time towards the close of 1945, a retrenchment was effected—which will be considered at greater length when discussing issue 5 by which two spinners were assigned to each of the 20 frames and for the remaining six frames, three female doffers were assigned to each frame. The fact of this arrangement is not disputed by the Labour Union. The question for consideration is whether the female doffers should be paid less basic wages, because they attend only to 100 spindles each, whereas the male spinners who attend to 150 spindles each are paid Rs. 13–3–0. In my opinion the comparison should be made not between female doffers who do spinning work and male spinners, but between female doffers and male doffers. The balance of advantage if any is with the female doffer, because she does the more skilled work of spinning, rather than the less skilled work of doffing. The male doffer who works at night gets Rs. 12–4–0. The half-time doffers who work by day as well as by night are paid Rs. 6–3–0. This position recognizes that the proper wage for a doffer has been considered to be Rs. 12 and odd. It is also necessary to remark that in the ring-frame department, male spinners are paid Rs. 13–3–0, while female spinners are paid Rs. 12–2–0 basic wages. It is apparently assumed, that those female workers who are designated as spinners in the ring-frame department, are capable of attending to 150 frames, and are paid Rs. 12–2–0, but the female workers who are designated as doffers and who do spinning work are assigned only 100 spindles and paid less than either the female spinner or the male doffer. This distinction appears to me to be artificial and is liable to abuse and misunderstanding. It would be better to

have a uniform rate of wages for persons designated as doffers, male or female, without regard to the accidental circumstance, that the female doffers are asked to do spinning work under a scheme of retrenchment. I find that in the Madura Mills male doffers and female doffers are paid the same basic rate of Rs. 12–2–0, but the male doffers who work at night get a bonus of Re. 1. It may also be observed that the persons designated as spinners in the Rajah Mills, get a commission of 1½ annas per day which is distributed between the spinners and the doffers by arrangement among themselves. In any case, adequate reasons are not given why the female doffers who are given more skilled work are paid less wages than male doffers. It appears to be equitable to give female doffers who do spinning work the same rate of wages as a female spinner, namely, Rs. 12–2–0, which also corresponds to the salary paid to the male doffers, namely, Rs. 12–4–0. The difference between the two, will be the extra commission that the latter gets. The question of giving them only doffing work or asking them to help in spinning in the ring-frame department, is a matter for the discretion of the management, but on account of an arbitrary assignment of work, they ought not to be paid less than the wages paid for persons with a similar designation. The rate now suggested approximates to the rates paid in other mills like the Madura Mills.

Issue 5.—Has there been unjustifiable reduction of the number of workers in the several departments, and if so, are any directions necessary regarding the strength of the establishment ?

The issue as framed by me is wider than point (6) laid down by the Government for adjudication. In the point set down by the Government, reference was made to the employment of two spinners in each ring frame instead of two spinners and one doffer. This amplification was made, because in their statement the Labour Union alleged, that besides the reduction in the ring frame department, there were reductions in the carding department where 17 labourers worked formerly and only 13 workers work at present, and in the roving section, where the strength has been reduced from 40 to 30. In his reply statement, the proprietor stated that there had been no reduction in the carding and the roving departments for a very long time. Evidence regarding the retrenchment in the carding department and roving department was given by L.W. 8 and L.W. 10, respectively. L.W. 8 said that in the carding, drawing and slubbing departments which appear to be allied, there were, prior to January 1946, 17 workers, whereas subsequently there are only 15 workers, and he added, ' there is not an actual retrenchment of two persons, but in practice, two men out of the 17 are granted leave in rotation during the night shift period and thus the reduction is established'. The difference is said to be due to the retrenchment of a can boy in the carding department, and a doffer in the slubbing department. The reduction is trivial and calls for no comment. As regards the roving department, there is also no clear evidence. It is stated by L.W. 10 that prior to April 1946 there were 35 persons in the roving and inter-departments, while at present, there are only 25 or 24 persons. In cross-examination, this witness says ' the ten persons might have left of their own accord. I do not know if the management sent away anybody.' Here too, the reduction seems to have been made in the normal course of retrenchment, and it does not call for any interference.

Now we come to the main point under this issue, retrenchment in the ring frame department. This is one of those factories where the machinery works continuously for all the 24 hours. There is a system of multiple shifts in various batches. By day the work is conducted in five relays as follows :—

the first from 6 to 10 and 11 to 4,
the second from 6 to 11 and 3 to 7,
the third from 10 to 3 and 4 to 8,
the fourth from 8 to 11 and 12 to 6, and
the fifth from 8 to 12 and 1 to 6.

By night, the spinners work in two relays from 7 to 11 and 12 to 5 and 8 to 12 and 1 to 6. The doffers work in three relays from 7 to 10, 11 to 2 and 3 to 6. This would show that at night there are no doffers between 10 and 11 and between 2 and 3. This system of relays is not very satisfactory, but as the reformation of the relays

system is not one of the points for adjudication, I do not wish to make any further comment on it.

There is a certain amount of confusion in the evidence of the witnesses regarding the way in which retrenchment was effected in the ring-frame department, but piecing the evidence together, the position seems to have been this. Prior to November 1945, there were 52 spinners for the 26 frames at the rate of two spinners to each frame assisted by 25 full time doffers, that is, approximately one doffer to each frame; there were also 60 to 75 half-time doffers working in three batches of five hours each, which would give roughly 25 doffers for a given batch to assist the spinners. In other words, for each ring-frame, there were two spinners one full-time doffer and one half-time doffer. After November 1945, there was retrenchment, and two spinners were assigned to each of 20 frames making up 40 spinners in all; and by day the remaining 6 frames were managed by 18 female spinners, at the rate of 3 to each frame. No change was made in respect of the night shift. The half-time doffer strength at 70 to 75 was maintained. There was thus a reduction of 12 spinners and seven full-time doffers. No half-time doffer was retrenched. The excess of spinners 12 and excess of doffers 7 were made into temporary hands or badlis the reduction being made after considering the seniority. The reduction was made progressively, until towards the end of March 1946, the reduction was completed. The Labour Union contended that the machinery is very old, 20 of the frames having been purchased prior to 1890, that as a result, the work is very arduous and that it is necessary to maintain a strength of two spinners and one full-time doffer and an additional doffer for each frame. The proprietor contends that the number of spindles to a frame in the Rajah Mills is only 308 to 320, that two spinners or three doffers to each frame is quite adequate, that prior to the period of retrenchment more hands than were really necessary were kept employed, and that the retrenchment was effected in accordance with the terms of the settlement, dated 10th January 1946 with the Labour Commissioner and persons with lesser service were retrenched into badlis, with the prospect of empolyment when permanent vacancies arose. A look at Exhibit M-12 the settlement arrived before the Labour Commissioner shows that the management represented that the practice was to have two spinners or three full-time doffers for each ring-frame, and that no change had been made since 16th November 1945 as alleged by the union. The question for consideration is whether it is necessary to insist that the management should revert to the old system of having on hand permanently, 52 spinners and about 25 or 26 permanent full-time doffers so that there may be available two spinners one full-time doffer and one half-time doffer to each frame, during the day shift. The internal distribution of work and the determination of the strength of the staff are matters in the discretion of the management. If retrenchment is effected to an extent more than is justifiable, it will lead to two consequences, one of loss of efficiency with fall in production, and the other of greater strain on the workers. The first affects the management and the worker will not be directly concerned in it. The second affects the labourers and the adjudicator can consider it in the interest of workers.

In considering the question, as to what strength will be necessary to work each ring-frame efficiently and without strain on the worker, one can look at the establishment in other mills in Madura. In the Harvey Mills, for 308 spindles, when they spin 20s, the strength is two spinners and 1¼ doffers per frame. When 40s are spun for similar ring-frames, the strength is one spinner per frame, and one doffer per frame, and for every ten frames an extra spinner is given as reliever. But the machinery is new and efficient. In Kothandaram Mills where the machinery is said to be old, there are three spinners and one doffer per frame of 400 spindles. In the Mahalakshmi Mills, there are two spinners and one doffer for a frame of 300 spindles, and in the Meenakshi Mills the strength is the same. The exact age of the machinery in these mills is not known.

There are certain significant facts that emerged during the tests conducted by Mr. Amalsad on 31st July 1946. The output for the 20s in the Rajah Mills was 6·5 oz. per spindle in 12 hours, while the Harvey's outputs is 9·6 oz., the Kothandaram's 9·3 oz., the Meenakshi's 9 oz., the Mahalakshmi's 8·6 oz. The Rajah Mills machinery over 60 years old, is easily the worst in Madura, and Mr. Amalsad says that its

outturn is two-third of what should be expected from normally efficient machinery. The spinner gets strain on account of frequent breakages of yarn, which he has to attend to forthwith. During personal observation carried out on 31st July 1946, it was noticed that while 20s did not break frequently, the 30s broke very frequently and at one visit paid to a ring frame, it was found that as many as 30 due spindles were idle due to breaking of threads. The bad machinery and the injudicious mixing of cotton contribute to this result. I am of the opinion that the contention of the Labour Union, that the spinner in the Rajah Mills has to work under conditions of greater strain than in a normal mill with modern machinery, is fully justified, especially in the case of 30s. I have observed in another place in this award, that a majority of the ring frames are at present spinning 30s and only a smaller number—about 4 to 6 frames spin 20s. Mr. Amalsad stated that for the 30s at least 3 spinners besides doffers, are required in the present condition of the machinery, while for 20s 2 spinners besides doffers will suffice. Assuming 7 frames are on the 20s and the rest on the 30s which was the state of things in May 1946, the required strength would be $(19 \times 3 + 7 \times 2)$ 71 spinners, besides the half-time doffers, while the present strength after retrenchment is 40 spinners and 18 doffers (for spinning work) for the day shift, besides half-time doffers. The simplest course for the management is to designate the 18 doffers who do spinning work as spinners and re-employ 13 more of the retrenched spinners and ensure that this scale is kept up in future in the ring frame department for the working of the 26 frames. I give my finding accordingly. A change will be necessary only when a much larger proportion of frames spin 20s.

Issue 6.—Is any compensation due to be paid for the breakdown of machinery, or through allowing machinery to remain idle ?

In their statement, the Union mentioned that from 10th April 1946, a number of machines in the preparatory departments fell under repair, that the management took an extraordinary long time to effect the repairs, that a number of workers including permanent hands had been played off, and that during the last one month, even the machines in the ring frame department were remaining idle, that 25 to 30 siders and doffers were played off, that the workers were not responsible for the breakdown or for the machinery remaining idle, and that it was necessary in the interests of social justice to pay compensation for the involuntary unemployment. The proprietor contended that the breakdown was occasioned by a breakage of a vulnerable piece of machinery which could not be easily manufactured locally, that the breakage was beyond the control of the management, and that he was not liable to pay compensation. It thus appears that the grievance of the workers is regarding the period of unemployment in April 1946, and not for any earlier period. There is evidence to show that some time in August 1945, when the mill was switched over to electric power from steam power, there was trouble about the motors, leading to stoppage of work between 6th and 13th August 1945, but this has not been specifically raised now before me, as a reason for the demand of compensation. The dispute is over what occurred in April 1946. M.W. 1 stated that there was a storm in April 1946, when work was stopped completely on three days, and there was reduction in work for about six days, on account of the non-working of some frames. There is more specific evidence about this, in the correspondence that passed at this period. On 23rd April 1946, the Secretary of the Labour Union complained to the Conciliation Officer, that the proprietor of the mills had dismantled or was keeping idle a good part of the machines in all the departments, and was sending out about 100 workers every day since 11th April 1946 without assigning any reason, and that only 17 out of the 26 frames are working, and the remainder were lying idle The Conciliation Officer investigated into the complaint, and replied to the Union on 24th April 1946. He stated that the stoppage of work in the ring frame department was due to a sudden breakage in the slubbing frame, that repairs were made, that normal work was expected to be restored in a week, and that there was no dismantling of the machinery as reported by the Secretary of the Labour Union. There is also a letter, dated 10th April 1946, from the proprietor to the Inspector of Factories, mentioning that due to high winds on that day, the current carrying lines to the motors of the blow room, and the card room, were cut off, that the above departments and those related to them, could not be worked till the transmission lines were restored, that

the work of restoration was expected to take till the next evening, and that the workers who were necessary were employed during the period of stoppage and the rest had been sent out on leave. Thus there were two occasions for the stoppage of work, and the playing off of a certain number of workers in April 1946, namely, the storm on 10th April 1946, and the breakage of a slubbing frame about 23rd April 1946. The first resulted in the complete stoppage of work for 3 days with reduction of work for some more days as spoken to by M.W. 1, while the second led to dislocation of work for about a week. Exhibits L-6 and L-6 (*a*) are notices, dated 14th April 1946, which show that on account of breakdown in the machinery in some branches, workers were given notice and sent home and they were told that they could not be given work till the machines were repaired. The question for consideration is whether compensation is payable to the workers who were unemployed on the above two occasions. There is no legal provision regarding payment of compensation for loss of employment due to causes similar to the above. The representative of the workers, Mr. Ramamurthi, concedes that there is no precedent or authority for the claim of such compensation and that it must be granted only on the principles of natural justice. The model Standing Orders framed by the Government of India and marked as Exhibit M-13, contains certain directions in Standing Order No. 16 for temporary breakdown of machinery. The gist is that when there is breakdown and the management gives notice within one hour of the breakage, the workers are not entitled to any wages for the period they were kept idle, but if the notice is given beyond one hour, they are entitled to payment for the period of their idleness up to the time of notice, but not for unemployment thereafter. Mr. Ramamurthi, the representative of the workers, drew my attention to a circular of the Public Works Department of the Government of Madras communicating a letter of the Government of India, Department of Labour, dated 28th February 1946, which gives directions regarding compensation for involuntary employment, due to shortage of coal, raw materials or changes in the lines of production and provides that the duration of benefit should be one month in each half-year, and that no benefit will be given in the half-yearly periods, unless the number of days of involuntary employment exceeds seven in the aggregate, in the half-year. My attention was drawn to an award of Justice Vasudev, in a dispute published in the *Bombay Government Gazette*, dated 13th April 1946, where compensation was awarded in the case of involuntary employment due to stoppage of supply of coal, at 75 per cent of the average earnings inclusive of dearness allowance for the period of closure, which was 22 days. I have not been told of any previous award enquiry where payment of compensation was ordered on account of involuntary employment for short periods due to breakdown in machinery. Even the circular of the Government of India mentioned above, refers to involuntary unemployment exceeding seven days, and even then the maximum benefit for a half-year was to be restricted to a period of one month.

In the case on hand, it has not been shown that the complete stoppage of employment exceeded more than three days in the first fortnight of April 1946, and exceeded more than a week in the second fortnight of that month. There was partial stoppage for some more days in April 1946. These stoppages were due to causes beyond the control of the management. These cases are covered by model Standing Order No. 16 above referred to. It is not alleged that due notice was not given of the breakages, as required in the Standing Order. I do not consider it necessary to grant compensation for the breakdown of machinery for the short periods alleged.

Issue 7.—Do the Standing Orders require revision and if so, in what respects ?

This issue has arisen on account of the suggestion of the Labour Union that the existing Standing Orders in the mill brought into force from 1st October 1945, should be revised in certain respects. The proposals of the Labour Union for revision are given in Schedule 2 of their written statement. These proposals do not raise any problem of immediate urgency. They are general in nature which affect all industrial undertakings in the country. They are more appropriate for consideration in a general survey of the industrial undertakings, to be followed up by appropriate legislation. My suggestions are purely recommendatory, and I venture to submit that these proposals should be deferred, pending a general survey of the conditions in all the industrial undertakings in the country, and should not be isolated for

the purpose of decision in the present dispute. I have examined the proposals with a certain amount of detail in Annexure 2.

Issue 8.—Is any bonus due to be granted for 1945–46 ?

Issue 9.—Is it necessary to close the night shift ?

Issue 8 depends on the question whether during 1945–46, the management had been able to earn profits. Obviously, if there were no profits, it will not be proper to direct the payment of any bonus. Regarding the closure of the night shift, the management contended that they incurred substantial losses in 1944–45, 1945–46, and up to the present date in 1946–47, and that it is necessary to close the night shift as a measure of retrenchment. Both the issues turn upon the question whether the concern has been working at a profit or at a loss.

The proprietor of the Rajah Mills was good enough to show me his profit and loss figures for the period up to the end of March 1944 when he made good profits. I am prepared to respect his desire that these statements should be kept confidential. He has placed on the table and made available for the Labour Union for perusal his profit and loss accounts for the years 1944–45, 1945–46 and from 1st April to 30th June 1946. These three statements are Exhibits M-18, M-18 (*a*) and M-18 (*d*). They have been audited by a registered accountant. They show that in 1944–45, there was a net loss of Rs. 49,056, that in 1945–46 a net loss of Rs, 1,13,469 was incurred and from 1st April to 30th June 1946, there is a net loss of Rs. 58,491 as provisionally estimated.

The proprietor in an additional statement stated that ever since 1943–44 the wages bill had been uniform, round about four lakhs of rupees, whereas in the prior years from 1940–41 till 1942–43, the wages bill had been between a lakh and odd rupees and 2½ lakhs while only in 1943–44 it reached 4½ lakhs of rupees. This progressive increase of the wages bill, was due to a progressive increase in the dearness allowance which was only Rs. 3 prior to 1942, and is Rs. 26 now. This extra dearness allowance is one of the factors which contributed to the loss ever since 1944–45. The proprietor attributed the loss also to the fall in production due to the absence of several labourers in the night shifts, and a general shirking of work. This has led to the average outturn per spindle at 4·5 ounces per spindle of 12 hours on 20s basis. I may observe at this stage that the mill adopts a peculiar method of estimating the outturn in terms of 20s, by multiplying the outturn for the higher counts by a simple ratio, obtained by dividing the number of counts by 20. This procedure Mr. Amalsad pointed out is inaccurate because it ignores various other factors, that led to the production of higher counts. The management admitted that the figure of production had reached 5·3 ounces subsequent to April 1946. The Labour Union vehemently contested the statement of the management regarding low production. The profit and loss statements furnished by the management were also attacked. The main attack was made on the basis that the machinery is capable of producing at least 10 ounces in 12 hours for 20s, that the management's estimate of 4·5 to 5·3 oz. is a deliberate understatement, and that in a working day of 12 hours for the 20s, at least 10 doffs could be turned out. The Union went to the extent of saying that if an expert was deputed to make observations on the machinery, their statements would be proved to the hilt. It was also alleged that the wages bill would never exceed Rs. 2,64,000, and that the management's figure of 4 lakhs and odd was an inflated estimate. It was also alleged that the amounts given for expenditure on oil and stores consumed in the profit and loss statement, was unduly large. The accounts were also challenged and the court was called upon to summon the statements furnished by the management to the income-tax authorities. I considered that the attack on the outturn of the machinery, being the most direct one and the most readily capable of verification, should be investigated with the help of an expert. The Government were pleased to depute Mr. Amalsad, Principal of the Textile Institute at Madras, for the purpose, and observations were taken by him in the presence of both the parties and in the presence of the adjudicator on 31st July 1946. After the observations were taken, the expert was examined and questioned by both the parties. The test carried out by the expert was conducted under normal conditions of working, without any opportunity for the workers to slacken their efforts. The output was tested and found to be 2·5 oz. for 12 hours for 30s, and 6·2 oz. for 12 hours for 20s. For 20s, it took 1½ hours for one doff to be filled, or 8

doffs for 12 hours, and for 30s it took nearly three hours to get one doff filled, which works out to four doffs for 12 hours. This test shows that the Labour Union's assertion of a minimum outturn of 10 oz. for 20s and 10 doffs for 20s, for 12 hours, is a reckless and irresponsible over-statement which led to the waste of everybody's labour and time.

Mr. Amalsad stated that he considered the output of the mill as two-thirds of what it should be if modern and up-to-date machinery was used. In the case of this mill, out of the 26 ring frames, 6 are of the year 1908 while 20 are of the years 1880 and 1892. The machinery is definitely old and out of date. He also observed that fluted rollers are worn all round, that many spindles are worn, that the rings were not in good condition and that there was only a very low spindle speed. The variations in the tensile strength was unduly high in the case of 20s, but not so in the case of 30s, and the tensile strength of 30s was decidedly low (28·5 lb. as against the normal 45 lb.). This result, according to Mr. Amalsad, was due to the injudicious mixing of cotton, and also due to the worn out condition of the machinery.

There is sufficient data to show that this mill is a worn out and out of date one not far from the stage of total condemnation. A comparison of the figures of outturn in Rajah Mills with other mills in Madura bears this out. In the Harvey Mills where the machinery is up to date, 20s produce 9·6 oz. for 12 hours ; in Kothandaram Mills 20s yield 9·3 oz. per spindle of 12 hours ; in the Mahalakshmi Mills, the figure is 8·6 oz. ; in the Meenakshi Mills, the figure is 9 oz. It can be stated categorically that the output in Rajah Mills is very low, and that the prime cause for the low output is the deplorable condition of the machinery.

There is one more factor which has to be taken into account. Exhibit M-17 is a comparative statement of production figures in the Rajah Mills. During 1944–45, the production was 11 lakhs and odd pounds ; in 1945–46, the production was 941,000 and odd pounds, and from April to June 1946, a period of three months, the production is 2 lakhs and odd pounds, giving for 1946–47, an expectation of 8 lakhs pounds. An obvious question to ask is, if the output has been uniformly poor on account of the age of the machinery, why should the production fall by nearly 1½ lakhs pounds in 1945–46, and a possible further fall by about 1½ lakhs pounds in 1946–47 ? I was intrigued by this question, and I have tried to find out the causes. Mr. Amalsad stated that the fall in production could be explained by the change-over of counts from the higher to the lower, and by the relative number of frames working on the different counts. I called upon the proprietor to file a statement of production under the various counts in the several years, and the proprietor was kind enough to give such a statement but he wanted it to be treated as confidential. The statement was perused by the expert, and he stated that in 1944–45, there was spinning under five distinct coarse counts and four distinct fine counts, but in 1945–46, three fine counts were spun, and only in one month—July 1945—were 20s spun. I made some further observations during my visit to the mill, with reference to the daily statement of production. In 1944, six to eight frames were put on the 20s, while the rest were on higher counts, for a good portion of the period. But in July, August and September 1944, 11 frames were working on the 20s. From 1st January 1945 till 20th May 1945 approximately four frames were on the 20s, while the rest were on 26 to 30s, and the same state of things continued after 20th May. From 1st April 1946, seven frames were put on the 20s while the rest were put on the 30s. From 13th April 1946, 4 to 6 frames were on the 20s and about 10 to 15 frames were on the 30s, while 5 frames were kept idle. In May 1946, the number of frames on the 20s were increased to 7 and on the 30s to 15 frames, while 4 frames were kept idle. The main picture one gets from this is that in 1944–45 and prior years, the mill was working on a wider range of counts—five coarse and four fine, and that both night and day, all the 26 frames were working ; in other words, the mill had the advantage of working at maximum strength and with a wide flexibility in the range of counts. Both these advantages were utilized to achieve maximum production at maximum efficiency. It was stated by the proprietor that, subsequently, by an agreement among the panel of mill owners, presumably at the instance of the Textile Control department, production in the Rajah Mill was confined to three counts, and a high proportion of frames were working on the 30s,

while a small proportion worked on the 20s. It has been found from the tests that the production on the 30s is only 2·5 oz. while on the 20s it is 6·2 oz. for 12 hours. The predominance given to 30s, and the loss of the flexibility in the range of counts are the prominent factors that led to the fall in production. I also observed from the daily production figures, that in 1945–46, in August, when there was switch-over from steam to electric power, some frames were kept idle, and again in April 1946, when there was a breakdown of machinery on account of storm, a number of frames were kept idle especially during nights. These also must have contributed to the considerable fall in production. While the range of counts continues to be inflexible as at present, and if the disturbance that has arisen in the labour condition also continues, it is not possible to anticipate any increase in production in the coming months.

Another attack by the Labour Union was on the wages figure. Mr. Ramamurthi for the Labour Union gave me a statement which takes into account the existing labour force, and allows them the maximum dearness allowance; he tried to show that the wages bill ought not to exceed Rs. 2,30,000. The management countered this by another statement, in which they show that Mr Ramamurthi has not taken into account various other items in the wages bill, and that if they were taken into account, the bill should be in the neighbourhood of Rs. 3,62,000. From a comparison of the production statements now filed as Exhibits M-18 to M-18 (*b*) and the production statement of earlier years which the management wanted me to be treated as confidential, I find that the wages bill of Rs. 4 lakhs and odd is not unreasonable and represents the actual state of affairs.

The Labour Union attacked the production statements on the ground that they were not produced before the income-tax authorities. It was represented to me by the proprietor that the assessment for income and excess profits tax for 1944–45 and subsequent years is not yet complete, and that the matter is still pending before the income-tax authorities. It is therefore pointless to summon the statements filed before the income-tax authorities in such circumstances. No good reasons are shown to reject the audit reports.

For the year 1944–45, the management gave two months' bonus notwithstanding the fact that in that year, they suffered a loss. In 1945–46, a bonus of one month's wages has been paid for Dipavali, even though during 1945–46 the management suffered a loss over a lakh of rupees. In these circumstances, it appears unfair to direct the management to give any bonus, until such time as the production figures improve, and there is profit.

As regards the question of night shift, various committees and commissions have considered the disadvantage of night shifts and multiple shifts. The observations of the Whitley Royal Commission at pages 48–49 of their report are in point. Worked as a single straight shift by day and a single straight shift by night—as is the practice in Harvey Mills, Madura—the evils are considerably minimised. The disadvantages, such as improper spread over, inconvenient hours of interval, the periods of work clashing with normal hours for food, members of the family having different periods of work, are most pronounced in the case of multiple shifts, necessitated by continuous work for all the 24 hours of the day and night. That is the case in the Rajah Mills. Now the mill has proposed to close the night shift altogether, and be content with a single-day shift which will be for eight hours from 1st August 1946. I am told that the consequence will be the retrenchment of about 350 workers —approximately half the labour force in the mill. The other mills in Madura have not adopted this course. They have either another shift at night (Harveys) or have multiple shifts, for the whole day and night. The reason given by the Rajah Mills proprietor is the loss shown by his balance sheets. This has been challenged by the Labour Union, but the challenge has been met successfully. I see no equitable grounds under which the management can be compelled to continue working the night shift for the reason that a large proportion of the labour will be thrown out of employment. The management can employ them only when their resources, and the state of production, justify the step. I do not therefore recommend any interference with the management's proposal to close the night shift.

At one stage, Mr. Ramamurthi for the Labour Union suggested that the proprietor was out to abolish the night shift, in order to get rid of undesirable hands in the factory, and also to convince the income-tax authorities that his concern had been losing. I do not wish to offer any comment on the latter suggestion, except to say that the attack on the profit and loss statement made before me was not successful. I will be interested to know if the scrutiny of the income-tax authorities shows a different result; if it shows a different result, there will be a case for reconsidering the question of bonus. As regards the first reason, the logic behind it is the same as that which underlies the proverb of "cutting the nose to spite the face." It does not appeal to me. I doubt if it appeals to a businessman like the proprietor of the Rajah Mills. I suggested to the proprietor the alternative of having two straight shifts, one by day and one by night. It will save him from a much reduced production figure, will effect an appreciable retrenchment in the wages bill, and also reduce the number of workers who will be thrown out of employment due to the abolition of the night shift. Mr. Kanakavel was not convinced about the wisdom of this course, and asserted that he will not have anything more to do with a night shift under the present conditions.

The question therefore reduces itself to one of adequate notice and compensation. Under section 9 of the Standing Orders, one month's notice is necessary. The Bombay Textile Enquiry Committee after considering suggestions for extending the period of notice, found that one month's notice would suffice in the case of permanent workers (page 177 of Volume II of the report). The proprietor gave his first notice on 12th June 1946, stating that the night shift would be closed from 1st July 1946. This was not a valid notice as per Standing Order which requires a month's notice. So the proprietor gave a notice again on 29th June 1946, saying that he would close the night shift from 13th July 1946. If the first notice was not proper, the second notice should take effect only from 29th July 1946. On 20th June 1946, the Government had referred the dispute to adjudication, but that reference did not include the question of night shift. The Labour Union filed their statement on 29th June 1946, complaining about the closure of the night shifts. So by the time of the second notice, dated 29th June 1946, the Labour Union had stated their grievance about the closure of the night shift before the adjudicator. That notice is also defective because it did not give time till 29th July 1946. The proprietor, however, extended the time till 28th July 1946 and again till 1st August 1946. In the meantime, the Government were pleased to direct the proprietor not to close the night shift until the adjudication proceedings are over. It appears to me that on account of the pendency of the adjudication proceedings, the permanent workers, who are likely to be retrenched, might have justifiably remained in a state of suspense regarding the final outcome of the question of night shift, and would not have been in a position to seek other sources of employment. Therefore, I suggest that a period of one month's notice be given to the workers regarding the closure of the night shift, from the date the Government passes orders on this report. The retrenchment should be made strictly according to seniority. If the night shift is resumed in the future, the workers retrenched should have priority in employment after a week's notice of the resumption is given to them.

LIST OF EXHIBITS FILED.

For the Management.

M-1 to M-1 (c)—Record sheet of Meenakshisundaram, L.W. 6.
M-2 to M-2 (c)—Record sheet of Kuppuswami, L.W. 7.
M-1 (*d*)/21st March 1946—Reasons for notice terminating the services of Meenakhisundaram, L.W.6.
M-2 (*d*)/19th March 1946—Report about the absence of Kuppuswami, L.W. 7.
M-3—Record sheet of Muthukamakshi, L.W. 11.
M-4/20th and 21st March 1946—Notices issued to D.C. 5 Mahalingam Servai, L.W. 13.
M-4 (*a*)/5th March 1946—Explanation of Mahalingam Servai.
M-4 (*b*)—Reply submitted by Mahalingam Servai to the questions put to him.
M-5—Record sheet of Muniandi, L.W. 14.
M-5 (*a*)/1st April 1946—Notice of the Rajah Mills to Muniandi directing him to attend to duty in two days and admit his fault.
M-6—Record sheet of Palaniswami, L.W. 15.

M-7—Record sheet of Muniandi.
M-7 (*a*)—Explanation of Muniandi.
M-8—Record sheet of Easwaran, L.W. 16, with connected papers.
M-8 (*a*) 15th December 1945—Explanation of Eswaran, L.W. 16.
M-9—Record sheet of Seeni Thevar, L.W. 17.
M-9 (*a*)/27th and 28th November 1945—Complaints of Raman and Sivaparangiri against Seeni Thevar, L.W. 17.
M-9 (*b*)—Explanation of Seeni.
M-10—Record sheet of Muthuswami, L.W. 18, and connected papers.
M-10 (*a*)/27th November 1945—Notice to Muthuswami to show cause against dismissal.
M-10 (*b*)/9th July 1945—Complaint of G. Venugopal against C-9 Muthuswami, L.W. 18.
M-11—Record sheet of seven night reelers.
M-12/10th January 1946—Terms of settlement arrived at by the Rajah Mills and the Madura Textile Workers' Union before the Labour Commissioner.
M-13—Specimen Standing Orders.
M-13 (*a*)/1st October 1945—Standing Orders of the Rajah Mills.
M-14—Statement showing the average number of spindles worked and the wages disbursed during the various months in 1945 and 1946.
M-15/27th February 1946—Printed agreement entered into between the Secretary of Mill Owners' Association, South India and Coimbatore District Mill Workers' Union.
M-16—Ceiling prices for yarn of various counts from March 1944 to April 1946.
M-17—Comparative statement of production figures from April 1944 to June 1946 in terms of pounds of yarn.
M-18—Profit and loss statement for 1st April 1944 to 31st March 1945.
M-18 (*a*)—Profit and loss statement for 1st April 1945 to 31st March 1946.
M-18 (*b*)—Profit and loss statement for 1st April 1946 to 30th June 1946.
M-19—Statement showing the number of machinery working in the Rajah Mills and the maximum number of operatives required.
M-20—Details of wages paid during 1944-45 and 1945-46.
M-21—Statement of the Rajah Mills showing the production in various counts.

For the Labourers.

L-1/12th February 1946—Letter of the Madura Textile Workers' Union to the Labour Conciliation Officer, Madura
L-1 (*a*) 20th February 1946 Letter of the Madura Textile Workers' Union to the Labour Commissioner, Madras
L-2—Number of persons without employment on account of motor trouble.
L-3/21st April 1946—Letter of the General Secretary, Madura Textile Workers' Union to the Labour Commissioner, Madras.
L-4/9th March 1946—Letter of the Labour Conciliation Officer, Madura, to the General Secretary Madura Textile Workers' Union, Madura.
L-5/28th December 1945—Letter of Mr. P. Ramamurthi to the Labour Commissioner, Madras.
L-6 and L-6 (*a*)/14th April 1946—Notices of the Rajah Mills.

For the Court.

C-1/15th July 1946—Statement showing the production, wages, etc., of the Madura Mills Company, Ltd., Madura.
C-2 Statement showing the production, wages, etc., of the Kothandaram Spinning Mills, Mahalakshmi Textiles, Ltd., and Meenakshi Mills, Ltd., Madras.

LIST OF WITNESSES EXAMINED.

For the Labourers.

1 Kulandaivel Nadar.
2 Pechi Ammal.
3 Suppiah.
4 Natarajan.
5 Thangavelu Thevar.
6 Meenakshisundaram.
7 Kuppuswami.
8 Thangaya Nadar.
9 Thangaya Pillai.
10 Manikkam.
11 Muthukamakshi.
12 Edwin Perianayakam.
13 Mahalingam.
14 Muniandi.
15 Palaniswami.
16 Eswaran.
17 Seeni Thevar.
18 Muthuswami.
19 Somam.

For the Management.

1 Somasundaram Pillai.
2 S. Ayyaswami Ayyar.

For the Court.

Mr. Amalsad, Principal, Government Textile Institute, Madras.

ANNEXURE I.

Nos. 1 and 2, Muthuswami and his wife.—Muthuswami gave evidence as L.W. 18. He stated that he is a fitter coolie with eight years' service, was reverted as a daily coolie without being told the reason, that he complained to the Union and continued to do the work, that his work was gradually reduced and finally his services were terminated. He was selected as a member of the executive committee of the Textile Union and in November 1945, he was asked to show cause against dismissal for having incited a strike for reduction of workers in the ring frame department. He admitted that he was fined for breaking a flat. His history sheet is Exhibit M-10. It shows that he was engaged as a daily coolie in 1942 and became progressively a can boy and a lap carrier, until he became a fitter coolie in December 1944. He was reduced to a mixing coolie on daily wages on 19th July 1945 at eight annas a day. There are entries to show that on 13th April 1945 when he was a fitter coolie, there was a report against him for disobedience and for breaking a flat resulting in a warning, that subsequently in June and July 1945, he repeated the same fault, and was fined eight annas on 9th July 1945, and that he again broke a flat on 17th July 1945 when he was reverted as a daily coolie. The supervisor Ayyaswami had made a specific report about his demeanour on 17th July 1945, and another report on the same day, shows that he spoke impertinently when he was questioned about the breaking of the flat. It is found that he left the service on 9th December 1945 of his own accord. In cross-examination he stated that on the second day after his services were terminated, he took up employment in the Mahalakshmi Mills but worked only for ten days. In view of the entries in the history sheet showing progressive deterioration of his work, it cannot be held that his removal from service—or as the management says his leaving the service of his own accord—had anything directly to do with his trade union activity.

As regards his wife Ponnu Ammal, it is alleged that she had a service of four years as a cotton coolie and that when she returned to her job on the expiry of her leave, the management refused to employ her. The proprietor in his statement mentioned that this woman left the service of her own accord and did not attend for more than six days without permission, and that her services were dispensed with under Standing Order No. 19 (*d*). The trade union has not examined Ponnu Ammal or adduced any evidence to support the plea of a wrongful refusal to re-employ her. These two cases call for no comment.

3. *Thangavelu Servai.*—He is L.W. 5. He was in the mill's employment from 1937 onwards, but in 1943 he was arrested and kept as a detenue, and released some time about the middle of 1944. He was re-employed, but the period of seven years' service prior to his detention, was not taken into account, and his services were deemed to have commenced from the date of his rejoining. The Union alleged that for the last two years, he had been the Vice-President of the Union, that on account of this fact, he was de-promoted as a sider with loss to his income, that there was an attempt to dismiss him towards the end of November 1945 on the allegation that he took a lead in a demonstration staged by the women employees in the ring frame department as a protest against the change then introduced in the department, and that subsequently he was discharged as a measure of retrenchment. The proprietor admits discharging Thangavelu Servai, because when the mill was switched over to electricity from steam power, several senior men in the boiler department had to be provided for, and Thangavelu Servai was one of those persons retrenched. Admittedly this retrenchment was effected after counting his service as having begun from 1944, and after ignoring his prior service of seven years before his detention. It is a nice point for consideration in this man's case, as to whether the management was right in ignoring his prior service altogether, and treating his service as having begun only from the date of his rejoining the mill after his release from detention. It appears to me that his period of detention should be condoned and he should be reinstated on the ground of his long service of over seven years. There was a complaint that this man's son assaulted the supervisor of the mill, Ayyaswami Ayyar, and that the son had been fined Rs. 2 and his son's service had also been dispensed with. But this should not be put down against Thangavelu Servai.

4. *Seeni Thevar.*—He is L.W. 17. The Union alleged that he had been punished twice over. He admitted that he was once suspended, because he found out how the machinery which was not working properly could be repaired, and that he was suspended on another occasion for absence without leave. He said that he was a prominent worker of the Union and collected subscriptions and distributed handbills. His history sheet is Exhibit M-9. His service commences from 1st January 1944 as a spinner. He has an ugly record. There are entries regarding absence without permission on 6th August 1945, late arrival on two occasions in August 1945, disobedience towards the supervisor in September 1945 when he was suspended for four days, disobedience and insulting talk towards the Canteen supervisor in November 1945, supported by the reports of the supervisor made then and there, and again absence without permission in December 1945. He was consequently dismissed on 7th December 1945. In his case, misconduct must be deemed to have been proved and no interference is called for.

5. *Eswaran.*—He is L.W 16. He stated that he took a prominent part in the organisation of a demonstration for the grant of bonus, and used to conduct meetings at the gate of the mill, besides collecting subscription on pay days from the workers, and

that as a result he was dismissed. In cross-examination, he stated that one morning when the gate was closed he saw female workers outside the gates, and he requested the watchman to admit them first. The proprietor who was there asked him what business he had there at that time, and grew angry with him. His history sheet is Exhibit M-8. He started service as a full time doffer in January 1942, and became a spinner in December 1942. In 1945, he had a long history of misconduct, absence repeatedly without permission, and absence from the place of work for 1½ hours in September 1945, supported by reports made then and there by the heads of the various departments. There is also a report by the watchman on 3rd December 1945, regarding improper behaviour at the gate of the mill on 3rd December 1945, when he tried to prevent the workmen from going into the mill. In his case also, I am not prepared to say that his dismissal was improper.

6. *Muniandi.*—R.S. 85. He said that his services were terminated for short outturn of work, and that he refused to sign the notice of dismissal because the short outturn was not due to his fault but due to the fault of the machinery. His history sheet is Exhibit M-7. It shows that he was absenting himself frequently, that he was suspended on 10th October 1945, that he misbehaved towards the supervisor on 26th December 1945, that on 4th January 1946 his explanation was asked for and that from that day he stopped from attending the mill. In these circumstances, his case does not require reconsideration.

7. *Muthukamakshi.*—He is L.W. 11. He admits that he interfered with the women workers in an improper manner. His history sheet, Exhibit M-3, supports the allegation of misbehaviour towards women workers, and shows that he was repeatedly suspended for negligence of duty. He resigned the service, but said that he did so on the compulsion of the proprietor. His case calls for no interference. He is a half-time doffer boy with service from 1943.

8. *E. Perianayagam* —He was admittedly employed on a temporary basis as a part-time worker in the mechanical department for about nine months. He stated, as L.W. 12, that the maistri asked him to sign in ante-strike declaration and on his refusal he was told that he was dismissed. The proprietor says that there was no such name as E. Periyanayagam in the daily coolie register. No history sheet has been produced for him. It is not clear on what basis he had been dismissed. His case requires reconsideration and he may be re-entertained on a temporary basis at the next opportunity.

9. *Mahalingam.*—He gave evidence as L.W. 13. His history sheet is Exhibit M-4. In March 1946, he was taken to task for breaking a top and it was alleged that he did not give proper replies when he was asked about his misbehaviour. He was asked to pay Rs. 3-8-0 from his salary for the breakage. Exhibit M-4 shows that his explanations were given on 5th March 1946, and on 13th March 1946, and Rs. 3-8-0 was deducted from his salary for the breakage of the top. The subsequent order of removal from service on 20th March 1946, apparently was based upon these same faults, to which was added the giving of improper replies when questioned. He was a *badli*. He stated in his evidence that the maistri asked him to sign an ante-strike declaration and that he signed because he was a family man and was afraid of dismissal, that he continued to attend the meetings of the Union and that the maistri took him to task for that purpose. His history of service shows that the main complaint against him was the breakage of a top and for this he had been punished with deduction from his salary. The subsequent punishment of dismissal was apparently due to the improper replies he is said to have given, but he has given his explanations in writing to the charges for breaking the top, Exhibit M-4 (*a*) and M-4 (*b*), on two occasions, and they seem to be couched in polite language. He is only a *badli*. But in my opinion, his case requires reconsideration and he may be re-entertained so as to give him another chance for improvement.

Nos. 10 *and* 11, *Palanichami and Muniandi.*—Palanichami is L.W. 15 and his history sheet is Exhibit M-6. Exhibit M-6 shows that Palanichami has a bad record, including misbehaviour towards the female spinners in July 1945, of absence without permission on 20th August 1945, and suspension for four days for not looking after the machines properly, and finally on 28th February 1946, he assaulted the spinning supervisor Ayyaswami Ayyar outside the mill. The spinning supervisor has given a complaint to the police, and this is pending investigation. He was assaulted so severely that he had to remain in the hospital for 21 days. I am of the opinion that his dismissal was proper.

Muniandi is R.S. 147. His history sheet is Exhibit M-5. It shows that from 1st December 1942 he was employed as a night doffer and from January 1943, employed as a spinner. It is alleged that he was careless and negligent in his duties, that he was suspended for four days from 26th February 1946, that after that period he was absent and applied for re-entertainment on 4th March 1946. The proprietor considered his application favourably and allowed him to be re-entertained on 9th March 1946, and communicated the orders to the supervisor, but the worker did not turn up. It does not appear that the orders of re-entertainment were communicated to the worker. His case requires reconsideration and he should be re-entertained after communicating orders to him.

Nos. 12 *to* 18.—These persons are reelers with service varying from 1½ to 11 years, and it is alleged that they were summarily dismissed on 28th January 1946 without

assigning any reasons and now hands were taken in their places. It is stated by the proprietor that these persons were responsible for wilful insubordination and were discharged on payment of 13 days' wages. One of these persons has given evidence as L.W. 19. He said that he and five other persons were dismissed without any reason being given in February 1946. Two or three days prior to the dismissal, the management did not pay proportionate dearness allowance as agreed before the Labour Commissioner. The relevant history sheet is Exhibit M-11. The allegation against them is that they did not reel from the incomplete bobbins allotted to them, but reeled only from the full bobbins and kept aside all the half-filled bobbins to be attended to by the day-shift reelers, that this resulted in a large accumulation of half-filled bobbins and also a shorttage of bobbins in the ring frame department in the subsequent day, and that the same thing was repeated on 19th December 1945 and 21st February 1946. There are also entries to show that the same fault was repeated on prior occasions and that they along with four other reelers were suspended on 16th August 1945 for the same fault. In these cases, the same fault was repeated on more than one occasion in spite of punishment in August 1945. I do not think that these cases require reconsideration.

Nos. 19 *to* 21—*Meenakshisundaram, Naina Mahomad and Kuppuswami.*—The history sheet of Meenakshisundaram is Exhibits M-1 to M-1 (*c*). He gave evidence as L.W. 6. His trouble seems to have arisen during the time of elections. He has ten years' service. On 19th March 1946, which was the election day, he could not vote between 11 a.m. and 3 p.m. when he had leisure, because a part of the time was also the luncheon interval at the pooling booth. He went out therefore at 5-30 p.m. in a jutka and returned at 5-45 p.m. after voting. At 5-30 p.m. the timekeeper asked all the workers who were voters to go out and vote. He did so along with Naina Mahomed and Kuppuswami, Nos. 20 and 21, in the schedule filed by the Labour Union. He returned in 15 minutes, but he does not know about the others. He was dismissed thereupon summarily. In the cases of Meenakshisundaram, Naina Mahomad and Kuppuswami, the reason given for their dismissal is that they falsely represented that they were voters and absented themselves for periods up to an hour on the pretext that they wanted to go out and vote. A perusal of the list of voters in the ward, would have verified the statement whether these people were voters or not. But this has not been done by either side. It is admitted that 19th March 1946 was election day. It is also probable that these people could not go to the pooling booth during the interval between 11 a.m. and 3 p.m. because that is the interval when they have to go to their houses, take their food, and they would not have found also time to go to the booth. The cases of these three persons appear to me to be border line ones, and it appears reasonable to re-entertain them after verification of the voters' lists. If it is found on such verification that they are not really voters in the ward, they need not be re-entertained. But if their names are found on the list, they should be re-entertained. The verification may be made by the conciliation officer in consultation with the proprietor.

22. *Narayanan.*—The Labour Union stated that Narayanan had six years' service as a doffing boy, that on 15th March 1946, when he was asked to work as a sider, he declined on the ground that he was unwell, that he was asked to report to the proprietor, that no investigation was held and that work was refused to him. The proprietor says that this man was in service till 25th May 1946 and had drawn his salary and that he was not attending to work from 26th May 1946. His history sheet has not been produced. He has also not given evidence. His case does not call for interference.

Nos. 23 *to* 36.—The Labour Union says that all these persons who are women were dismissed on 3rd June 1946 on the ground of their being surplus in the department. The proprietor refers to paragraph 6 of his written statement for the reasons of their retrenchment. Paragraph 6 relates to the retrenchment effected in the ring frame department as a result of the reduction of workers allotted to the ring frames. I have considered the position about the strength in the ring frames in the course of my discussion under issue 5 and held that a certain minimum strength is required for work in this department. If additional hands are required on the basis of the minimum strength suggested by me, these workers might be re-entertained according to seniority.

ANNEXURE II.

Prior to 1st October 1945, when the Rajah Mills introduced the standing orders apparently a set of standing orders were in force among various industrial undertakings in the country. For example, in the Mysore Spinning and Manufacturing Company, Limited, Bangalore, in the Kothari Textiles of Singanalloor and other concerns the standing orders seem to follow in substance the standing orders now in force in the Rajah Mills. On 7th June 1945, the Inspector of Factories circulated a set of model standing orders prepared by the Government of India for adoption by various undertakings including the Rajah Mills. The present set of standing orders are largely based upon these model standing orders. This circumstance gives a certain amount of authority as well as responsibility behind the standing orders, even though they do not have any statutory value. Further the new Act (Act XX of 1946) has

come into force from 23rd April 1946. The schedule to that Act provides for several of the points now raised. The process of certification under that Act is obligatory and the period for the proprietor to apply is six months from 23rd April 1946. The Labour Union is to be consulted by the certifying authority and then alone the certification takes effect. The suggestions now made may be taken into account at the time of certification.

Standing Order No. 3.—The Labour Union objects to the classification of workers into permanent, probationers, *badlis*, temporary and apprentices. The Labour Union wants the classification to be only into permanent and *badlis*. In the Rajah Mills, the classification is into permanent, *badlis* and temporary. There are no apprentices or probationers. But there is nothing which prohibits the Rajah Mills from employing apprentices or having men designated as probationers who have a right to be confirmed in a permanent vacancy as distinguished from *badlis*. I do not think that the classification requires any change. It may however be provided that it is optional on a management to have or not to have apprentices and probationers, but to have the workmen classified as permanent, *badlis* and temporary, if they so desire.

There can be no objection to the suggestion of the Labour Union that workers with their classification and names shall be entered in the muster roll of the company.

The Labour Union suggests that the number of permanent workers in the various departments shall be fixed in consultation with the Union, and a similar course should be adopted in the case of *badlis*. This turns on the question of recognition of the Labour Union. The Trades Union Act does not allow for any such compulsory recognition. Even the Bombay Industrial Dispute Act—the most advanced legislation on the subject in British India does not provide for compulsory recognition of Unions. I understand that in Mysore there is legislation which provides for the compulsory recognition of one Union for each undertaking. Unless and until there is legislation for compulsory recognition of Unions, the proposal for consultations with the Union before fixing the number of workers both permanent and *badlis* need not be considered. However, it will be in the interest of workers, if there are no frequent changes in the strength of the several departments in the mill. The proprietor agrees that it will be a unwise course to have frequent changes in the strength of the labour force in the various departments. I would therefore suggest that a clause be introduced in the standing order " that the number of permanent workers in the various departments should be fixed at intervals of say six months, and a return furnished to the Inspector of Factories once in six months, and that within the period of six months, there ought not to be any change in the strength without informing the Inspector of Factories, a month in advance. The Inspector of Factories should communicate these returns and the proposals for change, if any, made from time to time, to the recognized Labour Unions who have on their rolls members of the labour force employed in the mill." These are the changes which I consider necessary in standing order No. 3.

Standing Order No. 4.—The proposal of the Union is consequent on its suggestion for the deletion of the categories of probationers and apprentices. The proposals are covered by my recommendation under standing order No. 3.

Standing Order No. 6.—The Labour Union wants that the schedule of rates of wages to all classes of workers should be printed in Tamil, and given to the workers on entering service, and that changes in the schedule from time to time should be notified in print. There is no objection to this proposal, but instead of giving a copy of the schedule to each worker, I suggest that the schedules be printed in big letters, and hung up in two or three prominent places in the factory.

Standing Order No. 9.—The Labour Union suggests that before retrenchment is effected the question should be gone into by an authority agreed to by the workers as well as by the management, and in cases of retrenchment the retrenched workers should be paid a gratuity of three months' wages or at the rate of one month's wage for every completed year of service whichever may be higher. The first suggestion involves the principle that the workers have a voice in deciding the strength of the labour force in the undertaking. The strength of the labour force will depend upon the nature of shifts, the lines of production and the financial condition of the mill. Unless we take the stand that in all these matters, the labour has a voice it is not possible to approve of the proposals of the Labour Union. No doubt with the passage of time, the field of labourer's rights may be enlarged. What is recognized at present is the labourer's rights to share in the profits of the management by payment of bonus, and to expect from the management various provisions for their economic and material welfare. The proposals go several steps beyond and it is probably premature to consider them. As regards payment of gratuity on retrenchment, a period of three months appears to be unduly excessive. One month would be ample and this is provided for in the existing standing order No. 9 when retrenchment is due to change in the system of shifts. It may be proper to extend it to all cases of retrenchment from whatever causes.

Standing Order No. 10.—The Labour Union wants that workmen should be allowed to present themselves at the gate up to 15 minutes of the starting time. In my opinion this proposal would encourage late attendance and it ought not to be necessary to provide more than a limit of five minutes for late attendance.

Standing Orders Nos. 11 *to* 13.—These three standing orders refer to the question of holidays and leave. Under the present legislation in the country, the Factories Act provides for the weekly holiday on Sundays, and the " Amendment to Factories Act under Act III of 1945 " provides for holiday with pay for ten days in the year. The existing Standing Order No. 11 gives one month leave for every 12 months' service in the factory. But it does not say whether the leave is to be with or without pay; probably it is to be without pay. Standing Order No. 12 provides for casual leave of absence up to ten days, again presumably without pay. Under Standing Order No. 13, special holidays shall be in accordance with the custom or usage of the factory. The Labour Union proposes that all workers with one year's service and more shall be eligible for 15 days' casual leave, 15 days' sick leave, both with full pay, and in addition 12 festival holidays in the year according to custom and usage, again with pay. This obviously is a question of general importance; and is appropriate for consideration in a general scheme of legislation for the whole country. In my view, ten days' casual leave in the year with pay, in addition to the holidays with pay provided for under Act III of 1945, will be reasonable. These days of casual leave will provide for unexpected contingencies like temporary illness or temporary engagements and so on. The question of festival holidays with pay is a vexed one. I would suggest a maximum of seven festival holidays with pay for every year, to be determined according to the custom and usage in the locality. In this connexion I was told that in all the Government Industrial concerns in Mysore, two weeks' holidays with pay are given in the year, and that Mining Companies in the Kolar Gold Fields, Bangalore Woollen Cotton and Silk Supply Company and Sri Krishna Rajendra Mills have also introduced this scheme. The standing orders of the Mysore Spinning and Manufacturing Company, Bangalore, shows that 10½ days are notified as holidays, but it is not clear whether they are to be holidays with pay. Presumably they are without pay. I am of the opinion that the question of closure of the mill for festival holidays with pay or without pay, may be left to the discretion of the management in individual cases, because these holidays are likely to vary from place to place.

Standing Order No. 16.—This relates to the question of stoppage of machinery and the compensation to be paid therefor. The gist of the standing order is that, when machinery breaks down, the workmen shall not be detained without notice of the stoppage for a period of exceeding one hour, and that if they get notice wtihin one hour, they will not get wages for the period of detention (this presumably refers to the period when they were kept idle and not to the period when they were kept occupied before the breakage). But if the notice is given after more than one hour from the commencement of the breakage, they will be entitled to proportionate wages of the period of detention. I have found this provision in the standing orders of more than one undertaking. The Labour Union wants that, in cases of these stoppages, the workmen should be paid their wages for the whole day. There is something to be said for a situation where the workmen come to the mill in the morning, and then are told after a few hours, that they will not be able to work on account of a breakdown of the machinery, and then they have to go home without pay for that day, and without sufficient time to seek temporary employment elsewhere on that day. If this happens just for one or two days in the year, it may not be a thing of which notice should be taken. But if a worker has to suffer in this way for a number of days, it is necessary to protect him in a suitable manner. I would suggest that the existing standing order be maintained, but if these stoppages on account of the breakdown of machinery lead to the loss of the workmen's wages for more than three days in any given month, the stoppage not being continuous, and if on those days he was not able to earn less than half a day's wages calculated on the proportion of the hours he was employed in the mill, compensation should be paid at the rate of half a day's wages for each day of stoppage.

The next question will be compensation for a continuous stoppage on account of breakdown of the machinery. Such continuous stoppages are very rare and will be due to unforeseen causes. Under Standing Order No. 17, workmen played off on account of breakage of machinery shall not be entitled to wages for the period of unemployment. They are entitled to a notice of resumption of normal work, and the workmen who had been played off and who present themselves for re-employment, shall have prior right of reinstatement. The Labour Union suggests that in such cases, the workmen should be presumed to be in the service of the company, and must be paid half their wages and 3/4th dearness allowance. This seems to be a drastic provision and is unsupported by any previous instances. I have considered under one of the issues dealt with in this enquiry, cases where compensation had been paid for unemployment due to failure in the supply of raw material or change over in the lines of production, but none of the cases cover stoppage on account of the breakdown of the machinery due to causes entirely beyond the employer's control. I do not think that in such cases any compensation could be provided for. But the workmen will have a right of re-employment if they present themselves within a week of the notification of the re-opening of the mill.

Standing Order No. 18.—This provides for strikes and lock-outs giving right to the management to close down the departments affected by the strike or lock-out, wholly or partially. The Labour Union wants the whole provision to be deleted, but they have not given any reasons for such a course. I do not think that Standing Order No. 18 requires deletion.

Standing Order No. 19.—Two minor changes by deleting the words " if any " and the words " if he so desires at the time of discharge " are suggested in the case of disciplinary action against workers whose services are terminated. The proprietor agrees to these deletions and they may be carried out. In the same standing order, sub-clause (*d*) provides that a worker who absents himself for six or more days continuously shall be considered to have left the services of the factory. The Labour Union wants " six " to be changed into " seven." I do not consider that the minimum of six is too low. No change is called for.

Standing Order No. 22.—The Labour Union wants that the management shall consult the Union and draw up rules affecting discipline and the procedure for conducting disciplinary enquiries, and providing for the right of the worker to be represented by a Union official at the time of the enquiry. This again turns upon the question of recognition of Unions, and until and unless that is provided for by legislation, the proposal for amending this standing order need not be considered.

Order—No. 3189, *Development, dated 12th August* 1946.

In G.O. No. 2416, Development, dated 20th June 1946, the Government directed that the trade dispute between the workers and the management of the Rajah Mills, Madura, be referred to Mr. P. Ramakrishna Ayyar, I.C.S., District and Sessions Judge, Ramnad, for adjudication under clause (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules. After a preliminary enquiry the Adjudicator decided that adjudication was necessary on the following issues :—

(1) Have the workers discharged as per list attached to the Union's statement, been discharged for valid and proper reasons, and what directions, if any, are needed in their cases ?

(2) Is it necessary for the management to appoint a manager and delegate powers to him ?

(3) Is the dearness allowance now paid adequate for the various classes of workers and if not, what are the ways in which it has to be modified ?

(4) Is a uniform rate of wages due to be paid to male and female doffers ?

(5) Has there been unjustifiable reduction of the number of workers in the several departments, and if so, are any directions necessary regarding the strength of the establishments ?

(6) Is any compensation due to be paid for the breakdown of machinery, or through allowing machinery to remain idle ?

(7) Do the standing orders require revision and if so, in what respects.

(8) Is any bonus due to be granted for 1945–46 ?

(9) Is it necessary to close the night-shifts ?

2. The adjudicator has completed the enquiry and submitted his report. He had made the following recommendations on the issues enumerated in paragraph 1 above :—

(1) *Have the workers discharged as per list attached to the Union statement, been discharged for valid and proper reasons, and what directions, if any, are needed in their cases* ?—The Labour Union has alleged that a number of employees have been victimised by wrongful punishments including dismissals for their active participation in the trade union. But the adjudicator states that there is no evidence which points to victimisation and that the dismissals must be considered proper in all cases except in the case of seven persons in respect of whom he has made the following recommendations :—

Thangavelu Servai.—He was in the mill's employment from 1937 onwards but in 1943, he was arrested and kept as a detenu and released some time about the middle of 1944, when he was re-employed. When the mill was switched over to electricity from steam power he was retrenched counting his service only from the date of re-employment. The adjudicator has recommended that the period of detention should be condoned and he should be reinstated, as prior to his detention he had a long permanent service.

Meenakshisundaram, Naina Mahomed and Kuppuswami.—These persons were dismissed on the ground that they falsely represented themselves as voters and absented themselves for about an hour on 19th March 1946 on the pretext that they wanted to go out and vote. As it is probable that they could not go to the polling booth during the interval between 11 a.m. and 3 p.m. the adjudicator has recommended that they should be re-instead if their names are found in the voters'

list of the ward. The verification may be made by the Conciliation Officer in consultation with the proprietor.

Muniandi—R.S. 147.—He was suspended for four days from 26th February 1946 and was absent after that period. When he applied for re-entertainment, the proprietor allowed him to be re-entertained on 9th March 1946. But the orders of the re-entertainment were not communicated to the workers. The orders of the re-entertainment should be communicated to him now and he should be re-entertained without delay.

E. Perianayagam.—It is not clear on what basis he was dismissed. He may be re-entertained on a temporary basis at the next opportunity.

Mahalingam.—The main complaint against him was the breakage of a top for which he was punished with a deduction from his salary. His subsequent dismissal was due to his improper replies but his explanations were couched in polite language. He may be re-entertained so as to give him another chance of improvement.

There is no need to pay arrears of wages in any of the seven cases.

Nos. 23 to 36 of the Labour Union's list.—These have been retrenched due to a reduction of workers in the ring-frame department. When additional hands are taken for maintaining the minimum strength in the ring-frame department as recommended under issue (5) below the workers should be re-entertained according to seniority.

(2) *Is it necessary for the management to appoint a manager and delegate powers to him?*—There is no necessity to appoint a manager but a day and specified hours should be fixed in each week for the proprietor to hear the complaints of workers. On days when the proprietor could not be present, the spinning supervisor, in charge of the shift, should hear complaints and dispose of them in his discretion referring matters, which he considers more important to the proprietor for disposal on the next occasion when according to the time-table he has to hear complaints.

(3) *Is the dearness allowance now paid adequate, for the various classes of workers, and if not, what are the ways in which it has to be modified ?*—The present flat rate of dearness allowance of Rs. 26 per mensem paid to all workers except reelers, half-time doffers, engine workshop operatives, chittals and cotton pickers may be continued until such time as the cost of living index records a fall or increase by 20 points when it may be revised. In the case of reelers, etc., the adjudicator has made the following recommendations :—

Reelers.—Reelers should be given full dearness allowance if the outturn per day is 20 hanks and more for men and women alike, but if it is less, only proportionate dearness allowance need be paid.

Half-time doffers.—It is unfair to grant a half-time worker full dearness allowance at the rate applicable to full-time workers. The existing practice of paying dearness allowance to half-time doffers at half the rate is proper.

Engine workshop operatives.—Permanent employees in the workshop are paid dearness allowance at a flat rate of Rs. 26 per mensem and the new workers employed as workshop operatives are paid piecework rates varying from Re. 1 to Rs. 1-8-0 without any dearness allowance. It is unfair to treat workers in the workshop doing the same job as other permanent workers differently. The existing piece-work rate of wages may be continued in the case of persons with less than two months' continuous service but workers who have or who may acquire more than two months' continuous service should be paid wages for the days of their employment calculated on the basic wages and dearness allowance which are paid to other permanent workers engaged on similar work.

Chittals.—No direction is necessary as there are no chittals from June 1946.

Cotton pickers.—As the management has now adopted a system of paying basic wages plus dearness allowance to a limited number of pickers, after retrenching a considerable number of them and as no complaint has been made about retrenchment in this branch of labour no direction is necessary.

(4) *Is a uniform rate of wages due to be paid to male and female doffers?*—Female workers who are designated as spinners in the ring-frame department and are capable of attending to 150 frames are paid Rs. 12-2-0 but the female workers who are designated as doffers and who do spinning work are assigned only 100 spindles and

paid less than either the female spinner or the male doffer. This distinction is artificial and is liable to abuse and misunderstanding. It is better to have a uniform rate of wages for persons designated as doffers, male or female, without regard to the accidental circumstances, that the female doffers are asked to do spinning work under a scheme of retrenchment. Adequate reasons have not been given for paying female doffers who are given more skilled work less wages than male doffers. Female doffers who do spinning work should be paid the same rate of wages as a female spinner, viz., Rs. 12-2 0.

(5) *Has there been unjustifiable reduction of the number of workers in the several departments, and if so, are any directions necessary regarding the strength of the establishment.*—Prior to November 1945 there were 52 spinners for the 26 frames at the rate of two spinners to each frame assisted by 25 full-time doffers, that is approximately one doffer to each frame and there were also 60 to 75 half-time doffers working in three batches of five hours each ; in other words there were two spinners—one full-time doffer and one half-time doffer for each ring-frame.

After November 1945 there was retrenchment and two spinners were assigned to each of the 20 frames making up 40 spinners in all ; and by day the remaining six frames were managed by 18 female spinners at the rate of three each frame. No change was made in respect of the night shift. The half-time doffer strength at 70 or 75 was maintained. Thus there was a reduction of 12 spinners and seven full-time doffers. The Rajah Mills machinery is over sixty years old and the spinner has to work under conditions of greater strain than in a normal mill with modern machinery, especially in the case of 30s. A majority of the ring-frames are at present spinning 30s and 4 to 6 frames spin 20s. For the 30s at least three spinners besides doffers are required in the present condition of machinery, while for 20s two spinners besides doffers will suffice. Assuming seven frames are on the 20s and the rest on 30s, the required strength would be 71 spinners, besides half-time doffers as against the present strength of 40 spinners and 18 doffers (for spinning work) for the day shift, besides half-time doffers. The management should designate the 18 doffers who do spinning work as spinners and re-employ 13 more of the retrenched spinners and ensure that this scale is kept up in future in the ring-frame department for the working of the 26 frames.

(6) *Is any compensation due to be paid for the breakdown of machinery or through allowing machinery to remain idle* ?—There were two occasions when work had to be stopped in April 1946. The stoppage of work on the first occasion was due to a storm and work had to be suspended for three days in second occasion work was disturbed for a week owing to the breakage of a slubbing frame. These stoppages were due to causes beyond the control of the management and it is not necessary to pay compensation for the break down of machinery for these short periods.

(7) *Do the standing orders require revision and, if so, in what respects ?*—The adjudicator has made the following suggestions :—

Standing Order No. 3.—The existing classifications of workers does not require any change, but it may be provided that it is optional on the part of a management to have or not to have apprentices and probationers and that it is open to them to have the workers classified as permanent, *badlis* and temporary, if they so desire.

The suggestion of the labour unions that the names of workers with their classifications should be entered in the muster roll of the company is accepted.

To avoid frequent changes in the strength of the labour force in the various departments the following may be introduced in the standing order :—

" The number of permanent workers in the various departments should be fixed at intervals of say six months, and a return furnished to the Inspector of Factories once in six months, and that within the period of six months, there ought not to be any change in the strength without informing the Inspector of Factories, a month in advance. The Inspector of Factories should communicate these returns and the proposals for change, if any, from time to time, to the recognized labour unions who have on their rolls members of the labour force employed in the mill ".

Standing Order No. 4.—The proposals of the union are covered by the recommendation under Standing Order No. 3.

Standing Order No. 6.—The schedule of rates of wages to all classes of workers should be printed in big letters in Tamil and hung up in two or three prominent places in the factory.

Standing Order No. 9.—There is provision for payment of one month's wages as gratuity when where is retrenchment due to a change in the system of shifts. It is proper to extend it to all cases of retrenchment from whatever causes.

Standing Order No. 10.—It is not necessary to provide more than a limit of five minutes for late attendance.

Standing Order Nos. 11 *to* 13.—These three standing orders refer to the question of holidays and leave. Ten days' casual leave in a year with pay in addition to the holidays allowed by Chapter IV-A of the Factories Act will be reasonable. The question of closure of the mill for festival holidays, with pay or without pay, may be left to the discretion of the management.

Standing Order No. 16.—The existing standing order may be maintained but if those stoppages, on account of breakdown of machinery, lead to the loss of a workman's wages for more than three days in any given month, the stoppages not being continuos, and if on these days he was not able to earn at least half a day's wages calculated on the proportion of the hours he was employed in the mill, compensation should be paid at the rate of half a day's wages for each day of stoppage. In cases of continuos stoppages on account of breakdown of machinery, the workmen will have a right of re-employment if they present themselves within a week of the notification of the reopening of the mill.

Standing Order No. 18.—This need not be deleted.

Standing Order No. 19.—The words ' if any ' and ' if he so desires at the time of discharge ' may be deleted. No other change is necessary.

Standing Order No. 22.—The question of amending this standing order need not be considered now.

Some of the questions raised under this issue will doubtless be examined by the Court of Enquiry appointed by the Government to go into the conditions of working in the textile industry.

(8) *Is any bonus due to be granted for* 1945–46.—For the year 1944–45, the management gave two months' bonus notwithstanding the fact that in that year they suffered a loss. In 1945–46, a bonus of one month's wages has been paid for Dipavali even though during 1945–46 the management suffered a loss of over a lakh of rupees. In these circumstances, it is unfair to direct the management to give any bonus. The payment of bonus will have to be deferred until such time as the production figures improve and there is profit.

(9) *Is it necessary to close the night shift.*—The reason given by the proprietor for closing the night shift is that it results in loss. This has been challenged by the labour union but the challenge has been met successfully. The adjudicator sees no equitable grounds under which the management can be compelled to continue working the night shift for the reason that a large proportion of the labour will be thrown out of employment. The management can employ them only when their resources and the rate of production justify the stop. He does not, therefore, recommend any interference with the management's proposal to close the night shift. As regards the adequate notice and compensation, the adjudicator has recommended that one month's notice should be given to the workers regarding the closure of the night shift from the date of these orders. The retrenchment should be made strictly according to seniority. If the night shift is resumed in future, the workers retrenched should have priority in employment after a week's notice of resumption is given to them.

3. The Government agree with the above recommendations of the adjudicator.

4. The Government make the following order on the recommendations made by the adjudicator :—

ORDER.

Whereas in the opinion of His Excellency the Governor of Madras it is necessary for the maintenance of supplies and services essential to the life of the community

that the decisions of the adjudicator appointed in Development Department Notification No. 396, dated the 20th June 1946, published at page 424 of Part I of the *Fort St. George Gazette*, dated the 25th June 1946, in regard to the trade dispute between the workers and management of the Raja Mills, Madura, should be enforced ;

Now, therefore, in exercise of the powers conferred by clauses (*d*) and (*e*) of sub-rule (1) of rule 81-A of the Defence of India Rules, read with the notifications of the Government of India, Department of Labour, No. 3005, dated the 20th May 1942, and No. Lr. 16, dated 11th December 1943, His Excellency the Governor of Madras hereby directs

(i) that the decisions specified in the annexure to this order shall be in force and shall be binding on the workers and management of Raja Mills, Madura, from the date of this order and until so long as the Defence of India Rules continue to be in force, and

(ii) that neither the said management nor the workers nor any other person shall contravene or abet the contravention of any term of the said decisions.

5. With reference to sub-rule (1) of rule 119 of the Defence of India Rules, His Excellency the Governor of Madras hereby directs that this order be sent by post to the management of the Raja Mills, Madura, and the Madura Textile Workers' Union.

(By order of His Excellency the Governor.)

T. SIVASANKAR,
Secretary to Government.

ANNEXURE.

The adjudicator has completed the enquiry and submitted his report. He had made the following recommendations on the issues.

(1) *Have the workers discharged as per list attached to the Union statement, been discharged for valid and proper reasons, and what directions, if any, are needed in their cases.*—The Labour Union has alleged that a number of employees have been victimized by wrongful punishments including dismissals for their active participation in the trade union. But the adjudicator states that there is no evidence which points to victimization and that the dismissals must be considered proper in all cases except in the case of seven persons in respect of whom he has made the following recommendations :—

Thangavelu Servai.—He was in the mills employment from 1937 onwards but in 1943, he was arrested and kept as a detenu and released some time about the middle of 1944, when he was re-employed. When the mill was switched over to electricity from steam power he was retrenched counting his service only from the date of re-employment. The adjudicator has recommended that the period of detention should be condoned and he should be reinstated, as prior to his detention he had a long permanent service.

Meenakshisundaram, Naina Mahomed and Kuppuswami.—These persons were dismissed on the ground that they falsely represented themselves as voters and absented themselves for about an hour on 19th March 1946 on the pretext that they wanted to go out and vote. As it is probable that they could not go to the polling booth during the interval between 11 a.m. and 3 p.m. the adjudicator has recommended that they should be reinstated if their names are found in the voters' list of the ward. The verification may be made by the Conciliation Officer in consultation with the proprietor.

Muniandi, R.S. No. 147.—He was suspended for four days from 26th February 1946 and was absent after that period. When he applied for re-entertainment, the proprietor allowed him to be re-entertained on 9th March 1946. But the orders of the re-entertainment were not communicated to the workers. The orders of the re-entertainment should be communicated to him now and he should be re-entertained without delay.

E. Perianayagam.—It is not clear on what basis he was dismissed. He may be re-entertained on a temporary basis at the next opportunity.

Mahalingam.—The main complaint against him was the breakage of a top for which he was punished with a deduction from his salary. His subsequent dismissal was due to his improper replies but his explanations were couched in polite language. He may be re-entertained so as to give him another chance of improvement.

There is no need to pay arrears of wages in any of the seven cases.

Nos. 23 *to* 36 *of the Labour Union's list.*—Those have been retrenched due to a reduction of workers in the Ring Frame department. When additional hands are taken for maintaining the minimum strength in the Ring Frame department as recommended under issue (5) below, the workers should be re-entertained according to seniority.

(2) *Is it necessary for the management to appoint a manager and delegate powers to him.*—There is no necessity to appoint a manager but a day and specified hours should be fixed in each week for the proprietor to hear the complaints of workers. On days when the proprietor could not be present, the spinning supervisor in charge of the shift, should hear complaints and dispose of them in his descretion referring matters, which he considers more important to the proprietor for disposal on the next occasion when according to the time-table he has to hear complaints.

(3) *Is the dearness allowance now paid adequate, for the various classes of workers, and if not, what are the ways in which it has to be modified.*—The present flat rate of dearness allowance of Rs. 26 per mensem paid to all workers except reelers, half-time doffers, engine workshop operatives, chittals and cotton pickers may be continued until such time as the cost of living index records a fall or increase by 20 points when it may be revised. In the case of reelers, etc., the adjudicator has made the following recommendations:—

Reelers.—Reelers should be given full dearness allowance if the outturn per day is 20 hanks and more for men and women alike, but if it is less, only proportionate dearness allowance need be paid.

Half-time doffers.—It is unfair to grant a half-time worker full dearness allowance at the rate applicable to full time workers. The existing practice of paying dearness allowance to half-time doffers at half the rate is proper.

Engine workshop operatives.—Permanent employees in the workshop are paid dearness allowance at a flat rate of Rs. 26 per mensem and the new workers employed as workshop operatives are paid piece-work rates varying from Re. 1 to Rs. 1-8-0 without any dearness allowance. It is unfair to treat workers in the workshop doing the same job as other permanent workers differently. The existing piece work rate of wages may be continued in the case of persons with less than two months' continuous service but workers who have or who may acquire more than two months' continuous service should be paid wages for the days of their employment calculated on the basic wages and dearness allowance which are paid to other permanent workers engaged on similar work.

Chittals.—No direction is necessary as there are no chittals from June 1946.

Cotton pickers.—As the management has now adopted a system of paying basic wages plus dearness allowance to a limited number of pickers, after retrenching a considerable number of them and as no complaint has been made about retrenchment in this branch of labour no direction is necessary.

(4) *Is a uniform rate of wages due to be paid to male and female doffers.*—Female workers who are designated as spinners in the Ring Frame department and are capable of attending to 150 frames are paid Rs. 12-2-0 but the female workers who are designated as doffers and who do spinning work are assigned only 100 spindles and paid less than either the female spinner or the male doffer. This distinction is artificial and is liable to abuse and misunderstanding. It is better to have a uniform rate of wages for persons designated as doffers, male or female, without regard to the accidental circumstances, that the female doffers are asked to do spinning work under a scheme of retrenchment. Adequate reasons have not been given for paying female doffers who are given more skilled work less wages than male doffers. Female doffers who do spinning work should be paid the same rate of wages as a female spinner, viz., Rs. 12-2-0.

(5) *Has there been unjustifiable reduction of the number of workers in the several departments, and if so, are any directions necessary regarding the strength of the establishment.*—Prior to November 1945 there were 52 spinners for the 26 frames at the rate of two spinners to each frame assisted by 25 full-time doffers, that is approximately one doffer to each frame and there were also 60 to 75 half-time doffers working in three batches of five hours each; in other words, there were two spinners, one full-time doffer and one half time doffer for each ring frame. After November 1945 there was retrenchment and two spinners were assigned to each of the 20 frames making up 40 spinners in all; and by day the remaining six frames were managed by 18 female spinners at the rate of three each frame. No change was made in respect of the night shift. The half-time doffer strength at 70 or 75 was maintained. Thus there was a reduction of 12 spinners and seven full-time doffers. The Raja Mills machinery is over sixty years old and the spinner has to work under conditions of greater strain than in a normal mill with modern machinery, especially in the case of 30s. A majority of the ring frames are at present spinning 30s. and 4 to 6 frames spin 20s. For the 30s. at least three spinners besides doffers are required in the present condition of machinery, while for 20s. two spinners besides doffers will suffice. Assuming seven frames are on the 20s. and the rest on 30s, the required strength would be 71 spinners, besides half-time doffers as against the present strength of 40 spinners and 18 doffers (for spinning work) for the day shift, besides half-time doffers. The management should designate the 18 doffers who do spinning work as spinners and re-employ 13 more of the retrenched spinners and ensure that this scale is kept up in future in the Ring Frame department for the working of the 26 frames.

(6) *Is any compensation due to be paid for the breakdown of machinery or through allowing machinery to remain idle.*—There were two occasions when work had to be stopped in April 1946. The stoppage of work on the first occasion was due to a storm

and work had to be suspended for three days; on second occasion, work was disturbed for a week owing to the breakage of a slubbing frame. These stoppages were due to causes beyond the control of the management and it is not necessary to pay compensation for the breakdown of machinery for these short periods.

(7) *Do the standing orders require revision and, if so, in what respects.*—The adjudicator has made the following suggestions:—

Standing Order No. 3.—The existing classifications of workers does not require any change, but it may be provided that it is optional on the part of a management to have or not to have apprentices and probationers and that it is open to them to have the workers classified as permanent, badlis and temporary, if they so desire.

The suggestion of the labour unions that the names of workers with their classifications should be entered in the muster roll of the company is accepted.

To avoid frequent changes in the strength of the labour force in the various departments the following may be introduced in the standing order:—

"The number of permanent workers in the various department should be fixed at intervals of say six months, and a return furnished to the Inspector of Factories once in six months, and that within the period of six months, there ought not to be any change in the strength without informing the Inspector of Factories, a month in advance. The Inspector of Factories should communicate these returns and the proposals for change, if any, from time to time, to the recognized labour unions who have on their rolls members of the labour force employed in the mill."

Standing Order No. 4.—The proposals of the union are covered by the recommendation under Standing Order No. 3.

Standing Order No. 6.—The schedule of rates of wages to all classes of workers should be printed in big letters in Tamil and hung up in two or three prominent places in the factory.

Standing Order No. 9.—There is provision for payment of one month's wages as gratuity when there is retrenchment due to a change in the system of shifts. It is proper to extend it to all cases of retrenchment from whatever causes.

Standing Order No. 10.—It is not necessary to provide more than a limit of five minutes for late attendance.

Standing Order Nos. 11 *to* 13.—These three standing orders refer to the question of holidays and leave. Ten days' casual leave in a year with pay in addition to the holidays allowed by Chapter IV-A of the Factories Act will be reasonable The question of closure of the mill for festival holidays, with pay or without pay, may be left to the discretion of the management.

Standing Order No. 16.—The existing Standing Order may be maintained but if those stoppages, on account of breakdown of machinery, lead to the loss of a workman's wages for more than three days in any given month, the stoppages not being continuous, and if on those days he was not able to earn at least half-a-day's wages calculated on the proportion of the hours he was employed in the mill, compensation should be paid at the rate of half-a-day's wages for each day of stoppage. In cases of continuous stoppages on account of breakdown of machinery, the workmen will have a right of re-employment if they present themselves within a week of the notification of the reopening of the mill.

Standing Order No. 18.—This need not be deleted.

Standing Order No. 19.—The words 'if any' and 'if he so desires at the time of discharge' may be deleted. No other change is necessary.

Standing Order No. 22.—The question of amending this standing order need not be considered now.

Some of the questions raised under this issue will doubtless be examined by the Court of Enquiry appointed by the Government to go into the conditions of working in the textile industry.

(8) *Is any bonus due to be granted for* 1945-46.—For the year 1944-45 the management gave two months' bonus notwithstanding the fact that in that year they suffered a loss. In 1945-46 a bonus of one month's wages has been paid for Deepavali even though during 1945-46 the management suffered a loss of over a lakh of rupees. In these circumstances it is unfair to direct the management to give any bonus. The payment of bonus will have to be deprived until such time as the production figures improve and there is profit.

(9) *Is it necessary to close the night shift.*—The reason given by the proprietor for closing the night shift is that it results in loss. This has been challenged by the labour union but the challenge has been met successfully. The adjudicator sees no equitable grounds under which the management can be compelled to continue working the night shift for the reason that a large proportion of the labour will be thrown out of employment. The management can employ them only when their resources and the rate of production justify the stop. He does not, therefore, recommend any interference with the management's proposal to close the night shift. As regards the adequate notice and compensation the adjudicator has recommended that one month's notice should be given to the workers regarding the closure of the night shift from the date of those orders. The retrenchment should be made strictly according to seniority. If the night shift is resumed in future, the workers retrenched should have priority in employment after a week's notice of resumption is given to them.

(10)

BEFORE THE ADJUDICATOR.

SRI C. S. CHOUDRY

(*District and Sessions Judge, Salem.*)

[Under Rule 81-A of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE MANAGEMENT OF THE INDIAN METAL AND METALLURGICAL CORPORATION, LIMITED, METTUR

and

THE WORKERS OF THE INDIAN METAL AND METALLURGICAL CORPORATION, LIMITED, METTUR.

Mr. K. SRINIVASA RAGHAVAN and Mr. T. S. THATHACHARIAR (Pleaders)—*For Management of Indian Metal and Metallurgical Corporation.*

Mr. M. N. PARTHASARATHI (Advocate)—*For workers.*

Subject.—Increase in basic pay and dearness allowance—Recommended 6 annas per day for unskilled workers.

Dearness allowance to be paid at the rates adopted by the South Indian Mill Owners' Association.

Skilled workers.—Recommended that two-fifths of their present wages be treated as basic wage plus dearness allowance at the South Indian Mill Owners' Association rates.

Women workers.—Recommended 4 annas per day plus dearness allowance at the Mill Owners' Association rates.

Bonus.—No bonus is payable as the company has not yet yielded profit.

Reinstatement of workers.—Recommended as per list.

Justification for strike.—Held on the facts that there was no justification for the strike—Payment of wages for the period of the strike not recommended.

G.O. No. 4010, Development, 24th October 1946

[Labour—Disputes—Dispute between the workers and management of the Indian Metal and Metallurgical Corporation, Mettur—Recommendations of the Adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. No. 2649, Development, dated 8th July 1946.

II

From the Adjudicator (District and Sessions Judge, Salem), dated 21st October 1946.

BEFORE THE ADJUDICATOR.

Dated 21st day of October 1946.

PRESENT:

C. S. CHOUDRY, ESQ.,

District Judge (Salem), Adjudicator

Labour—Dispute between the workers and the management of the Indian Metal and Metallurgical Corporation, Mettur.]

Management of the Indian Metal and Metallurgical Corporation, Mettur,

versus

Workers of the Indian Metal and Metallurigical Corporation, Mettur.

Reference under G.O. Ms. No. 2649, Develoment, dated 8th July 1946, by the Government of Madras appointing the District Judge of Salem for adjudication on the points referred to therein.

The above enquiry coming on before me for hearing on 5th October 1946 at Mettur and on 9th October 1946 at Salem, in the presence of Messrs. K. Srinivasaraghavan and T. S. Thathachariar, pleaders for the management of the Indian Metal and Metallurigical Corporation, Mettur, and of Mr. M. N. Parthasarathi, advocate, for the workers of the Indian Metal and Metallurical Corporation, Mettur, and having stood over to this day for consideration, the following award is made:—

Award of the Adjudicator in the dispute between the management and the workers of the Indian Metal and Metallurgical Corporation, Mettur.—This relates to a dispute between the workers and the management of the Indian Metal and Metallurgical Corporation, Mettur. The dispute has been referred to me by the Government of Madras for adjudication, under G.O. Ms. No. 2649, dated 8th July 1946. The adjudication has been ordered on the following lines:—

(1) reinstatement of the dismissed workers;
(2) increase in the payment of basic wages;
(3) payment of bonus to the workers; and
(4) payment of dearness allowance.

2. It would be convenient to take the question of increase in the payment of basic wages and payment of dearness allowance first.

Increase in the payment of basic wages and payment of dearness allowance.

These two questions go together. The unskilled adult male workers are now paid at the rate of Re. 0-14-0 each per day from 1st April 1946. Both sides agree to the minimum basic wages being fixed for the future at the rate of roughly As. 6 per head at Rs. 11 per month for thirty days, so far as unskilled adult male workers are concerned with a dearness allowance to be paid in accordance with the cost of living index rates adopted by the South Indian Mill Owners' Association. This may be expected to give each unskilled worker As. 15 per day while the management is now paying only As. 14 per day with no dearness allowance or any other allowance.

3. As regards skilled male workers, these consist of moulders, turners, fitters, blacksmiths, carpenters, electricians, etc. Exhibit P-22 shows the rates at which these skilled workers are paid by the management. Exhibit P-26 is the list filed by the Conciliation Officer of Coimbatore showing the basic minimum wages and dearness allowance paid to skilled workers in some engineering works. The rates paid by the management in question compare favourably with the rates found in Exhibit P-26. Both sides agree that the wages paid to skilled workers as per Exhibit P-22 should be split up into basic minimum wage with dearness allowance added to it according to the cost of living index rates referred to above. They want that 2/5 of the rates mentioned in Exhibit P-22 should be treated as basic wages and that dearness allowance should be added to these wages in accordance with the cost of living index rates adopted by the South Indian Mill Owners' Association in Exhibit P-28. I recommend accordingly.

4. Women workers are now paid at the rate of As. 10 per day as recommended by the Commissioner of Labour and I find no grounds to alter this rate. The Conciliation Officer of Coimbatore says that in most of the mills women are employed as temporary workers on daily wages and that these wages vary between As. 8 and As. 10 per day with no dearness allowance or any other allowance. Where women are employed as permanent workers in these mills they are paid at the rate of Rs. 7-8-0 per month with dearness allowance in addition, Exhibit P-24 is the statement showing these rates for women workers filed by the Conciliation Officer. This management is paying As. 10 per day to a woman worker as recommended by the Labour Commissioner and there are no grounds to alter this rate now so far as women workers employed as temporary workers are concerned. For women workers already employed or to be employed hereafter as permanent workers I recommend that they should be paid at the rate of As. 4 per head per day for their basic wages (2/5 of As. 10) with a dearness allowance in addition, at the rate referred to above.

Bonus.

5. The balance sheets relating to this business have been filed [Exhibits P-27 and P-27 (*a*)] and they show that the business has not yet yielded any profit. While the maximum capacity of the factory is 6 tons, the actual production has never exceeded 1¼ tons and it was very much less at times. Under these circumstances it does not appear to be reasonable to order any bonus to be paid to the workers at this stage. I recommend no bonus.

Reinstatement of dismissed workers.

6. A joint memorandum has been filed stating that both sides have no oral evidence to produce.

7. The management contends that those who are still on strike are not entitled to reinstatement at all. Their contention is that several opportunities were given to these workers and that they failed to resume work as they were bound to, even after this reference for adjudication had been made, and that therefore they are not entitled to be reinstated. Some of the workers who are still on strike are

alleged to have become disqualified for reinstatement for additional reasons; some of these are alleged to be guilty of violence and intimidation. After the commencement of the strike on 6th March 1946, the management issued a notice calling upon the workers to resume work immediately on pain of dismissal. On 9th March 1946, the management put up a notice declaring 138 of the workers as dismissed for not having resumed work. It is alleged by the management that after 9th March 1946, those who continued to strike began to molest and intimidate those who had resumed work and that this necessitated an order under section 144, Criminal Procedure Code by the Magistrate of the place (Exhibit P-6). One of the workers who had returned to duty was murdered and there was a murder case against some of these; eleven of these workers on strike are the accused in that case. Five out of these 138 persons are being proceeded against for good behaviour under section 107, Criminal Procedure Code by the police. Exhibit P-7 is a copy of the charge sheet relating to the proceedings under section 107, Criminal Procedure Code. Some out of these 138 persons are alleged to have assaulted some of the workers who had returned to duty and Exhibits P-8 series are the complaints against them. These complaints involve 30 persons. The position taken up on behalf of the workers is that all the persons who are on strike from 6th March 1946, and also persons who had ceased to work long before 6th March 1946 for different reasons should be reinstated; they have given a list of 36 persons whose reinstatement they want in addition to the reinstatement of those who have gone on strike from 6th March 1946.

Reinstatement of workers who went on strike from 6th March 1946 and who are still on strike.

8. Whatever justification there might have been for these persons for not resuming work before this reference for adjudication, they had no justification at all for not rejoining work after this reference for adjudication as they were bound to. Strictly speaking the management is entitled to say that this is an act of indiscipline which disentitles these labourers to reinstatement. But the fact remains that these workers are not yet sufficiently educated about their responsibilities and that they are still under the influence of outside leadership which is now turning out to be irresponsible. For their failure to resume work even after this reference for adjudication we have to hold their leaders and advisers responsible for their wrong lead and advice, and it would work a real hardship to these workers if too strict a view of their conduct in this respect is taken. In the interests of peace and harmony between the management and the workers I recommend that all the persons who were working on 6th March 1946, and who are still on strike should be reinstated, except those against whom there are cases pending before Criminal courts for acts of violence. Those who are convicted should not be reinstated. Those who have been charged before courts for violence will be reinstated if they are discharged or acquitted. Exhibit P-8 series are complaints of violence against those continuing on strike made to the management by the workers who had returned to work. These complaints involve 30 workers. As no orders have been passed by the management on these complaints no useful purpose would be served by going into these complaints now; I recommend that these workers also should be reinstated.

Reinstatement of workers who had ceased to work long before 6th March 1946.

9. In addition to the persons referred to above, a list of 36 persons has been filed on behalf of the Labour Union and they want these persons also to be reinstated Those persons are—

No. 1 in the list of 36 persons—Raju Mudali.—The management says that this worker was never dismissed. They say he stopped away from work voluntarily. His ticket number is 218 in the muster roll (Exhibit P-9) and it shows that he did not work after 14th October 1945 at all and that he was not a worker on the date of the strike on 6th March 1946, Exhibit P-10 is the notice sent by the Union authorities to the management alleging that this worker has been wrongly dismissed. The management gave a reply stating that he had not been dismissed and it is Exhibit P-11. Exhibit P-9 shows that as a matter of fact this person was not working at all after 14th October 1945 and that he did not turn up thereafter for work. This worker having stayed away from work of his own accord after 14th October 1945 and there being no dismissal or discharge, no question of his reinstatement can arise. No worker who stays away without permission can claim reinstatement as and when he likes. He cannot be reinstated.

Nos. 2 to 9 in the list of 36 persons.—Nos. 2 to 9 of this list are women workers and they are not in the muster roll (Exhibit P-9) as workers. A number of persons including women are said to have been working for some time under a building contractor connected with some construction work and it is suggested that Nos. 2 to 8 in this list might have been workers connected with this contractor. The management says that these women and No. 9 in the list never worked in this concern as their workers; and there is no proof that they did so. The Labour Union relies upon a complaint given by Nos. 2 to 8 of this list alleging that they were dismissed and this complaint is Exhibit D-1. This complaint itself shows that they

were all women working under a building contractor and it does not show that they were labourers working in this factory. There is no record to show that No. 9 in the list of 36 persons was ever a labourer in this factory. Under these circumstances my finding is that Nos. 2 to 9 in the list of 36 persons filed by the Labour Union never worked as labourers in this factory, and that therefore they are not entitled to be reinstated.

No. 10 in the list of 36 persons.—Two names are included in this number and they are Chinnathambi and Adhiappa. The management says that Chinnathambi is the holder of ticket No. 135 in the muster roll and that Adhiappa is the holder of ticket No.. 137. The case for the management is that these persons were dismissed. Exhibit P-12 (*a*) is the file relating to the dismissal of Chinnathambi. It shows that the Supervisor asked Chinnathambi to do a particular duty and that he refused to do so, and that when the Supervisor asked him for his name, he refused to give it. The Supervisor then called the watchman there and asked him to identify Chinnathambi. At this stage Adhiappa is alleged to have arrived there and asked the watchman not to identify Chinnathambi whereupon the Supervisor made a report. There was an enquiry as a result of which these two persons were dismissed. It is explained that the Supervisor cannot know the names of all workers working there and that therefore he sought the help of the watchman to find out the name of Chinnathambi when he refused to do the work as directed by him. These two persons were dismissed on 1st November 1945 as shown by Exhibit P-12 (*a*). Exhibit D-2 is filed to show that this Adhiappa was a member of the Labour Union Committee on 12th August 1945. The fact that he was a member of the Committee makes the position of Adhiappa worse because the management is entitled to say that he ought to have known better. Exhibit D-2 (*a*) is a copy of the letter said to have been sent to the Sub-Magistrate of the place on 2nd November 1945 by the Secretary of the Union requesting him to help these two persons to be reinstated. These two persons were dismissed after due enquiry on the report of the Supervisor and I do not find any justification for holding that these two persons have been wrongfully dismissed. I hold that these two persons have been rightly dismissed and that they are not entitled to reinstatement The dismissal of these two persons was long before the strike on 6th March 1946, and it was made in the usual course of management. There are no grounds to believe that this dismissal was actuated by any ulterior motives. No evidence has been produced before me to justify my interference with the orders of dismissal made by the management after due enquiry.

No. 11 in the list of 36 persons—Ponnuswami.—The management's case is that this worker was always found sleeping and neglecting work. He was once warned and the next time suspended. As he persisted to be negligent he was directed to attend an inquiry but he failed to appear. It is said that he did not turn up at all for work Exhibit P-12 (*b*) is the file relating to this enquiry resulting in the dismissal of this worker. Exhibit D-3 is a complaint by this Ponnuswami to the Labour Union. In this complaint he admits that the Supervisor directed him to do a particular work and that he refused to do so saying that it was not his job. What the management says is that when this worker was directed to attend an enquiry to meet certain charges against him, he failed to appear and that he did not turn up at all for work thereafter. It would be intolerable for any concern to do its work if its labourers defy their superiors and violate discipline. The file marked in this case as Exhibit P-12 (*b*) shows that this worker was found sleeping after stopping the machine on the night of 12th October 1945. It further shows that he refused to water the roller when asked to do so by the Supervisor. The Supervisor's reference, dated 13th October 1945, contained in this file shows that this worker was negligent and disobedient. On this report of the Supervisor this worker was suspended by the Chief Engineer for sleeping during working hours till further notice and ordered to appear before the Chief Engineer on 14th October 1945 between 10 a.m. and 12 noon. On 31st October 1945, there was a report made against this worker by the Supervisor that he was again found sleeping in the blacksmith's shop during working hours and that he was insubordinate. On 1st November 1945, the Chief Engineer passed an order that this worker did not turn up at the prescribed time and that his services should be terminated forthwith. There is no material to justify my disbelieving this record prepared by the Supervisor and the Chief Engineer against this worker and I think it would not be fair or reasonable to force a shirker like this worker upon the management. It would be impossible for any management to get on unless they have powers to enforce discipline and make the workers do their work properly. To force a shirker and a disobedient worker like this worker on the management would be to encourage indiscipline among workers and putting a premium upon indiscipline. The file marked in this case as Exhibit P-12 (*b*) shows that this worker was suspended for sleeping during working hours till further notice on 31st October 1945 and that he was ordered to appear before the Chief Engineer on 1st November 1945 between 10 a.m. and 11 a.m. and that he failed to appear on that date. The Chief Engineer's note, Exhibit P-12 (*b*) filed in this case shows this. No grounds exist to order the reinstatement of this worker. Long before the strike on 6th February 1946 this worker stayed away from work refusing to attend an enquiry as directed by his

Supervisor on 1st November 1945; and he is not entitled to come up at this stage and ask for his reinstatement. He is not connected with the strike or any action taken in connexion with the strike on 6th March 1946. The enquiry which the management wanted to hold was in the usual course of management long before the strike and the records referred to show that he refused to attend the enquiry and stayed away. Under these circumstances I cannot recommend his reinstatement.

No. 12 *in the list of* 36 *persons—Bakshi Sahib.*—The management's case is that this man was found sleeping on 5th October 1945 and suspended and let off with a warning on 7th October 1945. He joined duty on 8th October 1945. On 19th November 1945 he absented himself from the work spot without previous permission and when questioned, he is said to have given impertinent replies to the Supervisor. On a complaint made by the Supervisor the management warned him after enquiry on 19th November 1945. He is said to have stayed away after this. The management says he was not dismissed. All this is clear from the file marked in this case, Exhibit P-12 (*c*). The report made by the Chief Engineer in the file Exhibit P-12 (*c*) shows that he was warned for absenting himself from the work spot without previous permission of the Supervisor and for behaving rudely and arrogantly when directed by the Chief Engineer on 20th November 1945 to resume duty from 21st November 1945. The muster roll does not show that he turned up after 20th November 1945. This worker appears to have voluntarily stayed away from duty in utter defiance of the directions given by the Chief Engineer and there is no case of dismissal. Here again it is not a case of a worker, being dismissed in connexion with the strike on 6th March 1946. All this happened long before 6th March 1946 and it had nothing to do with the strike on 6th March 1946. The action taken against this worker was not on account of the striko on 6th March 1946 but in the usual course of management and long before 6th March 1946 and in the interests of discipline. I find no grounds to recommend his reinstatement.

No. 13 *in the list of* 36 *persons—Marimuthu.*—This worker's duty is to start the motor every day in the electrical section. The management complained that he handled the machine recklessly and burnt the slip rings. There was an enquiry about it and it showed that it was a deliberate act of sabotage. He was given 13 days' wages in lieu of notice and sent away on 27th February 1946 as shown by Exhibit P-13. This again had nothing to do with the strike in question. This worker was discharged in the usual course of management and I find no grounds to interfere with the action taken by the management. It is not a case of dismissal but only of discharge after giving him notice for valid grounds. On 6th March 1946 he made a complaint (Exhibit D-4) to the Labour Union alleging that he was suspended and discharged without any enquiry. Exhibit P-13 shows that on 27th February 1946 the worker was discharged from the service of the company for neglect of duty, i.e., for not taking proper care of the slip rings and brushes and that he was paid thirteen days' wages in lieu of notice. Exhibit P-14 is the Standing Order adopted from the Model Standing Orders of the Factory Inspector adopted by this company and these rules provide for such a discharge; rule 19 (*a*) provides for such a discharge. The reasons for the termination of the services of this worker are recorded in Exhibit P-13 and notice of it was given to the worker as contemplated by rule 19 (*a*). I have no material before me to justify my interference with the discharge made by the management so far as this worker is concerned; he was discharged in the usual course of management and it had nothing to do with the strike on 6th March 1946; no case is made out for ordering reinstatement of this worker.

No. 14 *in the list of* 36 *persons—Palaniappan.*—He was a watchman in the factory. The management says that he stayed away from 9th September 1945 till 7th December 1945 without permission. On 7th December 1945 he wanted reinstatement and he sent a reminder on 4th January 1946 to the management. The management says that his absence from 9th September 1945 till 7th December 1945 was without permission and they are not bound to take back such a worker whenever he wants to be taken back. They say his place was filled up when he absented himself without permission between 9th September and 7th December 1945 and that a vacancy cannot be created for him whenever it pleases him to come back. There is no record to show that he attended work after 9th September 1945. In his notice sent to the management on 7th December 1945 his claim was that he should be taken back or his accounts should be settled. The management is prepared to settle his accounts. The Chief Engineer and the other officers of the concern have no motive to conspire against this watchman to go to the extent of putting forward a false case about his absence from duty. In Exhibit D-5, this watchman says that he was working till 15th September 1945 when he went on leave for eight days. Exhibit P-16 (*a*), the entry in the attendance register relating to this man, shows that he worked only till 9th September 1945 and that he was paid for the 10th September, also as it was a holiday. It is clear from this that this worker's assertion in Exhibit D-5 that he was working till 15th September 1945 cannot be true. I find no grounds for disbelieving the record maintained by the management in the usual course of business and their statement that this watchman absented himself without previous permission and that they had to fill up the place with another man. This again is not a case of a worker connected with the strike on 6th March 1946. There is no question of

any dismissal here. Under these circumstances, I find no grounds to recommend his reinstatement.

Nos. 15 *to* 18 *in the list of* 36 *persons.*—These workers were dismissed on 5th November 1945 for sabotage by inserting a pair of tongs in the cold rolling mill during night service. Exhibits P-17 series is the file relating to these persons. In the list filed by the Union relating to the 36 persons referred to above it is explained that the introduction of the tongs into the cold rolling mill was accidental. These workers were discharged by the manager by an order, dated 5th November 1945, which is marked as Exhibit P-17 (*c*). The Union's reply is that it was an accident and not deliberate. The insertion of tongs is admitted. The management were satisfied that it was deliberate and I find no material to say that their decision is wrong. I cannot recommend reinstatement of these workers.

No. 19 *in the list of* 36 *persons.*—This relates to a watchman described as Venkataraman. The management says that there was never a watchman by name Venkataraman. There is no evidence to show that any watchman by name Venkataraman was dismissed. Therefore no question of reinstatement of any such person can arise.

No. 20 *in the list of* 36 *persons—Krishnan.*—The management's case is that this worker committed nuisance in the premises and abused the watchman when he objected. He was warned after enquiry and from 29th December 1945 he stayed away without permission. He was not dismissed. Exhibit P-9 (*a*) shows that he worked last on 29th December 1945. This worker had nothing to do with the strike on 6th March 1946 and he has not suffered in connexion with the strike in any way. Exhibit P-9 (*a*) which is an entry in the muster roll of this worker shows that he did not work after 29th December 1945. There is nothing to show that he was dismissed. A worker who voluntarily stays away without permission is not entitled to any indulgence. I cannot recommend this workman for reinstatement.

No. 21 *in the list of* 36 *persons—Alagiriswami Nayudu.*—This worker was caught while stealing scrap metal and taking it away. He was produced before the manager with the metal and he was dismissed by an order, dated 12th November 1945. The file relating to this workman is Exhibit P-18. Exhibit D-8 is the complaint of this man. He reported to the Union that he had been wrongfully dismissed on a false charge. But a perusal of the file marked in this case as Exhibit P-18 shows that he was discharged by the management on 12th November 1945 for attempting to steal scrap metal after enquiry. I find no grounds to interfere with the order made by the management on this charge of theft. His reinstatement is not recommended.

No. 22 *in the list of* 36 *persons—Pachayappan.*—The case for the management is that this worker was discharged from duty after settling his accounts. There is no evidence to show that the management settled his accounts or that he was discharged. His complaint is Exhibit D-7 and it shows that he complained to the Union even on 19th December 1945 that he was wrongfully discharged. He is entitled to reinstatement.

Nos. 23 *to* 28 *in the list of* 36 *persons.*—On 3rd February 1946 these persons complained about the rice supplied in the ration shop in the factory and left the factory on 4th February 1946 taking away other labourers with them. The factory had to be closed that day. This is what the management states. Their defence is that the management closed the factory and granted them a holiday on the day in question. Exhibit P-19 is the order of the management discharging these persons. This incident was reported to the Conciliation Officer at Coimbatore. Out of these six persons, three are involved in the murder case referred to above, i.e., Nos. 25, 27 and 28; of these three, one by name Rajagopal (No. 28) is still absconding while No. 27 has been convicted and sentenced to imprisonment. No question of reinstatement can arise in the case of Nos. 27 and 28. No. 25 has been acquitted and he is entitled to be reinstated. There is nothing proved against No. 26 and he is entitled to be reinstated. Nos. 23 and 24 of the list are among the accused in the case under section 107, Criminal Procedure Code, and they will be entitled to be reinstated if and when they are discharged or acquitted.

No. 29 *in the list of* 36 *persons—Ponnuswami.*—The management's case is that this worker left of his own accord and they did not dismiss him. There is no evidence to show that he was dismissed. He absented himself from work from 13th December 1945. He admitted before me he had joined another workshop. I do not recommend his reinstatement.

Nos. 30 *to* 34 *in the list of* 36 *persons.*—These workers were dismissed on the ground that they had beaten a worker named Marimuthu for his loyalty to the management. But this Marimuthu's statement, Exhibit D-8, shows that he was not beaten by these persons. There is no evidence that these five persons beat Marimuthu and there is no reason for their discharge. These workers are entitled to be reinstated.

No. 35 *in the list of* 36 *persons—Annamalai.*—He is an accused in the murder case. In Exhibit P-21, the Labour Commissioner has dealt with the incident relating to this worker. The records of the management show that he was dismissed on 12th

February 1946 for misconduct (Exhibit P-20), i.e., for having assaulted the head watchman of the factory. Exhibit P-20 is the file relating to this workman. The report of the Conciliation Officer, dated 22nd February 1946 and 9th March 1946, filed in this case as Exhibits P-21 (*a*) and P-21 (*b*) show that the worker was dismissed as he went to assault the head watchman of the factory. I find no material to justify my recommending reinstatement of this worker.

No. 36 in the list of 36 persons—Ibrahim.—The management says that he stayed away from work from July 1945 and that he was not dismissed. The muster roll, Exhibit P-9, shows that he was not working from August 1945. Exhibit P-9 is the muster roll from 8th August 1945 and it does not contain his name. Exhibit D-10 shows that he was demanding a system of monthly wages to be introduced and that as the management did not agree to this, he is said to have stopped away. There is nothing to show that he was dismissed. A person who stays away without the previous permission of the management is not entitled to reinstatement whenever it pleases him to come back. He was not dismissed in connexion with the strike on 6th March 1946. I find no grounds to recommend his reinstatement.

10. The Indian Metal and Metallurgical Corporation at Mettur appears to be the only factory in South India for melting and rolling non-ferrous metal into sheets, rods and wires. It is said that the management has invested about ten lakhs of rupees so far, and that the construction of the factory in all its branches could not be completed on account of the difficulties created by the war. Production has been started in April 1945 in some departments. It is said that there are now working 32 skilled workers, 70 semi-skilled and 108 unskilled workers in this factory. The working of the factory is governed by the Factories Act, and the Standing Orders of the Company have been adopted from the Specimen Standing Order furnished by the Conciliation Officer. Seeing that the industry undertaken by this Corporation is an important one and that it is still in its infant stage the wages paid by the management to the skilled and unskilled workers should be considered very fair and reasonable and it is praiseworthy that the management should have agreed to the rates which I am now recommending, in spite of the fact that their balance-sheets show that they have not yet begun to make any profits. I find no justification at all for the strike which the workers started on 6th March 1946. There is no recognized Union for those working in this concern and it is represented on behalf of the management that the workers relating to this concern are puppets in the hands of irresponsible and self-seeking professional politicians who are trying to exploit them for their own ends. I find that the management has always been ready to consider representations made on behalf of their workers provided they are reasonable and made properly. Those who are responsible for all this trouble are the unskilled and ignorant workers. In their ignorance these unskilled workers seem to carry swollen notions about themselves and their importance in society forgetting the fact that after all they are unskilled workers and that even the total population of the industrial workers in this Province does not exceed a few thousands in a Province with a population of more than five crores. These unskilled workers must realize that there are other interests to be considered in every industry besides those who do manual and unskilled labour such as the interest of skilled workers and the interest of the industry as such in which the public and the Government are interested, not to speak of the interest of those who start and finance the industry and furnish opportunities for their employment as labourers and that they would be committing suicide and killing the goose laying the golden egg if they go on starving the industry by light-hearted strikes of this kind. It should not be forgotten that most of these concerns are limited concerns with average middle class persons as shareholders and that these persons are as important, if not more, as citizens as these manual labourers, that they depend upon their dividends for their livelihood and that these ordinary citizens suffer most by this kind of indiscipline among the workers engaged in industries. If this is remembered it should become clear to these workers that they have no right, legal or moral, to expect the Governmnt to sympathise with them in their light-hearted strikes and back them up. Government is in the position of a parent for all sections of society and no particular section can expect it to give them patting or favoured treatment. Unless this is brought home to the labourers working in concerns like this in an effective way by the Government and unless these workers are made to realise that they form only a small part in the machinery of society, that most of the people in this country are also workers like them in some way or other, whether skilled or unskilled, that whatever they do must be consistent with the interests and welfare of the public, that by creating these troubles by going on strikes in a light-hearted way they are causing inconvenience to the public which they have no right to do, besides, jeopardising their own interest by exposing the very industry to the danger of having to be closed down, which would mean their being thrown out of employment, there is the danger of these ignorant workers becoming an easy weapon in the hands of irresponsible persons for harassing the Government. If the workers are made to understand this clearly they cannot afford to go on quarrelling with the management and resorting to strikes in this light-hearted manner as they are doing now all over. While it is necessary to instil in the workers a spirit of self-respect and self-reliance it is equally necessary for the Government to remember the kind of material with which they are dealing and it is their duty to see that irresponsible persons are not

allowed to exploit them for their own purposes. A most regrettable feature in factories and mills today is said to be total lack of discipline among the workers. Without discipline it is impossible to expect any concern to work satisfactorily. When the right to collective bargaining is conceded to workers it is assumed that the workers are in a position to guarantee absolute efficiency which consists in peak production with efficiency at every stage. This cannot be achieved without perfect discipline among the workers and a clear understanding on their part about their responsibility to do their work absolutely efficiently during working hours. To solve this problem and to guarantee production at peak level and efficiency at every stage, I recommend that Government, should take steps to enforce discipline among the workers working in various mills and factories while taking steps at the same time to secure a decent living for them. I am in the position of a manager of the Government so far as the administrative side of my department here is concerned, and I have a number of persons working under me. I am given sufficient powers to exact work from those under me and keep all under discipline. Without these powers I should find myself in the same position as these managements in factories and mills today. The interests of those working under me are safeguarded by adequate provision for appeals against my orders. There is no reason why a similar provision should not be introduced into mills and factories also by investing the managers or managements with powers to frame charges and punish in cases of insubordination inefficiency and breach of discipline under rules to be framed by Government with a provision that any punishment imposed by a manager should be subject to approval by the District Judge of the place or any other officer or Tribunal to be specially appointed for this purpose by Government. Such a provision by itself is bound to have a salutary effect upon the managers and the workers working under them. Managers can be expected not to exercise these powers light-heartedly because they know that if their orders are not appproved by the District Judge they would look small in the eyes of the labourers whom they attempt to punish in a light-hearted manner, while the labourers also may be expected to behave with a greater restraint, when they know that they cannot escape punishment by merely making noise and by agitating, if they are found to be really at fault by the District Judge of the place and that none can influence the District Judge except their own good conduct.

11. There was no justification at all for the strike on 6th March 1946. The workers are not justified in remaining on strike even after this reference for adjudication. Strictly speaking the management would be justified in refusing to take back any of these workers. But seeing that most of these workers are ignorant persons and mere tools in the hands of others and taking into consideration the general atmosphere around them when they resorted to this strike I am not recommending any drastic action against these workers.

12. As I am not satisfied that there was any justification for the strike which started on 6th March 1946 I am not recommending payment of wages for the period of strike.

13. My recommendations are as follows:—

(1) *Increase in the payment of basic wages and payment of dearness allowance.*

The minimum basic wages in the case of *unskilled* adult male workers should be fixed for the future at the rate of As. 6 per head per day with a dearness allowance to be paid in accordance with the cost of living index rates adopted by the South Indian Mill Owners' Association. This may be expected to give each unskilled worker As. 15 per day while the management is now paying only As. 14 per day with no dearness allowance or any other allowance.

As regards *skilled* male workers it is recommeded that 2/5 of the rates at which they are now paid should be treated as basic wages and that dearness allowance should be added to these wages in accordance with the cost of living index rates adopted by the South Indian Mill Owners' Association.

In the case of adult *woman* workers these are paid at the rate of As. 10 per head per day. Where these woman workers happen to be permanent it is recommended that they should be paid at the rate of As. 4 per head per day as their basic wages (2/5 of As. 10 which they are now getting) with a dearness allowance in addition at the rate referred to above. In the case of adult women workers who are not permanent workers, no change in the wages now paid to them is recommended; they are paid at the rate of As. 10 per head per day as recommended by the Labour Commissioner.

(2) *Bonus.*

No bonus is recommended for the reasons mentioned in paragraph 5 of this award.

(3) *Reinstatement of dismissed workers.*

All the workers who were working on 6th March 1946 and who are still on strike should be reinstated except those against whom there are cases pending before Criminal Courts for acts of violence. Those who are convicted are not entitled to be reinstated. Those who have been charged before Courts for violence will be reinstated if they are discharged or acquitted.

Reinstatement of workers who had ceased to work long before 6th March 1946 *and whose reinstatements the workers insist upon, as per the list filed by them.*—This

list contains 36 names. For the reasons given in paragraph 9 of the Award, I recommend the reinstatement of workers Nos. 22 and 30 to 34 in the list of 36 filed on behalf of the workers.

As regards Nos. 23 to 28 of the list of 36 persons, Nos 25, 27 and 28 are among the accused in the murder case referred to in this Award. Of these, No. 25 has been acquitted and he is entitled to be reinstated; No. 27 has been convicted and sentenced to imprisonment and therefore he is not entitled to be reinstated as long as his conviction stands. No. 28 is still absconding and therefore no question of reinstatement can arise in his case. There is nothing proved against No. 26 and he is entitled to be reinstated. Nos. 23 and 24 are among the accused in the case under section 107, Criminal Procedure Code, and they will be entitled to be reinstated if and when they are discharged or acquitted and not otherwise.

The other workers mentioned in the list of 36 are not entitled to reinstatement.

14. For the reasons mentioned in the Award and in view of my finding that there was no justification for the strike and none at all for these persons to continue on strike even after this reference for adjudication payment of wages for the period of strike is not recommended.

Order—No. 4010, *Development, dated* 24*th October* 1946.

Whereas in the opinion of His Excellency the Governor of Madras it is necessary for maintaining supplies and services essential to the life of the community to enforce the award of the adjudicator, namely, the District and Sessions Judge of Salem appointed under G.O. No. 2649, Development, dated the 8th July 1946, to adjudicate n the trade dispute then existing between the Indian Metal and Metallurgical Corporation, Mettur, and its employees :

Now, therefore, in exercise of the powers conferred by rule 81-A (1) (*d*) and (*e*) of the Defence of India Rules, as continued in force by section 2 of the Emergency Provisions (Continuance) Ordinance, 1946 (Ordinance No. XX of 1946), His Excellency the Governor of Madras hereby makes the following Order and directs with reference to Rule 119 (1) of the said rules that notice of this order shall be given by communication of copies of the order to the employers and the workers' union and by exhibition in the factory of at least one copy of the order on the notice board :—

ORDER.

The said award shall remain in force and shall in respect of the matters covered by the award bind the said Indian Metal and Metallurgical Corporation and its employees for a period of one year in the first instance and shall thereafter remain in force, subject to such conditions as may be imposed, for such period as the Provincial Government may specify.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

(11)

BEFORE THE ADJUDICATOR:

SRI P. V. PARAMESWARA AYYAR, B.A., B.L.

(*Additional District and Sessions Judge, Coimbatore.*)

[Under rule 81 of the Defence of India Rules.]

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF THE COIMBATORE CEMENT WORKS

and

THE MANAGEMENT OF THE COIMBATORE CEMENT WORKS.

Sri P. RAMAMURTHI—*For the Coimbatore Cement Workers Union.*

Messrs. N. D. NARASIMHACHARIAR and C. R. HANUMANTHA RAO (Advocates)—*For the Associated Cement Company, Limited, Coimbatore Cement Works.*

Subject.—Wages—Recommended a minimum wage of 9 annas per day for men and 6 annas per day for women workers and increase of 2 annas to those getting between 7 annas to 9 annas per day, and one anna to those getting between 10 annas to 15 annas per day.

Designation of grades.—History cards should be written up whenever there is a change in the designation of a worker and the signature of the worker obtained.

Kalasis should be paid 25 per cent more if found fit after test for a reasonable time.

Promotions.—Held promotion should be given on efficiency judged by Management and not according to time-scale.

Dearness allowance.—Recommended 2 annas per point over 100 according to the cost of the living index for all workers.

Bonus.—Held that Labour is entitled to share in the increased profits.

Held further that the contention that accounts for the year 1944-45 has been closed and cannot be reopened, is unacceptable.

Leave.—Recommended sick leave with pay seven days in addition to the leave granted.

Contract labour.—Held relying on the report of the Bombay Textile Enquiry Committee and the Rege Committee that contract labour is "sweated" and "squeezed."

Recommended abolition within a reasonable length of time.

Rent-free houses. —Held that the basic level of wages covers the cost of the residence and claim negatived.

Recognition of Union.—Recommended alteration of the by-laws of the Union and recognition by the Management.

Wages for the strike period.—Held that though it is not possible in this case to apportion exactly the blame for starting of the strike, neither party can be completely acquitted of all blame.

Recommended payment of half of the wages and dearness allowance for the strike period to the workers.

G.O. No. 3564, Development, dated 18th September 1946.

[Labour—Disputes—Dispute between the workers and management of the Coimbatore Cement Works—Recommendations of the Adjudicator—Orders passed.]

READ—the following papers :—

I

G.O. No. 1350, P.W., dated 9th May 1946.

G.O. No. 3149, Development, dated 16th August 1946.

II

From the Adjudicator (District and Sessions Judge, Coimbatore), dated 5th September 1946.

BEFORE :

P. V. PARAMESWARA AYYAR, B.A., B.L.

(*Additional District and Sessions Judge, Coimbatore, Adjudicator in the matter of the trade dispute between the workers and the Management of the Coimbatore Cement Works, Madukkarai.*)

P. Ramamurthi—***Representative for the Coimbatore Cement Workers' Union, Madukkarai.***

Messrs. N. D. Narasimhachariar, Advocate, and C. R. Hanumantha Rao, Vakil—***For the Associated Cement Company, Coimbatore Cement Works.***

AWARD.

By G.O. Ms. No. 1350, Public Works, dated 9th May 1946, the dispute between the workers and the management of the Coimbatore Cement Works of the Associated Cement Companies, Limited, was referred to me for adjudication under rule 81-A of the Defence of India Rules and the matters for adjudication were specified by G.O. Ms. No 3149, Development, dated 16th August 1946.

2. The matters specified are—

(1) Whether the wages of the workers should be increased.

(1) (*a*) Whether designations, grades and categories and strength and methods of promotion should be fixed.

(1) (*b*) Whether there should be any increments on a time-scale or other basis.

(2) Whether the workers should be given any increased dearness allowance as claimed in the strike notice and whether such increase should be given with any retrospective effect.

(2) (*a*) Whether women workers should be given dearness allowance equal to that of the male workers.

(3) Whether a worker should be given yearly bonus proportionate to the number of days he has worked in the year without there being a special minimum for the days he should have worked.

(3) (*a*) Whether any bonus for the year 1944–45 should be allowed to those who have not been given any bonus for that year.

(3) (*b*) Whether the workers should be given bonus at the rate claimed in the strike notice.

(3) (*c*) Whether any bonus for the year 1944–45 should be allowed at that increased rate.

(4) Whether leave facilities should be given in addition to the statutory holidays and if so, to what extent and on what conditions.

(5) Whether the system of getting any work for the factory done by contractor's workers should be abolished.

(6) Whether all the workers should be provided with rent-free houses.

(7) Whether the workers' union should be recognized by the factory, and if so, on what conditions.

(8) Whether the strikers are entitled to their wages and dearness allowance for the period of the strike.

3. The Coimbatore Cement Works is a cement factory at Madukkarai and is one of the 14 cement factories in India owned and controlled by the Associated Cement Companies, Limited, Bombay. The Madukkarai factory is situated at Madukkarai, distant about seven miles from Coimbatore by road and railway. The Madukkarai factory started production of cement in about August 1934 as an independent concern. About three years later, it became amalgamated and combined with the Associated Cement Companies, Limited. The original factory had an out-put of 60,000 tons of cement per annum ; but this has now become increased to 180,000 tons by reason of extensions to the manufacturing plants. The principal raw material required for the manufacture, namely, lime-stone, is obtained from quarries owned or held on lease by the company at Madukkarai. The motive power used for running the machinery in the factory is electricity purchased from the Pykara Hydro-Electric System. Because of the difficulties in getting spare parts for renewals to the machinery from outside India during the last war and I should think, profitably for the Associated Cement Company, and for being self-contained even for manufacturing the machinery itself (except the engines), the parts needed for renewals of existing plants and whole plants for the machinery in the various factories of the company are being manufactured in the different factories of the company. Some of the parts are manufactured in the Madukkarai factory.

4. The Madukkarai factory was inspected by me on 11th July 1946 in the presence of the Union Secretary and the union's representative Sri P. Ramamurthi and of the management of the factory and the company's advocate and vakil.

5. The reference for adjudication was the outcome of the strike notice given by the Union on 16th March 1946 to the management giving them 14 days' time to comply with the demands made in the notice. The workers actually went on strike at midnight of 29th March 1946 and because of the reference that was made by the Government for adjudication, the strikers resumed work on the morning of 15th May 1946. The strike notice, Exhibit P-3, contained 16 items of claims. They were reiterations of the 16 items of claims contained in the memorandum, Exhibit P-2 (*q*), dated 14th January 1946. Before I started proceedings of enquiry for the adjudication, the union was called upon to put in a clear and concise statement of their claims as the strike notice had not been sent to me along with the reference. The union put in their claim statement on 30th May 1946. The management was called upon to put in their statement of defence and this was put in on 14th June 1946. The preliminary enquiry was begun on 5th July 1946 and was concluded on 27th July 1946. A preliminary report was submitted to the Government on 18th August 1946 and after the matters for adjudication were specified by the Government, the enquiry was completed on 28th August 1946.

6. Though the strike notice referred to 16 items of claims, the claim statement filed before me referred only to 7 items of claims. The other items of claims were thus impliedly given up and it was also so stated on behalf of the union at the time of the enquiry. The seven items of claims which were pressed and the question of the workers being entitled to wages and dearness allowance for the period of the strike are the matters specified for adjudication and they are the points that arise for decision.

7. *Point* 1.—As is natural in the matter of a dispute between labour and capital the quantum of wages is the main point in controversy and occupies the foremost position. The initial wages, or as it is sometimes called, the basic wages, prevailing in the Madukkarai factory are 7 annas a day for a male worker and 4 annas a day for a woman worker. The claim by the union is for a minimum of Rs. 30 for unskilled workers, Rs. 45 for skilled workers and Rs. 60 for clerks and subordinate staff. But, in the strike notice, Exhibit P-3, increment was claimed only on behalf of the workers and the increment claimed was Rs. 30 for every worker and a minimum increase from 4 annas to 8 annas in the wages for women. The Labour Commissioner had called upon the management to offer their remarks on the several demands made by the union. The remarks sent in reply are in the letter, Exhibit D-1, dated 22nd March 1946. Here the management state that the pre-war basic wages were 6 annas for males and 3 annas for females, but that the management have always been paying one anna more and were therefore then paying 7 annas to males and 4 annas to women. The Labour Commissioner appears to have suggested to the union that he will recommend for 9 annas for men and 7 annas for women and a reconsideration of the bonus policy for the year 1945–46, if the union would agree to call off the strike. The union's reply, Exhibit P-3 (*b*), dated 16th April 1946, rejected the suggestions of the Labour Commissioner and insisted on the minimum of Rs. 30 and refused to call off the strike until the demands of the union were fully met and satisfied.

8. The union has not now before me chosen to dispute the assertion of the management that the pre-war rates on a subsistence level were 6 annas and 3 annas, or that the management was nevertheless paying one anna extra over the pre-war subsistence level at all times. The Labour Commissioner's recommendation to the management for increasing the wages to 9 annas and 7 annas is in Exhibit D-1 (*a*), dated 6th April 1946. The management's reply, Exhibit D-1 (*b*), dated 10th April 1946, refused to accept the recommendation but said that if the workers resumed work the management will consider about giving a suitable rise in the wages in the next year. Nevertheless when the management filed its defence statement, it was conceded for them that they have now given an increase in wages for men and women and that the increased rates are 8 annas and 6 annas.

9. It was contended for the management that the increase given by the management was out of generosity and not because the workers are entitled for any reason

to an increase. The management stressed on their giving dearness allowance to meet all increase in the cost of living. At the time of the strike notice, the dearness allowance granted to male workers was at 8 annas for a rise of over 5 points above 100 in the index of the cost of living till January 1946. From February 1946, the dearness allowance is being given at 2 annas a point for every rise in the cost of living above 100. As the rise in the cost of living is met by the dearness allowance, the management stoutly contends that there is no basis alleged for increasing the wages themselves and in fact reference was made on their behalf to a passage in a treatise "Elementary Principles of Economics" by Jathar and Beri, Oxford Univertity Press Publication, 4th Edition, Part I, page 285, where it is stated—

"Before the present war, on the other hand, the fall in the price level and the cost of living being greater than in the nominal wages, real wages of labour in general increased."

But this fall in price level even below 100 points was a passing phase. All prices steadily declined from about 1930. The Madukkarai factory itself began to work only in 1934. The very fact of the fall in the price level stressed for the management must, I think, be the very reason why it can safely be held that the standard of living for about a decade from 1930 had risen higher than it would have been if there was no fall in the price level. This aspect of the rise in the standard of living is mentioned with approval in the report, dated 12th December 1940, of the Court of Enquiry with Chairman, Mr. B. N. Rau, constituted to investigate the question of dearness allowance for railway employees. At page 38 of the report, Volume I, Government of India Publication, in paragraph 69, it is mentioned :

"Since 1921–22 there has undoubtedly been a rise in the standards of life of families with fixed money incomes, owing to the fall in prices which has occurred since that date, particularly in cereal prices."

The Railway Board's Memorandum is then quoted with approval where it says :

"The standard of living has undoubtedly increased very considerably in the last two decades. The labourer's diet is improving in quality and quantity, his clothing is more adequate and his household belongings more extensive and conducive to a greater degree of comfort."

The Court of Enquiry therefore found it not possible to accept any argument which would have the result of driving back the families that have improved their position slightly, to the standards of 1921–22.

10. Even the cement manufactured by the Madukkarai factory was being used quite freely by the poorest and the lowest paid amongst the workers in place of cheap earth and mud for floors and wall plasters as an improvement in their standard of living. When, therefore, the war brought on an enormous increase in the cost of living, this increase was not merely on account of the rise in prices but was also the result of the rise in the standards of living, which had come to stay, of even the poorest worker. The awarding of dearness allowance for the increase over 100 points in the cost of living, will not therefore sufficiently compensate for the increase in the cost of living. There should be an increase even for the increased standard of living to which all workers must have become accustomed and therefore even for the first 100 points in the index of the cost of living.

11. The management contends that the dearness allowance of two annas a point that they have now begun to give to their workers for all increase over points 100 in the index of the cost of living, covers the whole of the rise in the cost above 100 points. This is disputed by the union and the workers claim at 3 annas a point. But there is nothing tangible to substantiate the contention of the workers. The rate for every point in the cost of living must be the same, as, a uniform rate for the points above 100 only will give a variation in the average for all points whenever there is a rise or fall in the points above 100. So when the management concede 2 annas a point over the 100 points, at least that same rate must be applicable even to the first 100 points. Therefore, to meet the cost of the standard of living as in pre-war days up to 100 points, the wages should be at least 200 annas (100 by 2), which if apportioned over the usual 26 working days adopted for a month, works out to 7 annas 8 pies per working day and on the management's own concession

they have always been paying an extra one anna in the daily wages of workers. It must therefore follow that very nearly 9 annas a day for a male worker will be the proper and adequate amount of wages.

12. Taking the proportionate increase of 9 annas over 7 annas, the corresponding increase for women workers over 4 annas would be 1 1/7 annas, giving for a women worker about 5¼ annas. But the management has conceded that they will allow even at the rate of 6 annas a day for each woman worker and so no increase over the 6 annas is necessary to be given to women workers.

13. It is contended for the union that there are various occupational diseases in cement factories and that therefore the workers should be given wages above those obtaining for workers in other factories. The industrial processes in the manufacturing of cement are briefly referred to in the Encyclopedia of Industrial Hygiene prepared under the auspices of the International Labour Conference, Volume I, pages 386 to 388, and are also outlined in the India Government Publication, Report on an Enquiry into the Conditions of Labour in the cement Industry in India, made by a committee of which Mr. D. V. Rege was the Chairman. at page 4, Chapter II, under the heading "Processes." While the Encyclopedia mentions at pages 388 to 392 some diseases which are peculiar to the cement industry, the Rege Committee Report at page 48, mentions that in India it does not appear that workers in cement factories are subject to any occupational disease. So far as India is concerned , therefore, no special increase over the usual wages of workers can be admissible unlesss any further enquiry reveals that there are special and peculiar occupational diseases for workers in a cement factory.

14. Though the management have conceded that they are increasing the wages to 8 annas and 6 annas, they stoutly oppose any further claim for increase. They stress upon the amenities and invisible gains by way of medical relief, educational facilities, additional disability compensation for workers, welfare and benefit funds, the institution of a recreation club, the opening of a foodgrain shop and such like for the benefit of the workers. But all these amenities and invisible gains only further tend to increase the standard of living of the workers, though they do not pay for some of the facilities and the existence of the amenities cannot be a satisfactory answer to the claim of the workers that the fruits of their labour should be tangibly in their hands at the end of a month.

15. Having considered all the aspects of the matter, I think that the wages for male workers should be the minimum of 9 annas, and for women workers the minimum of 6 annas a day.

16. But this fixation of the minimum must necessarily have the effect of increasing the wages of some at least of the workers who by service for a few years had become able to get something more than the minimum of 7 annas and 4 annas that was prevailing when the strike notice was given. In the Rege Committee's Report at page 49 it is mentioned :

"The lowest wage level seems to prevail in the factory at Lakheri, the one at Coimbatore being a close second. In these two centres the wages of nearly 60 per cent of the workers do not exceed 8 annas per day. The basic daily rates for men and women in these two centres are 7 annas and 4 annas, respectively."

Exhibit D-2 is a detailed statement furnished by the management showing the various departments in the factory and the various kinds of workers, in each department, with the wages for each group or grade of workers. Exhibit D-2 (*b*) is a statement showing the total number of workers in each department. There are in all 1,164 workers. With the aid of the statement, Exhibit D-2, the union has prepared another statement, Exhibit P-8, showing the number of daily-rated workers getting the same rates of wages. It will be seen that as many as 712 are not getting more than 8 annas. Those who get 9 annas a day number 81. The increase of 2 annas for a male worker must surely be given to all the workers who are now getting up to and inclusive of 9 annas a day. For those getting from 10 annas up to 15 annas, the increase need be only 1 anna and for those who have been getting Re. 1 and above, it is not reasonable to give any increase.

17. A scrutiny of Exhibit D-2 shows that there are only 150 women workers on the whole employed in the factory and only two out of them get 5 annas a day while all the rest get only 4 annas a day. It may be perhaps because the number of women workers in the factory is only 150 that the management offered to increase the wages of women workers to 6 annas. But, on the question whether the system of employing workers through contractors, in the quarries mainly, and in some other works connected with the factory, should be abolished, my decision is that the contract system of obtaining workers for any of the purposes connected with the factory should be abolished. This will bring in under the workers of the factory a large number of women, who are now being employed through contractors. The nature of the work done by women is such that it would not deserve being given any increment over the basic wages. Though, therefore, 2 out of the 150 women were being paid at 5 annas till now, I do not think that any increase should be given to them over and above the general increase to 6 annas a day for all women workers.

18. The union has the contention that in the case of skilled workers the wages given in the factory are lower than what are given to similar skilled workers in other places or in other industries and therefore proper and reasonable increase should be given to such skilled workers. Some little oral evidence was let in for the union on this aspect of the matter. P.W. 3 who was working one welding plant in the factory left service without giving intimation to the factory and went to Jog Falls, in Mysore State and was able to get employment there as a welder on wages of Rs. 3 a day. Even if his evidence is true, he was in service at the Jog Falls for only ten days and he had to come back and rejoin the factory as the Jog Falls locality is malarial. P.W. 5 also had been working a welding plant in the factory and he left the factory and got service in the Hume Pipe Company at Jog Falls as a welder He has procured the discharge certificate, Exhibit P-1, from that company which shows that he was in service there as a welder from 12th September 1945 to 1st June 1946 and that his wages when leaving service were Rs. 3-2-0 a day. The reason why P.W. 5 says he had to leave service is his father's illness at home in his native place. There is also the fact admitted by P.W. 3 that the Jog Falls locality is malarial. P.W. 5 himself admitted that in the Hume Pipe Company no dearness allowance or bonus is paid. The rates of wages paid at Jog Falls cannot be compared with the wages at Madukkarai. The nature of the work engaged in by the Hume Pipe Company is not known and what wages are given to permanent hands is also not known. P.W. 6 was started as a turner in the factory on Re. 1 a day though his wage when he earlier left the St. Joseph's Industrials, Coimbatore, before joining the factory, was only 10 annas.

19. There is some material available for comparison in the table shown in Appendix X of the Rege Committee's report of the basic wages in selected occupations of burners, turners, fitters, drivers, carpenters, millers and also coolies in various cement factories. But, unless a full and special enquiry is made into the reasons and conditions which will operate to fix the wages at each one of the factories, the wages prevailing at any one factory, whether for skilled labour or for unskilled labour, cannot be taken as the basis for fixing the wages at any other factory. The enquiry held by me has not satisfied me that, in the case of skilled workers or unskilled workers in the Madukkarai Cement Factory, any increase has to be given to skilled workers or unskilled workers beyond the general increase in wages which I have considered necessary as referred to in paragraphs 15 to 17 above.

20. On point (1) specified for adjudication my decision is that the minimum wages for all men workers skilled or unskilled should be 9 annas a day, that all the men workers who on 29th March 1946 were getting from 7 annas to 9 annas inclusive, should get an increase of 2 annas a day in their wages and that those men workers who were getting from 10 annas up to 15 annas a day should be given an increase of 1 anna per day and that all women workers should be given a minimum of 6 annas a day and that no other worker should now be given any more increase in wages.

21. *Point* 1 (*a*).—One item of complaint of the workers is that the designation of each worker is not fixed and is not known to him and that the designations of

the workers should be fixed and made known to them. The management replies that the designation of each worker is fixed and is known to him. The management has been maintaining a history card for each worker from the time he enters service and the card of each worker is signed by him when he enters service. Specimens of such cards are Exhibits D-6 (*c*) to D-6 (*g*) relating to workers who have ceased to be in service. The designation of each one is clearly mentioned in these history cards. The rate of wages also is entered as also every increment. When some of the workers were examined regarding the categories in which they should have been placed, it came out that they all sign the attendance register and that then they are able to know, if they cared, what designation appertains to them from time to time. The workers have also been signing pay sheets and when their signatures were shown to them, though they admitted their signatures they said they had not seen and noted the designations given to them in the pay sheets. This is hardly believable. Whether they noted the designations or not, the fact is that workers have ample opportunities of knowing their initial designation and their designation from time to time whenever there is change. I do not think that any direction should be given to the management excepting the suggestion that whenever the designation of a worker is changed that change is entered in his history card and the card is got signed by him afresh.

22. Another claim on behalf of the workers is that the categories of workers should be fixed and that there should be classes in each category and the strength of each class in a category should be fixed. As already referred to, the statement Exhibit D-2 gives in detail the designations of each group of workers on particular rates of wages in each department of the factory. With regard to three of those departments, namely, the workshop, the Civil Engineering and the electrical, the statement, Exhibit D-2 (*c*), shows the categories and classes and also the minimum and maximum wages that are now being earned by the workers. Even in Exhibit D-2, the minimum and the maximum wages are noted. But it was admitted for the management that the minimum and maximum wages as shown in Exhibit D-2 have not been fixed, but that whatever obtains as the lowest wage and whatever obtains as the highest wage is shown as the minimum and the maximum. In the category of turners, there are two classes, turners and assistant turners. All the turners or assistant turners work on lathes. The lathe-boys are only coolies. Similarly, there are welders and assistant welders and moulders and assistant moulders. There are persons who help the welders and moulders but they are not shown as such in the workshop department. They are only treated as coolies.

23. Lathe-boys seem to be shown as in the workshop for the reason that they are able to operate lathes. There had been 14 lathes in the factory and there are three shifts for work per day. It is very rare that any of the lathes is not worked. Recently there has been an additional lathe, a fifteenth one, installed. It would, therefore, require not less than 45 persons to operate the lathes in the three shifts. But what is found is that there are only 17 turners and 7 assistant turners in all The Union has let in some oral evidence that persons who are designated 'lathe-boys' are made to operate some of the lathes and are not given the wages as for an assistant turner or a turner. P.W. 1 is a lathe-boy. He became experienced and for two and a half years he has been operating a lathe. Four of the lathes are big ones and P.W. 1 is operating one of those big lathes. It is also in evidence that one turner cannot at the same time attend to more than one lathe. P.W. 2 though a lathe-boy has been operating a lathe by himself for two years. P.W. 6 is a turner and he says that one turner can operate only one lathe at a time. It is clear beyond doubt that the management is having 15 lathes, but not the sufficient number of turners or assistant turners for working these lathes for the three shifts and are making use of lathe-boys paid only as such for operating the lathes. This is a real grievance to the workers. If a lathe-boy becomes experienced enough to work a lathe and is made to work a lathe independently, he should be classified as an assistant turner or a turner and should be given wages as for an assistant turner or a turner as the case may be.

24. Similarly, in the welding section also, persons who are designated welders or assistant welders are made to operate on welding plants. P.W. 3 is a welder. He says he requires a helper and he does not know if there are assistant welders. P.W. 5 was a welder but he has left the service of the factory. In the factory even the coolie boy known as 'welding boy' attends to the welding plants. There are eight electric welding plants and two gas welding plants. But the lists, Exhibits D-2 and D-2 (*c*), show only four welders and four assistant welders for operating all the welding plants in each of the three shifts. It is clear that the management has been getting welding plants worked by persons who are not designated as welders or assistant welders.

25. In the moulding section also, persons designated as 'coolies' are made to do moulding work. P.W. 4 is one of them: Exhibit D-2 (*a*) shows that there are only two moulders and six assistant moulders. There are two boilers and the volume of moulding work and casting work done is enormous. The parts needed for repairing cement manufacturing machinery in the Madukkarai factory and in all the other factories of the Associated Cement Companies are manufactured at the workshops of the Cement Factories. When I inspected the workshop, I found the volume of work that is turned out was so great that it was impossible to conceive that the moulding and casting section can manage with two moulders and six assistant moulders. Making a moulder coolie do the work of moulding when more hands are needed as moulders and assistant moulders, is a real grievance to the workers. It is therefore absolutely essential that the categories should have the strength fixed in each of the classes and that whenever a person who is not in any particular class is made to do work appertaining to that class, he should be given the wages as offered to that class.

26. The union wants also that the grades of salary in each class of a category should be fixed. For assistant turners, for example, the wages range from 11 to 14 annas. It is a real grievance that the wages for each class in each category are not fixed. The promotion to the grades may be by reason of efficiency; but still it is necessary that each worker should know that his increased efficiency gives him a chance of being taken up into a higher grade in a class.

27. The union claims that 195 workers in various departments shown in Exhibit P-5 (*a*) do hard manual labour and are therefore to be classified as kalasis, the word used to denote strong or hard workers and that such kalasis should be given wages exceedingly by 25 per cent the wages of other coolies. Exhibit D-2 shows that there are kalasis doing work only in the workshop and their number is 61. Exhibit P-5 (*a*) wants some men working in the packing house department, in the hammer-mill department and in the kiln department also to be classified as kalasis and some more men than 61 to be classed as kalasis in the workshop itself. Unless the nature of the work done by each person is individually examined, it is not possible to find out whether the work done by him could be called hard labour. A one day's inspection of the whole factory could not give any idea as to the work done by each particular worker. It is seen from Exhibit D-2 that there are kalasis on 7 annas, 9 annas, 11 annas, Re. 1-2-0, Re. 1-4-0, Re. 1-6-0, Rs. 1-8-0, Rs. 1-10-0, Rs. 1-12-0 and the head kalasi gets Rs. 2-4-0. The fact that some kalasis are paid even high wages ranging up to Rs. 1-12-0 a day shows that the kalasis are differently treated from the other workers. A man who enters service, though he be a hard worker, has still surely to be tested for some time and will have to be made familiar with the kind of work he has to do before be can be called ar efficient kalasi coolie. The fact that 25 kalasi coolies are on 7 annas may be explainable on that basis, but if they had been at their work for such time as would indicate that they would be efficient as kalasi coolies, they should surely be given more than the minimum wage for a labourer. The management must therefore scrutinize the period of service of the kalasis on the lowest scale and their efficiency and put them on higher wages than the minimum. The higher minimum for kalasis can reasonably be taken to be the 25 per cent put forward by the union. But when once this higher minimum is given to a kalasi, there could be no means of comparing the work of kalasis engaged in particular kinds of hard work with the work that a non-kalasi

coolie will do, if put to the same work. The contention for the union that each kalasi coolie should be given 25 per cent more than the similar ordinary coolie is ununderstandable. But it is essential that the number of kalasi coolies in each department should be fixed so that if an ordinary coolie is put to do the work of a kalasi and if he is found fit, he must be paid as for a kalasi coolie.

28. The Union has a contention that among the workers who are classed as unskilled in Exhibit D-2, there are some who are semi-skilled and that therefore they should be classed as such and given a different grade of pay from the ordinary coolie worker. If an apprentice at handling a lathe or a welding plant or at moulding becomes sufficiently experienced, he has nevertheless to wait his turn till a vacancy arises for his being taken up as an assistant turner or an assistant welder or an assistant moulder. Merely because he has become trained up he cannot expect any higher wages than an ordinary coolie. His training only makes him fit for an elevation when the chance arises. To my mind the giving of a designation to a worker as a semi-skilled worker is beset with practical difficulties. He may be a fully skilled worker who has joined the factory as an ordinary unskilled worker because there is no vacancy for him amongst the skilled labour. He will have to be called semi-skilled. A person who has undergone apprenticeship and become efficient as a skilled worker will also have to be called semi-skilled. A worker who gets an opportunity to work as a skilled worker even for a day gets experience though to a very small extent and he will also have to be called a semi-skilled worker. It seems to me, therefore, that there should be no classification at all as semi-skilled workers and that no special or extra wages should be given to a person because he has to be designated as a semi-skilled worker.

29. The Union has put in the statement, Exhibit P 5, showing the officers for whom the Union does not plead. The officers of the factory are shown in the list, Exhibit D-4 furnished by the Management with a request that that list should be kept confidential because it shows the monthly salaries of the officers. There is no point in the Union trying to exclude some alone of the officers from among the persons for whom the Union does not plead. Neither in the memorandum, Exhibit P-2 (*g*), nor in the strike notice, Exhibit P-3, has the Union claimed anything on behalf of the officers, namely, the monthly paid staff. No question relating to any officer can therefore be considered in the matter of the present adjudication.

30. At the time of the enquiry it was contended for the Union that some of the workers shown in Exhibit D-2 should really have been classified as monthly paid clerks or officers ; but that is not a question that has to be gone into in this adjudication because such a claim was not put forward in the strike notice or even in the statement of claim presented before me.

31. My decision on point I (*a*) is that the history cards should be written up from time to time whenever there is a change of designation of the worker and the card should be got signed afresh by the worker that the categories of workers should be fixed, the classes in each category should be fixed, the grades of wages in different classes should be fixed, and the strength of each class of a category should also be fixed, the strength of kalasis needed for each department should be fixed and if a person is found fit to do kalasi work after his being tested for a reasonable time, he should be given at least 25 per cent more than the minimum wage.

32. *Point* 1 (*b*).—The Union claims that there should be graded increase in wages for workers and there should be promotions on the basis of service and efficiency. The workers are being given promotions according to efficiency. The sample history cards, Exhibits D-6 (*c*) to D-6 (*g*), shows promotions. The statement, Exhibit D-6, shows that in all years there have been promotions and in 1945 there were 418 instances of promotion. Exhibit D-6 (*a*) shows the numbers of such promotions amongst skilled workers and amongst the unskilled workers. Amongst both kinds of workers, there have been quite large numbers of promotions. Exhibit D-6 (*b*) shows instances of promotion of the daily paid workers promoted as monthly paid staff with all particulars of wages and increments from time to time. It is thus clear that the management has been giving promotions. Whether the promotions have been as many as the workers desire to have cannot be judged by

outsiders. The management alone must have the control over the promotions as promotions must ordinarily be based on increased efficiency. If the strength of each class of workers is fixed and if any worker is made to do the work of that class, then surely he must be treated as promoted at least temporarily until he is found unfit again. This is sufficiently safeguarded by the decision given under point 1 (*a*) that the strength of the classes in each category should be fixed.

33. Another contention for the Union is that there should be increments on a time-scale basis. Increments on time-scale basis may be well adapted to an institution which has unlimited resources. But, in the case of an industrial concern whose profit-earning capacity must necessarily be limited, the suggestion that there should be increments on a time-scale basis will only result in the concern having to be closed down for want of profits and resources to meet the increased wages that will have to be paid eventually on a time-scale basis. There are also other weighty reasons against automatic promotions by annual increments. These are mentioned in an American work "Industrial Supervision—Organization Controls", by Dr. Vernon G. Schaufer, PH.D., and Willis Wessler and others from which a passage is quoted by E. M. Nanavutti, Esq., I.C.S., in the adjudication of a trade dispute found reported in the *Bombay Labour Gazette* for 1945, February part, at page 370. The passage referred to from the American work is :

"Automatic promotions by annual increments are not advisable, because—

(*a*) petty policies are formed, allowing for likes and dislikes ;

(*b*) men who do not deserve promotion are promoted because they are in the promotional channel ;

(*c*) there is an increasingly small number of positions as the jobs advance, yet every man is encouraged to think that he will be ultimately promoted to the top;

(*d*) precedents and tradition are established, which make flexibility to meet unusual circumstances impossible."

34. My decision on point 1 (*b*) is that promotions should be only on increased efficiency judged by the management and that promotions should not be granted on an automatic time-scale basis.

35. *Points* 2 *and* 2 (*a*).—In the strike notice Exhibit P-3, the Union complained that the dearness allowance that was being given to the workers does not fully compensate the rise in the cost of living and that therefore they should be given dearness allowance at the rate got by the textile workers and that the minimum for any worker should be Rs. 15. Though the notice is dated 16th March 1946 it copies the exact wording in the memorandum, Exhibit P-2 (*q*), dated 14th January 1946. The claim in the strike notice therefore relates to the rate at which dearness allowance was being given by the factory in January 1946. That rate was 8 annas per 5 points in the rise above 100 points in the cost of living. From February 1946, the factory had begun to grant dearness allowance at 2 annas a point to the male workers and at 12½ per cent less to women workers. From February onwards the male workers had begun to get dearness allowance at over Rs. 16 and from March onwards the women workers too had begun to get at over Rs. 15. From July 1946, the dearness allowance is being given to women workers also at 2 annas a point.

36. In the claim statement before me the workers demand 3 annas a point and equal rates for women and want at 3 annas a point for all with retrospective effect from 1942.

37. The rise in the standard of living would require only 7 annas 8 pies to be paid even to male workers as the standard or basic wages. No materials have been placed before me to establish that the standard or basic wages for male workers should be more than 7 annas 8 pies, of course, without the extra one anna which the factory has been paying and has been willing to pay. If for the initial 100 points in the cost of living, only 2 annas a point is needed to be paid, it must follow that for the rise above 100 points there is no justification for claiming at more than 2 annas a point.

38. The earliest time when the Union raised the question of dearness allowance is referred to in Exhibit P-2 (*k*), a memorandum signed by a large number of workers forwarded by the Union to the Conciliation Officer with the letter, Exhibit P-2 (*j*), to have been at the time of the strike in February 1944 which was called off at the intervention of the Labour Commissioner. Exhibit D-10 shows that dearness allowance paid in February 1944 was 4 annas a day to all workers, men and women and that in March 1944 the rates were 6 annas a day for males and 5 annas a day for women. From April 1944 the rates were 8 annas per 5 points for men which worked out to Rs. 12 a month and 12½ per cent less for women. In Exhibits P-2 (*j*) and P-2 (*k*) the rate of dearness allowance claimed was a flat minimum rate of Rs.15 a month for all earning wages up to 8 annas a day and an additional amount to cover the rise in cost to the full to those earning above 8 annas a day.

39. In the strike notice the rate as given to textile workers with a minimum of Rs. 15 was claimed. The comparative table in the defence statement shows that from July 1946 the dearness allowance given by the factory for men is higher than the dearness allowance given for textile workers. Whether from February 1944 the dearness allowance given by the factory was less than what was being got by the textile workers is not known. From February 1944 the earliest time when increased dearness allowance is said to have been claimed for the factory workers till January 1946 inclusive, the dearness allowance for men workers was less than Rs. 15 as seen from Exhibit D-10. But, the payment at this rate is mentioned in the management's letter, Exhibit D-1, to have been adopted with reference to the arrangement made in February 1944 with the then Labour Commissioner. There is no reason to doubt the truth of this arrangement. The workers must have become satisfied at that time with the rate of 8 annas per 5 points as arranged for by the Labour Commissioner. They cannot reasonably claim any increase with retrospective effect for any period before February 1944. It was only in April 1945 that the Union again raised the question of the rate of dearness allowance and then they claimed at the rate mentioned in Exhibit P-2 (*j*). If the Union had stuck to their claim and had in their strike notice claimed increase over 8 annas per 5 points they would have been entitled to be given dearness allowance at 2 annas a point, as now ascertained, with retrospective effect from April 1945. But, no claim with retrospective effect was made in Exhibit P-2 (*q*) or in the strike notice, Exhibit P-3. The strike notice ignored the rise over Rs. 15 in the rate that had been awarded from February 1946. In February 1946 when the Union wrote Exhibit P-2 (*w*) to the Conciliation Officer they referred to 2 annas per point being paid by many firms and to the Conciliation Officer's suggestion to the Factory Management to adopt the rate of 2 annas per point. Here too no retrospective claim was made. For women workers the rates were made equal to those of the men workers in July 1946. It was only in January 1946 that the rate for women workers was really less than Rs. 15. But, here again there has been no retrospective claim on behalf of women workers in the strike notice.

40. Having regard to all the above considerations my decision on points 2 and 2 (*a*) is that dearness allowance is payable only at the rate of 2 annas for rise of every point above 100 points in the cost of living, that the male workers are not entitled at that rate with any retrospective effect, that women workers are entitled at the same rate as men workers from the date of the expiry of the 44 days mentioned in the strike notice till June inclusive after which equal rates have been given to women workers and that the women workers are not entitled to rates equal to those of men workers for any earlier period.

41. *Points* 3, 3 (*a*), 3 (*b*) and 3 (*c*).—In the strike notice, Exhibit P-3, the Union claimed that bonus should be paid equivalent to four months' wages for the year 1944–45 and that the payment should be to all workers without any condition of a qualifying minimum attendance during the year. In the claim statement before me the same demand was made. The management in their defence statement contended that the accounts of 1944–45 having been closed it will be extremely difficult to reopen the question of bonus for that year and that in future years when the company makes a profit and is able to pay a bonus, they will pay to all workers without the condition of a qualifying minimum attendance.

42. The factory was paying bonus, equivalent to one month's wages, to workers if they had put in a minimum attendance of 275 days in the case of special shift workers and 255 days in the case of general shift workers. The year for the factory is from 1st August to 31st July. After the bonus for 1943–44 was disbursed, the Union complained to the company by their letter Exhibit P-2 (*f*), dated 22nd February 1945, that by reason of the minimum attendance condition, only 480 workers out of 1,200 got the benefit of the bonus grant and they wanted bonus for all workers irrespective of the period of their attendance and at 2/12 of the earnings in the bonus year. By Exhibit P-2 (*p*), dated 16th October 1945, the Union wanted bonus for all workers, equivalent to four months' wages. In the memorandum, Exhibit P-2 (*q*), dated 14th January 1946, this request was repeated. But, as the management was again adhering to the condition of minimum attendance when the bonus for the year 1944–45 was about to be declared, the Union wrote Exhibit P-2 (*s*), dated 20th January 1946, to the Conciliation Officer that the conduct of the management is an act of provocation which the workers were determined to oppose by all possible means. When the bonus was declared, only 592 workers got the benefit out of 1,250. The workers resolved not to accept the bonus and the Union gave intimation to the Conciliation Officer by the letter Exhibit P-2 (*t*), dated 23rd January 1946. After consulting the management, the Conciliation Officer replied to the Union by Exhibit P-2 (*u*), dated 27th January 1946, that the management's view is that bonus payment is only for regular attendance and is not a prosperity payment. After this, there appears to have been a talk between the Conciliation Officer and the Executive Committee of the Union and the Union's views on the matters talked about are reported in Exhibit P-2 (*w*) where they want bonus for all workers irrespective of the period of attendance in the bonus year.

43. The workers resolved by their meeting on 24th February 1946 to go on strike if their grievances were not redressed. There was again a meeting of the Executive Committee of the Union on 3rd March 1946 to consider the announcement made by the management regarding the bonus and other matters. The Executive Committee then resolved that all the workers whose names were found in the muster roll on 31st July 1945 should be paid one sixth of their yearly earnings as bonus. This resolution was communicated to the Cement Works Manager by the letter Exhibit P-2 (*z*), dated 4th March 1946. The Management appears not to have yielded to the request of the Union to grant bonus as claimed in Exhibit P-2 (*z*). This attitude resulted in the strike notice Exhibit P-3 being given.

44. The extreme position that had been taken up by the management that bonus payment is a reward depending on the will and pleasure of the employer and is not one which the labourer can insist upon being paid depends on the old theory of *laissez fairre* which has long become disregarded. In the report of the Bombay Textile Labour Enquiry Committee published in the *Bombay Labour Gazette* for June 1941 at page 859 the Committee has given its view :

"In the opinion of the Committee, good attendance and efficiency bonuses act as fines on workers who fail to attain the expected standards of performance in respect of attendance or production. It is of opinion that such bonuses should be regarded as part of wages and it accordingly recommends that the Government of Bombay should move the Central Government to amend the Payment of Wages Act in such a way as will make it clear that such bonuses are to be regarded as part of wages."

In the *Bombay Labour Gazette* for September 1944 where the award of an adjudicator in the trade disputes between the Standard Vacuum Oil Company, Bombay and its employees and the Caltex (India), Limited, and its employees, the adjudicator at page 39 quotes the weighty pronouncement of Justice Chagla of the Bombay High Court given in deciding another industrial dispute. The opinion referred to runs :

"It is almost a universally accepted principle now that the profits are made possible by the contribution that both capital and labour make in any particular industry, and I think it is also conceded that labour has a right to share in increased profits that are made in any particular period."

45. At the time of the enquiry the extreme contention on behalf of the management was given up and it was conceded that the workers were entitled to a bonus payment if the company makes profit and is able to pay a bonus. There could be no doubt that the conditions necessary for the grant of bonus are that there should be profits and that such profits should leave a surplus available for payment of bonus after meeting all other legitimate expenses and disbursements. That position is not controverted on behalf of the Union. With regard to the current year in which the dispute has arisen, i.e., the year 1945–46 the management has conceded that the bonus will be paid to all workers without any condition of there being a minimum qualifying attendance. But with regard to the year 1944–45 the management contends that the principle should not be applied and the only reason given is that the accounts for that year have become closed. The contention is not that there were no profits made or that amounts are not available for the bonus being given to all workers. Even before the accounts for the year 1944–45 were closed, the Union had been agitating for the grant of bonus to all workers. The auditor's report for the year 1944–45 had been submitted on 8th November 1945 and the annual meeting had been held on 11th January 1946. The Union's assertion that the resolution accepting the report of the auditor and fixing the appropriations out of the net profits was resolved upon on 11th January 1946 but there was a further resolution in February 1946 whereby the number of qualifying days of minimum attendance was reduced to 138 for special shift workers and 128 for general shift workers, is not disputed on the side of the management. In the reply Exhibit D-1, dated 23rd March 1946, sent by the management to the Labour Commissioner giving their views on the points raised in the strike notice, the reduction of the number of qualifying days is referred to. How many persons remain without receiving bonus after the reduction of the number of qualifying days is not mentioned for the management. But the management does not controvert the statement made on behalf of the Union that about 593 workers became entitled to bonus according to the number of qualifying days that was insisted upon at first by the management and by the reduction of the number of qualifying days, 207 workers more got the benefit of the bonus payment and that in all only about 200 workers got no benefit whatsoever. These 200 workers would have earned only comparatively low amounts as wages for all the days that they attended. The bonus that would become payable to them would therefore be a small proportion of the bonus that was given to the other workers for the year 1944–45.

46. The contention for the management that because their accounts have become closed it would be very difficult to reopen them is not an acceptable contention. The balance sheet for the year 1944–45 shows that even after payment of a dividend of Rs. 7 per share free of income-tax (stated on behalf of the management to be 7 per cent) and after all appropriations needed, a balance of Rs. 2,87,668 has been carried forward to the next year's account. I wanted particularly to know the state of the balance sheet with regard to the Madukkarai Cement Works alone. The management has eventually furnished a statement which contains as it were a proportionate balance sheet relating to the Madukkarai Cement Works for the year 1941–42, 1942–43, 1943–44 and 1944–45. This statement has been kept confidential at the request of the management. Though the statement shows that the percentage of net profits to effective capital became reduced to a small extent year after year and though also the proportionate share of dividends paid for the year 1944–45 was somewhat larger than the net profits for that year the same statement shows that this result must have been due to the heavy incidence of taxation, presumably under the Excess Profits Tax Act. If in spite of the heavy incidence of taxation the management thought fit to declare the same 7 per cent dividend that was being declared in all the previous years, that can only suggest that the interest of the workers in the matter of payment of bonus has not been safeguarded. The amount that will become payable as bonus to the workers who have not had the benefit for the year 1944–45 will be a small amount compared with the amount of over 2 lakhs carried forward to the subsequent year and added to the total accounts of the company, and much smaller than the amount that would have been appropriated even out of the Madukkarai Works profits for not reducing the rate of divi-

dend by even a few pies. It therefore seems to me that for the year 1944–45 all the workers, irrespective of the number of days of their attendance, should have been given bonus.

47. The next question to be considered is whether the bonus that was granted as the equivalent of two-twelfths of the earned wages is adequate or whether the workers should be given bonus as the equivalent of four-twelfths of the earned wages. It is apparent from a scrutiny of the balance-sheets of the year 1944–45 and the previous years that there has been no extra profit in the year 1944–45 over the previous years or at any rate any net surplus profit after declaring the usual dividend at 7 per cent. Though therefore only a month's equivalent was given as bonus in some previous years the grant of bonus as equivalent to two months' earned wages for the year 1944–45 is quite adequate and nothing more can reasonably be paid for that year.

48. In February 1945 it was only bonus equivalent to two months, wages that was claimed by the workers as seen from Exhibit P-2 (*f*). In the memorandum Exhibit P-2 (*q*) the claim was no doubt made for the equivalent of four-twelfths of the wages; but again after the strike ballot and after a special meeting of the Executive Committee was held, when the Union wrote to the Management on 4th March 1946 by Exhibit P-2 (*z*) it was again only two-twelfths equivalent that was claimed as bonus. The strike notice has no doubt claimed four-twelfths equivalent. But it is to be noted that for the year 1944–45 one-twelfth equivalent had been specially given to the employees as victory bonus.

49. For all the above considerations my decision on points (3), 3 (*a*), 3 (*b*) and 3 (*c*) is that a worker should be given yearly bonus proportionate to the wages earned by him in the bonus year irrespective of the number of days for which he has worked, that for the year 1944–45 also the bonus should be paid to all workers and that for that year the bonus to be paid is to be only the equivalent of two-twelfths of the earned wages of that year and not more.

50. *Point* 4.—In the strike notice Exhibit P-3 the workers claimed that they should be given leave with pay for 30 days in a year—15 of which to be on casual leave and 15 more on sick leave. The compulsory statutory holidays of 10 days given by the Factory Amendment Act III of 1945 had been contended to be only for purposes of recuperation and rest. Though the Act does not say that the holidays of 10 days with pay is given for recuperation and rest, the Act does not say that the days are leave days and therefore it is more or less clear that the ten days holidays are for recuperation and rest just as Sundays are given as holidays for recuperation and rest though without pay. The Management contends that over and above the general statutory holidays compulsorily to be given, they have been willing to give and have been giving four more holidays with pay. A list of such holidays, of which two are general and two are sectional, is given in the statement, Exhibit D-9, and the Management states that it will instruct the manager to pay wages during sickness in genuine cases where the "Works Doctor" certifies. When the Management was asked to state more explicitly the number of days for which sick leave with wages would be permitted it was mentioned on behalf of the Management that that is not a matter which could be definitely stated by the Management.

51. The question of leave with pay must necessarily depend on legislation either general with respect to all industries or special with respect to particular industries. All that an Adjudicator can do in the absence of legislation is to see that there is no real hardship either on the employment or on the labour in any matter that arises for adjudication. The Sundays that are holidays are without pay though the Sundays may be intended for recuperation and rest; but still the private business of the workers can be transacted even on such days. I do not therefore think that it will be reasonable for me to say that the workers should have any days of leave with pay as casual leave days. But, the necessity for granting leave on account of sickness stands on a different footing. The Management itself concedes that the workers will be given some amount of sick leave with pay according to the

discretion of the manager. But when this is not subject to any fixation, the discretion of the manager, even if not exercised impartially or discreetly, is likely to be felt as being tainted with partiality, if one worker is given sick leave for ten days and another worker is allowed leave for only four days. In the interests of all concerned, it is necessary that the number of days for which a worker can be granted leave with pay on account of sickness is fixed, though not rigidly, because in any deserving case the Management can relax the rule. I consider that the grant of leave with full pay for seven days in cases of sickness is necessary and desirable, but to be granted only on the certificate of the doctor of the Factory.

52. My decision on point (4) is that the workers are not entitled to be given casual leave but that over and above the four extra holidays which the Management has been granting to the workers they should have seven more days of leave with pay in cases of sickness to be certified by the doctor of the Factory.

53. *Point* 5.—The system obtaining in the Factory is for a large number of workers in the quarries being not taken up under the Factory itself. Such workers in the quarries work under contractors. Those workers sometimes transport quarried material to the Factory or to transport trucks and are sometimes called in to aid the regular work in the Factory as for instance in the unloading of coal wagons, etc. Sometimes when there is shortage of hands in the several departments of the Factory the contractors' workers are borrowed. That there have been instances of borrowing of contractors' workers for several kinds of works done in the Factory itself is not disputed. The Management has given the list Exhibit P-6 showing the number of maistris and coolies borrowed in the months of January, February and March 1946. Quite a large number of maistris and even hundreds of workers are seen to have been borrowed. In the months of May and June also there have been such borrowings as seen from the statement Exhibit P-6 (*a*) prepared by the Union and which was admitted by the Management to be correct. In the strike notice Exhibit P-3 the workers claimed that the system of employing workers through contractors should be abolished as the workers under the contractors have to work under the will and pleasure of the contractors. In the statement of claim before me it was further complained that the contractors' workers are working even in the departments of the Factory, that they receive only wages of Re. 1 for men and annas 8 for women but not any dearness allowance and are not entitled to purchase their provisions in the Companies stores. The last suggestion is not correct and that is stoutly denied by the Management. What the contractors' workers do not enjoy out of the concessions and facilities given by the Factory to its workers are mainly the dearness allowance, the gratuity and the bonus and the wages at the level granted to the Factory workers. The attitude of the Management as given in the defence statement is that they are the best persons to decide how their work should be carried on and the Workers' Union has no right to dictate to the Management in regard to the employment of contractors and workers under them. The Management tries to suggest that their direction to the manager to see that the interests of the quarry workers is protected is all that is needed to benefit the contractors' workers.

54. The attitude of the Management that they will not brook any claim made by the Factory workers on behalf of the contractors' workers is based on a misconception that the old doctrine of *laissez faire* continues to prevail. The rates of wages paid by contractors to the workers under them are not known. There must surely exist many instances where the wages simpliciter for a contractor's worker are higher than those of a worker of equal efficiency in the Factory itself. This would bring about a hardship on the Factory worker because if the work done by the contractor's workers was under the Factory itself the Factory worker would have been entitled to the higher wages. Contractor's maistris too are being borrowed for work in the departments of the Factory. If for all such work the workers in the Factory itself were to be used several of them would have been entitled to be promoted as maistris. The Management says that sometimes for unloading coal a large number of workers will become necessary and then there

will be need to borrow workers from the contractors. But, the contractor too must have been employing only a limited number of workers and when he lends to the Factory the other work that had been done by his workers will be left undone. Just the same result and nothing worse can happen even if all the workers in the quarry are employed under the Factory itself.

55. In the *Bombay Labour Gazette* for June 1941 in the report of the Bombay Textile Labour Enquiry Committee at page 863 it is mentioned :—

"The Committee points out that a considerable body of workers in cotton mills in Ahmedabad and certain other centres are not directly under the control of the management, and that in some departments, workers are engaged, discharged and paid wages not by the management but by contractors. The disadvantages of the contract system of employment, in its opinion, far outweigh whatever advantages that may be claimed for this system and it accordingly recommends that the contract system of engaging labour should be abolished as soon as possible and that workers for every department in a mill should be recruited and paid direct by the management."

In the Rege Committees' report on the conditions of labour in the Cement Industry in India, Chapter XII, page 47, is mentioned :—

"A characteristic feature of the employment of labour is that, speaking generally, the labour required in the quarries and in the packing department is recruited through contractors. It is the exception rather than the rule that the factory management exercises any real control over the work and wages of contract labour. Some of the worst evils of sweated conditions and low wages used to prevail among contract labour in this country although , at present, such evils do not come very much to light, probably because, owing to the scarcity of unskilled labour contractors are not in a position to exploit such labour. On the whole, however, it is found that conditions of quarry labour are worse than those of workers engaged in the factories. In one of the important factories no contract labour is employed on any considerable scale and quarry labour also is directly in charge of the Management. If this is possible in one centre, it is a matter for consideration why this practice should not become universal. As a matter of fact all enlightened opinion seems to be in favour of removing contract labour because it is obvious that human nature being what it is, a labour contractor would like to make as large a gain as possible for himself and he can do so only by squeezing his labour."

56. There could be no inconvenience caused to the Management by having all workers under itself. The contractor becomes a middleman and thus appropriate a portion of what would be the legitimate wages that would be got by the workers if employed directly under the Factory. The insistence of the Management to have the contract system of labour must necessarily mean that it is only a portion of the difference between the wages due to the workmen and what is got by the workers that is taken away by the contractor and that a portion of the difference though small is sought to be saved by the Management. This saving does certainly infringe on the legitimate aspirations of the workers in the Factory. Therefore, though the present dispute is raised only by the Factory workers, the matter is one which properly arises for adjudication.

57. My decision on point (5) is that the Management should take early steps to abolish the system of having any workers under contractors and that the abolition should be brought about in a reasonable length of time.

58. *Point* 6.—In the strike notice the workers claimed that each and every worker should be provided with a rent-free house as the area around the Factory has very few private houses and it is difficult for the workers to get houses for occupation. The Management stated that it cannot admit its liability to house each and every employee and that such state of affairs would be beyond the resources of any industry. Nevertheless, the Management had already constructed 176 quarters housing 235 people and the erection of 360 more rent-free quarters was under contemplation. It was mentioned for the Management that the quarters are given rent-free to be occupied by the staff and also by such workers as may have to be urgently called for work and by workers who belong to distant places. In the

statement of claim the workers demanded either rent-free quarters or house rent allowance of Rs. 7 for each worker. I think the contention of the Management that no industry can afford to house rent-free all its workers is true and correct. The Workers' Union could not suggest that in any industry such a system prevails. The standard or basic level of wages covers the cost for the residence. A claim for rent-free quarters or house rent allowance in the alternative is really a claim for higher wages. The wages to be paid have been considered already and therefore any separate award on account of house rent cannot reasonably be granted.

59. My decision on point (6) is that the workers are not entitled to claim as a matter of right to be given rent-free quarters or any house rent allowance.

60. *Point* 7.—This point relates to the claim of the workers that their Union styled 'The Coimbatore Cement Workers' Union, Madukkarai' should be recognized by the Management. The Union functions under the Indian Trade Unions Act XVI of 1926. In their statement of defence the Management mentioned that they were anxious to recognize the Union, but that detailed terms and conditions for recognition were being considered. These terms and conditions were finally presented and have been marked as Exhibit D-8. The rules of the Union are in Exhibit P-7. Objection No. 4 in Exhibit D-8 runs thus :—

"Not more than half of the total number of office-bearers of the Union shall be outsiders and the rest of the office-bearers of the Union shall be persons employed in the Cement Factory. No outside honorary member who has no bona fide interest in the industry of the said works or in genuine Trade Unionism and who does not accept the policy of promoting good relationship among the employers and employees and also the settlement of disputes constitutionally through representation, mediation and conciliation shall be allowed to continue the honorary membership."

The Union agrees to the first sentence in that objection ; but they take exception to the second sentence as being vague and as being prejudicial to the interests of the Union. All that is to be safeguarded is that intriguers or persons whose previous character and conduct have not been stainless should not become honorary members and foment disharmony between the workers and the Management. It seems to me that the second sentence in objection No. 4 need only run " No outsider shall be admitted as honorary member or office-bearer if he is a dismissed Government servant or a dismissed employee of any industrial concern or if he has been convicted of an offence involving violence or moral turpitude."

61. Objection No. 6 is also taken exception to. According to the rules of the Union, even a strike can be resolved upon by a vote of the majority of the members present at a meeting, one-third of the members forming the quorum for a meeting. The Management wants that the resolution for a strike should not be arrived at except by a majority of three-fourths of the members of the Union. I should think that it is necessary that hasty resolutions for strike should not be encouraged and that there should be a substantial portion of the workers to decide upon the necessity for a strike and that the condition of a two-thirds majority of the workers is a sufficient safeguard and therefore, the objection No. 6 ought to be amended by inserting "two-thirds of the number of workers whether members of the Union or not" in place of " three-fourths of the members of the Union." The portion 'or a strike brought about by an authorized Union' in the middle of that objection does not fit in with the objection and should therefore be deleted. The two previous words 'un-authorized strike' should also be amended into 'a strike not so authorized.'

62. Condition No. 13 is good in its first portion ; but, even there the words " common interest" will largely detract from the usefulness of the Union which will have to deal even with the interests of particular workers. That word "common" should therefore be deleted. The second portion commencing with the word " provided" is very vague and unworkable and should therefore be deleted.

63. My decision on point (7) is that the Union should amend its rules so as to be in conformity with the conditions as modified above and that after such amendment the Union ought to be recognized by the Management.

64. *Point* 8.—This point relates to the wages and the dearness allowance for the workers during the period of the strike. The strike notice is dated 16th March 1946 and gives 14 days' time to the Management to meet the demands in the notice. But the workers went on strike even from the midnight of 29th March 1946 before the full 14 days had expired. As the Cement Factory is not concerned with any "Public Utility Service" as defined in the Trade Disputes Act VII of 1929, the statutory requirement in section 15 (1) that in the case of Public Utility Services, not less than 14 days' previous notice should be given to go on strike is not applicable. No objection has been taken by the Management that because the strike was commenced before the full 14 days mentioned in the strike notice expired the strike itself is illegal. This aspect of the question has not therefore to be further considered.

65. A contention was raised for the Management that the Union not having proceeded under the Trade Disputes Act is not entitled to claim that its workers should be given wages and dearness allowance during the period of the strike. The only section that may lend some colour to this contention is section 3. But under that section if the referring of the Trade Dispute to a Court of Inquiry or a Board of Conciliation is to be had on the motion of the parties to the dispute both of them whether separately or conjointly, should have made application for such a reference. Here in the matter of the present dispute neither of the parties made any application. So if the Union is at fault in not having made any application the Management is equally at fault.

66. When the strike notice was given and copies had been sent to the Collector and the Factory Inspector and the Conciliation Officer, the Labour Commissioner immediately called upon the Management to state their views on the points raised in the strike notice. The Management's reply to the Labour Commissioner is Exhibit D-1. The Management declined to pay wages in excess of 7 annas for men workers and 4 annas for women workers. Regarding dearness allowance the Management agreed to raise it to 2 annas a point instead of 8 annas for every five points rise over 100 points in the cost of living. Regarding bonus, the Management mentioned that it was only an attendance bonus that was being paid to encourage regular attendance and that though the minimum attendance for qualifying for bonus is reduced from 275 and 255 days for special shift and general shift workers to 138 and 128 days the Management cannot go further. With regard to leave with pay the Management refused to allow anything over four extra holidays which they had been giving. Regarding the contract system the Management stated that that was a matter entirely for the Management to decide and not for the workers. Regarding the recognition of the Union, the Management said that the existing Union was working under the Communist flag and will not therefore be recognized but that if a Union was formed which really represented the workers and which worked on constitutional lines the manager would get the sanction of the directors for the recognition of the Union. The Labour Commissioner thereupon suggested to the Management by Exhibit D-1 (*a*), dated 6th April 1946, to give bonus to all workers just as they had done for the year 1939 and that the bonus may be a one-sixth of the wages earned by any worker during the year 1944–45. The Labour Commissioner also suggested that the Management may increase the wages of the men workers to 9 annas and the wages of the women workers to 7 annas. To this the Management replied by Exhibit D-1 (*b*), dated 10th April 1946, that the Management was emphatic in not giving any increase in wages as they were having several schemes of welfare for the workers and the existing rates of wages were above those prevailing for South Indian workers, that the management was adamant in the matter of not yielding anything until the workers resumed work but that if the workers resumed work the Management will consider a suitable rise in the wages in the subsequent year and would also consider the method of giving bonus in the subsequent year.

67. Before the reply Exhibit D-1 (*b*) had been received by the Labour Commissioner, the Labour Commissioner seems to have told the Union that he would be suggesting to the Management to raise the wages to 9 annas and 7 annas and would recommend bonus for all workers in the subsequent year. The letter of the Labour

Commissioner to the Union is not in evidence. Perhaps there was only an oral talk. The Union sent Exhibit P-3 (*b*), dated 16th April 1946, to the Labour Commissioner stating that in his suggestion that he would recommend to the Management for a rise the wages to 9 annas and 7 annas and for consideration of the grant of bonus to all workers in the subsequent year the Labour Commissioner had entirely misunderstood the main demands of the workers. The Union stood firm on their minimum demand of Rs. 30 as wages for all workers. They reiterated most of their demands contained in the strike notice and referred to the increase in dearness allowance to 2 annas a point as being insufficient and finally wound up by saying that they cannot call off the strike without every one of their demands being met with satisfaction and that the Union welcomed an adjudication.

68. Perhaps by the talk to which Exhibit P-3 (*b*) was a reply the Labour Commissioner was able to gather that the workers were not satisfied with what he suggested could be recommended by him to the Management and therefore the Labour Commissioner sent the telegram Exhibit D-1 (*c*), dated 15th April 1946, to the Management telling them that the workers were not satisfied with an increase for unskilled workers only and that they insisted on an increase in wages for all workers and wanted a revision of the bonus policy even for the year 1944–45. The Management thereupon wrote Exhibit D-1 (*d*), dated 18th April 1946, to the Labour Commissioner for elucidation as to what exactly were the recommendations of the Labour Commissioner. It nevertheless mentioned that the Management will view any demands of the workers with sympathy only if they resume work. It appears that the Union had sent a telegram to the Labour Commissioner on 3rd May 1946 but the terms of the telegram are not known. The Labour Commissioner's final reply telegram is Exhibit P-3 (*c*) which runs " Your telegram, dated 3rd May 1946—Management not accepted." After receipt of this reply, the Union wrote the final letter [Exhibit P-3 (*d*)], dated 6th May 1946, to the Labour Commissioner that the talks have failed in spite of the efforts of the Labour Commissioner and that therefore the interim agreement on the basis of the talk between the Labour Commissioner and the Union Secretary is cancelled and that the Union stands on the 16 demands in their memorandum [Exhibit P-2 (*q*)], dated 14th January 1946, clarified by their letter, dated 16th April 1946 [Exhibit P-3 (*b*)]. The Union also stated that they claimed wages for the strike period and that they were prepared to face any adjudication and the workers were resolved not to resume work until a thorough enquiry is made.

69. The orders of the Government referring the trade dispute for adjudication were passed on 9th May 1946 and the Union was requested to advise the workers on strike to return to work within two days from the receipt of the Government Order. The Government Order must have been received by the Union about 13th May 1946 and the workers resumed work on the morning of 15th May 1946.

70. It is manifest that the claims of the Union on behalf of the workers had been too high and exaggerated. Though there was legitimate grievance for them in regard to the wages, dearness allowance for women, the bonus policy followed by the Management, the leave facilities, the employment of labourers through contractors and the non-recognition of their Union, the workers' claims have been decided to be good only to limited extents and only in some matters. But, even these had not been conceded by the Management. The main items which concern workmen are their wages, dearness allowance and bonus. Though dearness allowance at 2 annas a point had been conceded by the Management during the course of the negotiations in March 1946, it was only much later and in July 1946 that the Management conceded that they would give dearness allowance to women workers at the same rates as for men workers. The Management declined to give any increase in the wages and persisted in saying that it is only if the workers resume work that any demand will be considered sympathetically by the Management. With regard to bonus the Management was adamant. The Management appear to have played a game of wait and see. They were perhaps afraid that if they concede anything out of the demands of the workers, there will be a clamour for something higher and that it may eventually be decided, if the matter of the dispute goes before an Adjudicator

or a Court of Enquiry, that something even beyond their concession is adequate and proper. This attitude of the Management is not really conducive to the bringing about of harmonious relationship between the Management and the labour. The Management should have given out what exactly they were prepared to concede. In future at least, the Management should from the lesson that they have now learnt, feel that it is not their concession that will influence a final decision on the dispute if it comes to be decided but only the merits of the matter and that they must at all times be prepared to do and offer out boldly what exactly they could do for the workers. The workers too must have learnt a lesson from the present strike. It is never good to put one's claim too high in the expectation that it may eventually be decided that a medium is the proper or adequate relief that should be granted.

71. The Management and the labour cannot go on fighting for all time. There must be a stage at which there should be contentment on either side, the labour being satisfied that it is getting what is reasonable and the Management being satisfied that the residue after what they give to the workers is reasonable for the shareholders. In trying to find out what would be adequate and proper in the matter of awarding relief to the workers on their claims, I have kept in mind the interests of both the Management and the labour. The labour should be willing to allow the factory to be run on economic lines. The Management has, no doubt, given out a threat that the unreasonable clamour of the labourers for increase in wages and dearness allowance and bonus will drive the Management to completely mechanize all the processes in the factory with the result of depriving a large number of workers of their occupations. It is not for me to say whether complete mechanization is possible or essential or desirable but, even until such time as it becomes necessary or possible to mechanize industries completely, the relationship between the Management and the workers should be cordial.

72. Though therefore it is not possible in this case to apportion exactly the blame for the starting of the strike or its continuance for 46 full days and one night shift, neither party can be completely acquitted of all blame. With a view to secure future harmony, I think that the Management should pay the workers a half of their wages for the usual working days during the strike period at the rate of 9 annas for men workers and 7 annas for women workers who were on 7 annas and 4 annas on 29th March 1940 and with the enhancement of 2 annas and 1 anna for those who were on higher wages as indicated in my decision on point (1) and also a half of the dearness allowance at 2 annas a point for the rise above 100 points in the cost of living and that for paying the bonus to the workers for the year 1945–46 a half of their wages as awarded for the strike period should also be taken into account

73. The aim in all settlements or decisions regarding trade disputes is to make the parties reconciled and prevent the exploiting of old grievances and hatreds to find occasion for future vindictiveness. It is to be hoped that after the recognition of the Union any difference that may arise between the workers and the Management will be adjusted amicably and speedily and that the Union will not force the Management to mechanize the whole process of the production of cement and deprive a large number of workers of their work or urge the Management to close down the factory by bringing about the situation of its being unremunerative to run the factory. It is also to be hoped that the Management will not insist upon their having a high return of dividend for the shareholders but would always concede the highest that is possible for them for the welfare of the workers.

74. To summarize, my decisions on the various matters referred to me for adjudication are—

(1) The minimum wages for all men workers, skilled or unskilled, should be 9 annas a day ; all the men workers who on 29th March 1946 were getting from seven annas to nine annas, inclusive a day, should get an increase of two annas a day in their wages ; those men workers who were getting from 10 annas up to 15 annas, inclusive a day, should be given an increase of one anna per day ; all women workers should be given a minimum of six annas a day ; and no other worker should now be given any more increase in wages.

(1) (*a*) The history card of each worker should be written up from time to time whenever there is a change of designation of the worker and the card should be got signed afresh by the worker ; the categories of workers should be fixed ; the classes in each category should be fixed ; the grades of wages in different classes should be fixed ; the strength of each class of a category should also be fixed ; the strength of Kalasis needed for each department should be fixed ; and if a person is found fit to do Kalasi work after his being tested for a reasonable time, he should be given at least 25 per cent more than the minimum wage.

(1) (*b*) The promotions should be only on increased efficiency judged by the Management and the promotions should not be granted on an automatic time-scale basis.

(2) and (2) (*a*) The dearness allowance is payable only at the rate of two annas for rise of every point above 100 points in the cost of living ; the male workers are not entitled at that rate with any retrospective effect ; the women workers are entitled at the same rate as men workers from 31st March 1946, the date after the expiry of the 14 days mentioned in the strike notice till June inclusive after which equal rates have been given to women workers ; and the women workers are not entitled to rates equal to those of men workers for any earlier period.

(3) (3) (*a*), (3) (*b*) and (3) (*c*) A worker should be given yearly bonus proportionate to the wages earned by him in the bonus year irrespective of the number of days for which he has worked ; for the year 1944–45 also the bonus should be paid to all workers : for that year the bonus to be paid is to be only the equivalent of two-twelfths of the earned wages and not more.

(4) The workers are not entitled to be given casual leave ; but over and above the four extra holidays which the Management has been granting to the workers the workers should have seven more days of leave with pay in cases of sickness to be certified by the doctor of the factory.

(5) The Management should take early steps to abolish the system of having any workers under contractors and the abolition should be brought about in a reasonable time.

(6) The workers are not entitled to claim as a matter of right to be given rent-free quarters or any house-rent allowance.

(7) The Union should amend its rules so as to be in conformity with the conditions proposed by the Management with the modifications decided by me in paragraphs 60 to 63 and after such amendment the Union ought to be recognized by the management.

(8) For the strike period, the management should pay the workers half of their wages for the usual working days during the strike period at the rate of nine annas for men workers and seven annas for women workers who were on seven annas and four annas on 29th March 1946 and with the enhancement of two annas and one anna for those who were on higher wages as indicated in the decision on point (1); the workers ought to be given a half of the dearness allowance at two annas a point for the rise above 100 points in the cost of living ; for paying bonus to the workers for the year 1945–46 a half of their wages as awarded to them for the strike period should be taken into account.

LIST OF EXHIBITS FOR THE WORKERS' UNION.

P-1, 1st June 1946 ..	..	Discharge certificate granted to Swaminathan (fifth witness for the Worker's Union) by the Indian Hume Pipe Company, Limited, Jog Falls, giving particulars of wages paid to him among other details.
P-2 series ..	..	Copies of correspondence—Letters written by the Union to the Management, the Labour Commissioner and the Conciliation Officer, Coimbatore, from 15th April 1944 to 4th March 1946.
P-3 series ..	..	Strike notice, dated 16th March 1946, and further correspondence.
P-4 ..	..	Statement of basic wages for various categories classified into skilled, semi-skilled and unskilled labour.
P-5	..	List of officers whose cause the Union does not espouse.

P-5 (*a*)	Nominal list of hard-labourers showing the designation, starting wages, wages in March 1946 and service.
P-6	Statement showing number of coolies borrowed from contractors during January, February and March 1946.
P-6 (*a*) ..	List showing number of contractors' workers employed in different departments in May and June 1946.
P-7	Copy of Rules and Regulations of the Coimbatore Cement Worker's Union, Madukkarai.
P-8	Statement showing the number of daily-rated workers getting the same wages as on 1st February 1946 and showing particulars of gross profits of the company for the years 1941–42, 1942–43, 1943–44 and 1944–45.

List of Exhibits for the Management.

D-1 22nd March 1946 ..	Report by the Madukkarai Cement Workers Management to the Commissioner of Labour on the strike notice by the Worker's Union.
D-1 (*a*), 6th April 1946 ..	Letter by the Commissioner of Labour to the Management.
D-1 (*b*), 10th April 1946 ..	Letter of Bombay office of the Associated Cement Companies to the Commissioner of Labour.
D-1(*c*), 15th April 1946 ..	Copy of telegram by Commissioner of Labour to Bombay office of the Associated Cement Companies, Limited.
D-1 (*d*) 18th April 1946 ..	Reply letter to the telegram, dated 15th April 1946.
D-2	Statement showing men, women and boy workers, skilled and unskilled, in the various departments with the scale of wages paid and the number of workers under each category.
D-2 (*a*)	Schedule showing the rates of wages payable to different classes of workers under Payment of Wages Act, 1936.
D-2 (*b*)	Statement showing the total number of workers in each department with their present wages as on 1st June 1946.
D-2 (*c*)	Statement showing the total number of skilled in workshop, C. Engineering and Electric departments.
D-2 (*d*)	Simplified statement of Exhibit D-2.
D-2 (*e*)	Broad outline of nature of work done by the respective departments shown in Exhibit D-2.
D-3	Standing orders for the workers of the Associated Cement Companies, Limited, in force from 1st March 1946.
D-4 ..	Statement showing the monthly-paid staff in each department as on 30th June 1946 showing also the pay and dearness allowance.
D-5	Statement showing particulrs of clerks on daily-rate wages as on 1st June 1946.
D-6	Statement showing particulars of increments given to daily-paid staff from 1943 to 1946 as on 1st June 1946.
D-6 (*a*)	Statement showing particulars of increments for skilled and unskilled workers as on 1st June 1946.
D-6 (*b*)	Statement showing wages with increment particulars from 1st January 1943 to the date of confirmation as monthly paid staff.
D-6 (*c*)	Sample history card of Krishnan—T. No. 268.
D-6 (*d*) ..	Sample history card of A. C. Thomas—T. No. 290.
D-6 (*e*)	Sample history card of Ramaswami Tevan—T. No. 291.
D-6 (*f*)	Sample history card of F. Thomas—T. No. 292.
D-6 (*g*)	Sample history card of Joseph Arumainathan—T. No. 325.
D-7	Statement showing particulars of wages for female workers obtaining in the textile mills in Coimbatore district.
D-8	Conditions for recognition of Coimbatore Cement Workers' Union prescribed by the Management.
D-9	List of holidays with pay for the Madukkarai Cement Works' Workers.
D-10	Statement showing particulars of dearness allowance from June 1941 to April 1946.
D-10 (*a*)	Printed copy of resolutions (Tamil) passed at the meeting of the Southern India Mill Owners' Association held on 27th February 1946 regarding dearness allowance.

D-10 (*b*), 11th March 1946. Circular letter of the Employers' Federation of Southern India giving mofussil cost-of-living index figures for February 1946.

D-11, 20th August 1938 .. Mill Owners' Associations' recommendations on wages.

D-12 .. .. Proportionate net profits and disbursements therefrom of the Coimbatore (Madukkarai) Factory.

Witness examined.

For the Workers' Union—

1 Palaniappan (Lathe-boy).
2 Prabhakaran (Do.).
3 Nanjakutti (Welder).
4 Ramaswami (Moulder).
5 Swaminathan (Ex-employee).
6 Arokiasami (Turner).
7 Subramaniam (Head Welder).

For the Management—None.

Order—No. 3564, *Development, dated* 18*th September* 1946.

In G.O. No. 1350, P.W., dated 9th May 1946, the Government directed that the trade dispute between the workers and management of the Coimbatore Cement Works be referred to Sri P. V. Parameswara Ayyar, Additional District and Sessions Judge, Coimbatore, for adjudication under clause (*c*) of sub-rule (1) of rule 81-A of the Defence of India Rules. Again in G.O. No. 3149, Development, dated 16th August 1946, the Government specified the issues on which adjudication was necessary. The Adjudicator has completed the enquiry and submitted his report.

2. On issue No. (6) whether all the workers should be provided with rent-free houses, the adjudicator has observed that a claim for rent-free quarters or house rent allowance in the alternative is really a claim for higher wages, which has been considered separately, and that the workers are not entitled to claim, as a matter of right, rent-free quarters or any house rent allowance.

3. On the remaining issues the Adjudicator has made the following recommendations :—

(1) Whether the wages of workers should be increased.

Recommendation of the adjudicator.—The minimum wages for all men workers, skilled or unskilled, should be nine annas a day ; all men workers, who were getting daily wages at rates ranging between seven annas and nine annas inclusive on 29th March 1946, should get an increase of two annas a day in their wages ; similarly these men workers who were getting daily wages at rates ranging between ten annas and fifteen annas inclusive on 29th March 1946 should be given an increase of one anna per day ; all women workers should be paid a minimum wage of six annas a day.

Issue (1) (*a*).—Whether designations, grades and categories and strength and methods of promotion should be fixed.

Recommendation of the adjudicator.—The history card of each worker should be written up from time to time, whenever there is a change of designation of the worker and the card should be got signed afresh by the worker ; the categories of workers should be fixed ; the classes in each category should be fixed ; the grades of wages in different classes should be fixed ; the strength of each class of a category should also be fixed ; the strength of kalasis needed for each department should be fixed and if a person is found fit to do kalasi work after his being tested for a reasonable time, he should be given at least 25 per cent more than the minimum wage.

If a lathe boy becomes experienced enough to work a lathe and is made to work a lathe independently, he should be classified as an assistant turner or a turner and should be given wages as for an assistant turner or a turner as the case may be.

Whenever a person who is not in any particular class is made to do work appertaining to that class, he should be given the wages offered to that class.

Issue (1) (*b*).—Whether there should be any increments on a time-scale or other basis.

Recommendation of the adjudicator.—Promotions should be only on the basis of efficiency as judged by the management and not on an automatic time scale basis.

Issue (2).—Whether the workers should be given any increased dearness allowance as claimed in the strike notice and whether such increase should be given with any retrospective effect.

Issue (2) (*a*).—Whether women workers should be given dearness allowance equal to that of the male workers.

Recommendations of the adjudicator.—Dearness allowance is payable only at the rate of two annas for rise of every point above 100 points in the cost of living; male workers are not entitled to that rate with any retrospective effect; women workers are entitled to the same rate as men workers from 31st March 1946, the date after the expiry of fourteen days mentioned in the strike notice, till June inclusive, after which equal rates have been given to women workers; and the women workers are not entitled to rates equal to those of men workers for any earlier period.

Issue (3).—Whether a worker should be given yearly bonus proportionate to the number of days he has worked in the year without there being a special minimum for the days he should have worked?

Issue (3-*a*).—Whether any bonus for the year 1944-45 should be allowed to those who have not been given any bonus for that year?

Issue (3-*b*).—Whether the workers should be given bonus at the rate claimed in the strike notice?

Issue (3-*c*).—Whether any bonus for the year 1944-45 should be allowed at that increased rate?

Recommendation of the adjudicator.—Workers should be paid bonus annually proportionate to the wages earned by them in the bonus year irrespective of the number of days for which they have worked; bonus should be paid to all workers for the year 1944-45; and the bonus to be paid for the year 1944-45 should be equivalent to two-twelfths of the earned wages.

Issue (4).—Whether leave facilities should be given in addition to the statutory holidays and if so to what extent and on what conditions?

Recommendation of the adjudicator.—The workers are not entitled to any casual leave; but over and above the four extra holidays which the management is now granting to the workers, each worker should be granted leave for seven more days with pay in case of sickness to be certified by the doctor of the factory.

Issue (5).—Whether the system of getting any work for the factory done by contractor's workers should be abolished?

Recommendation of the adjudicator.—The management should take early steps to abolish the system of having any workers under contractors and the abolition should be brought about in a reasonable length of time.

Issue (7).—Whether the workers' union should be recognized by the factory and if so on what conditions?

Recommendation of the adjudicator.—The union should amend its rules so as to be in conformity with the conditions proposed by the management with the modifications mentioned in paragraphs 60 to 63 of the Adjudicator's report and after such amendment the union ought to be recognized by the management.

Issue (8).—Whether the workers are entitled to their wages and dearness allowance for the period of the strike?

Recommendation of the adjudicator.—The adjudicator says that, though it is not possible in this case to apportion exactly the blame for the strike or its continuance for forty-six full days and one night shift, neither party can be completely acquitted of all blame. He recommends that the management should pay the workers half of their wages for the usual working days during the strike period at the rate of nine annas for men workers and seven annas for women workers who

were on seven annas and four annas on 29th March 1946 and with the enhancement of two annas and one anna for those who were on higher wages as indicated in the recommendation on issue No. (1); the workers should be paid a half of their dearness allowance at two annas a point for the rise above 100 points in the cost of living; and for purposes of calculating bonus to the workers for the year 1945-46, only half of their wages as awarded to them for the strike period should be taken into account.

4. The Government agree with the recommendations of the adjudicator and make the following order :—

ORDER.

Whereas in the opinion of His Excellency the Governor of Madras, it is necessary for the maintenance of supplies and services essential to the life of the community that the decision of the adjudicator appointed in Public Works Department notification No. 96, dated the 9th May 1946, published at page 329 of Part I of the *Fort St. George Gazette*, dated the 14th May 1946 in regard to the trade dispute between the workers and management of the Coimbatore Cement Works should be enforced;

Now therefore in exercise of the powers conferred by clauses (*d*) and (*e*) of sub-rule (1) of rule 81-A of the Defence of India Rules, read with the notifications of the Government of India, Department of Labour, No. 3005, dated the 20th May 1942 and No. LR. 16, dated the 11th December 1943, His Excellency the Governor of Madras hereby directs—

(i) that the decisions specified in the annexure to his order shall be in force and shall be binding on the workers and the management of the Coimbatore Cement Works for a period of six months from the date of this order, and

(ii) that neither the management nor the workers nor any person shall contravene or abet the contravention of any term of the said decisions.

5. With reference to sub-rule (1) of rule 119 of the Defence of India Rules, His Excellency the Governor of Madras hereby directs that this order be sent by post to the workers and management of the Coimbatore Cement Works.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government

ANNEXURE.

(1) Whether the wages of workers should be increased.

Recommendation of the Adjudicator.—The minimum wages for all men workers, skilled or unskilled, should be nine annas a day; all men workers, who were getting daily wages at rates ranging between seven annas and nine annas and nine annas inclusive on 29th March 1946, should get an increase of two annas a day in their wages; similarly those men workers who were getting daily wages at rates ranging between ten annas and fifteen annas inclusive on 29th March 1946 should be given an increase of one anna per day; all women workers should be paid a minimum wage of six annas a day.

Issue (1) (*a*).—Whether designations, grades and categories and strength and methods of promotion should be fixed.

Recommendation of the Adjudicator.—The history card of each worker should be written up from time to time, whenever there is a change of designation of the worker and the card should be got signed afresh by the worker; the categories of workers should be fixed; the classes in each category should be fixed; the grades of wages in different classes should be fixed; the strength of each class of a category should also be fixed; the strength of kalasis needed for each department should be fixed and if a person is found fit to do kalasi work after his being tested for a reasonable time, he should be given at least 25 per cent more than the minimum wage.

If a lathe boy becomes experienced enough to work a lathe and is made to work a lathe independently, he should be classified as an assistant turner or a turner and should be given wages as for an assistant turner or a turner as the case may be.

Whenever a person who is not in any particular class is made to do work appertaining to that class, he should be given the wages offered to that class.

Issue (1) (*b*).—Whether there should be any increments on a time-scale or other basis.

Recommendation of the Adjudicator.—Promotions should be only on the basis of efficiency as judged by the management and not on an automatic time-scale basis.

Issue (2).—Whether the workers should be given any increased dearness allowance as claimed in the strike notice and whether such increase should be given with any retrospective effect.

Issue (2) (*a*).—Whether women workers should be given dearness allowance equal to that of the male workers.

Recommendation of the Adjudicator.—Dearness allowance is payable only at the rate of two annas for rise of every point above 100 points in the cost of living; male workers are not entitled to that rate with any retrospective effect; women workers are entitled to the same rate as men workers from 31st March 1946, the date after the expiry of fourteen days mentioned in the strike notice, till June inclusive, after which equal rates have been given to women workers; and the women workers are not entitled to rates equal to those of men workers for any earlier period.

Issue (3).—Whether a worker should be given yearly bonus proportionate to the number of days he has worked in the year without there being a special minimum for the days he should have worked.

Issue (3) (*a*).—Whether any bonus for the year 1944-45 should be allowed to those who have not been given any bonus for that year.

Issue (3) (*b*).—Whether the workers should be given bonus at the rate claimed in the strike notice.

Issue (3) (*c*).—Whether any bonus for the year 1944-45 should be allowed at that increased rate.

Recommendation of the Adjudicator.—Workers should be paid bonus annually proportionate to the wages earned by them in the bonus year irrespective of the number of days for which they have worked; bonus should be paid to all workers for the year 1944-45; and the bonus to be paid for the year 1944-45 should be equivalent to two-twelfths of the earned wages.

Issue (4).—Whether leave facilities should be given in addition to the statutory holidays and if so to what extent and on what conditions.

Recommendation of the Adjudicator.—The workers are not entitled to any casual leave; but over and above the four extra holidays which the management is now granting to the workers, each worker should be granted leave for seven more days with pay in case of sickness to be certified by the doctor of the factory.

Issue (5).—Whether the system of getting any work for the factory done by contractor's workers should be abolished.

Recommendation of the Adjudicator.—The management should take early steps to abolish the system of having any workers under contractors and the abolition should be brought about in a reasonable length of time.

Issue (7).—Whether the workers' union should be recognized by the factory and if so on what conditions?

Recommendation of the Adjudicator.—The union should amend its rules so as to be in conformity with the conditions proposed by the management with the modifications mentioned in paragraphs 60 to 63 the Adjudicator's report and after such amendment the union ought to be recognized by the management.

Issue (8).—Whether the workers are entitled to their wages and dearness allowance for the period of the strike.

Recommendation of the Adjudicator.—The adjudicator says that, though it is not possible in this case to apportion exactly the blame for the strike or its continuance for forty-six full days and one night shift, neither party can be completely acquitted of all blame. He recommends that the management should pay the workers half of their wages for the usual working days during the strike period at the rate of nine annas for men workers and seven annas for women workers who were on seven annas and four annas on 29th March 1946 and with the enhancement of two annas and one anna for those who were on higher wages as indicated in the recommendation on issue (1); the workers should be paid a half of their dearness allowance at two annas a point for the rise above 100 points in the cost of living; and for purposes of calculating bonus to the workers for the year 1945-46, only half of their wages as awarded to them for the strike period should be taken into account.

(12)

BEFORE THE BOARD OF CONCILIATION :

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(Retired District and Sessions Judge.)

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF THE BUCKINGHAM AND CARNATIC MILLS

and

THE MANAGEMENT OF THE BUCKINGHAM AND CARNATIC MILLS COMPANY, LIMITED.

Mr. S. C. C. ANTONY PILLAI, President " Madras Labour Union "—*On behalf of the Workers.*

Mr. H. M. SMALL (Solicitor) with Mr. H. S. TOWN and Mr. BARLOW—*On behalf of the Management.*

Subject.—Employment of Punjabi watchmen on Watch and Ward duty inside the Mills—Labour Union's demands unwarranted.

Recommended employment of four Punjabi watchmen inside Mills—Not agreed to by workers—Conciliation failed.

G.O. Ms. No. 3009, Development, dated 5th August 1946.

READ—the following paper :—

Letter from the Board of Conciliation, Madras, to the Secretary to Government, Development Department, dated 14th July 1946.

[Buckingham and Carnatic Mills conciliation. *Reference.*—G.O. Ms. No. 2490, dated 26th June 1946.]

I received the Government Order on 27th June 1946. 29th and 30th, Saturday and Sunday and 1st July was a holiday. I could not get into touch with the parties earlier than 2nd July. Since then I have had several talks with Mr. H. M. Small who appeared for the management and Messrs. H. S. Town and Barlow and Mr. Anthony Pillai, President of the Madras Labour Union.

Facts.—On the night of Saturday, 8th June 1946, there was a scuffle between some of the workers and some of the Punjabi watchmen employed in the Mills. On 10th June 1946, Monday, the men did not go to work. Some of them say they were afraid to go in as they saw the Punjabi watchmen had weapons in their hands on the morning of 10th June 1946. Whether this is true or not, is not material now. The Union now wants the complete removal of the watchmen, before the strike can be called off, while the management is prepared to see that the Punjabi watchmen do not carry any sticks or arms with them.

The only question is why do not the workmen go back to work. I do not find any justification for their keeping out any longer. Their President ignores the root cause of the present trouble and makes several demands not all relevant to the present dispute.

After a good deal of persuasion, it was possible to make the management agree not to have more than four Punjabi watchmen inside the Mills for some time to come—say one month. In the initial stages of these proceedings the President was willing to accede to 2 or 3 Punjabi watchmen being inside but I noticed he was shifting his ground from day to day till at last he gave a memorandum stating his demands which are quite unwarranted. Briefly, he wants that all the Punjabi watchmen should be removed from inside the Mills for at least three months and thereafter an arbitrator should be appointed to decide if amicable relations are restored and if they are, then the management may have not more than 12 Punjabi watchmen inside the Mills.

There are other demands and also even now, that the management should agree to certain rules relating to discharge of men.

I could see from the face of some of the members of the Union that they were unhappy over the situation that has arisen and how helpless they are when their President takes up the present attitude. But the President does not consider reasonable the suggestion put forward by me that the men should go back to work on the management agreeing not to have more than four Punjabi watchmen inside the Mills.

So the conciliation has failed.

My recommendation is that a few days' time may be given to the parties if they agree to the suggestion and if they do not, the party which does not agree should be left alone to shape its future course of action.

Order—No. 3009, *Development, dated 5th August* 1946.

In G.O. Ms. No. 2490, Development, dated 26th June 1946, the Government constituted a Board of Conciliation under section 3 (*b*) read with section 6 (1) of the Trade Disputes Act, 1929, to enquire into and settle the dispute between the workers and management of the Buckingham and Carnatic Mills Company, Limited, Madras. The Board has submitted its report under section 7 (3) of the Act. The Government direct that the report be published in the *Fort St. George Gazette* as required by section 12 (1) of the Act.

(By order of His Excellency the Governor)

K. G. MENON,
Joint Secretary to Government.

(13)

BEFORE THE BOARD OF CONCILIATION:

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(*Retired District and Sessions Judge.*)

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS IN THE HOTEL IN MADRAS

and

THE PROPRIETORS OF HOTEL IN MADRAS.

Subject.—Reinstatement of workers who abstained from work—1st May 1946 in Ambi's Cafe and Central Lodge.

Absence on 1st May 1946 held unwarranted—Recommended employment in other hotels.

G.O. Ms. No. 2702, Development, dated 11th July 1946.

READ—the following paper :—

[Report, dated 28th June 1946 of the Board of Conciliation appointed in G.O. No. 2101, dated 29th May 1946.]

The Board of Conciliation was appointed to settle the trade dispute between the hotel workers and the proprietors of the hotels in Madras, by the abovesaid Government Order with me, as its sole member. The parties were asked to appear on 1st June 1946 and I had several discussions with them, during the month.

I submit my report as required by section 7 of the Trade Disputes Act.

Facts.—A general body meeting of the Hotel Workers' Union was held on 1st May 1946. To attend it the workers demanded holiday for half a day, but the proprietors refused to give the holiday ; owing to the intervention of the Commissioner of Labour, it was thougbt enough if 10 per cent of the workers were to be given leave to attend the meeting. Contrary to the advice given by the Commissioner of Labour, however, all the workers absented themselves from duty on the afternoon of 1st May 1946 and when all of them turned up again on 2nd May 1946 all hotels except Ambi's Cafe, Central Lodge and a few others took back the workers. Owing to the obstinate attitude in keeping out the workmen in the abovementioned few hotels, there was great agitation with the result that after due notice of strike, a general strike of all the hotel workers took place on 23rd May 1946. More than 2,500 men were involved in it. There was general outcry from the public owing to the closure of the hotels and seeing the tense atmosphere prevailing, the Government ordered the appointment of a Conciliation Board within six days.

There is no point of dispute, strictly speaking, which requires a decision or adjudication now. As a result of the several interviews between me and the parties, the present position is that all the workmen who went on strike on the 23rd have been taken back whether it be in the same hotels in which they were serving before or in some other hotels. But this statement, however, is subject to this proviso that some of workmen struck work either on 1st May 1946 or 23rd May 1946 had taken their salaries and left the place or sought service elsewhere.

I find that only two hotels namely, Ambi's Cafe and Central Lodge, were stubborn in their attitude, and the number of men involved in them is 74 and 25, respectively. Of these also, some of the workmen have taken their salaries and left the place. I have not been successful in persuading these two hotel proprietors to take back the men even after they tendered an apology. Mr. Ambi Aiyar, however, as Secretary of the Hotels' Association, promised to see that those men also got employment in some other hotels. The net result at the moment is that all but absent 60 men have gone back. In this case it cannot be said that the workers are without blame. Their action in absenting themselves on the afternoon of 1st May 1946 as a body and practically in defiance of the advice of the Commissioner of Labour is clearly unwarranted. Consequently, except by persuasion and their own effort they cannot expect any further help to secure employment. I find that there is nothing more to be done in this case. I have, however, told Mr. Ambi Aiyar, Secretary of the Hotels' Assocation, that if any of the remaining men turn up, he should fix them up in one of the hotels, and he said, he would try his best to do it.

List of men still out of employment is appended and it may be sent to the Hotels' Association for carrying out my suggestion that the men may be given employment in one or other of the several hotels.

Order No. 2702, *Development, dated* 11*th July* 1946.

In G.O. No. 2101, Development, dated 29th May 1946, the Government appointed Sri Rao Bahadur M. Venkataramayya, retired District and Sessions Judge, as a Board of Conciliation under the Trade Disputes Act, 1929, to enquire into and settle the dispute between the workers of the hotels in Madras and the proprietors of the hotels. They have now received the Board's report under section 7 (3) of the Act and direct that it be published in the *Fort St. George Gazette* as required by section 12 (1). The Government agree with the recommendations of the Board, commend them to the parties and trust that both the parties to the dispute will accept these recommendations.

(By order of His Excellency the Governor)

K. G. MENON,
Joint Secretary to Government.

(14)

BEFORE THE BOARD OF CONCILIATION:

KHAN BAHADUR P. SHARFUDDIN SAHIB BAHADUR, M.A., B.L.

(District and Sessions Judge, North Malabar.)

IN THE MATTER OF A TRADE DISPUTE.

Between

THE WORKERS OF THE AARON SPINNING AND WEAVING MILLS

and

THE MANAGEMENT OF THE AARON SPINNING AND WEAVING MILLS, PAPPINISSERI, MALABAR DISTRICT.

Sri V. R. KRISHNA AYYAR, Advocate, with Sri P. K. KRISHNA PILLAI and Sri C. KANNAN, President, Mill Workers' Union—*For Workers.*

Sri G. DAMODARA RAO, Advocate, Tellicherry, with Sri C. SAMUEL AARON, Managing-Director—*For the Management.*

Subject.—Reinstatement of workers who struck work between 26th February 1946 and 5th June 1946—Pay and allowances for workmen during the period they were out of service—Bonus.

Held strike neither justified nor valid in law—Reinstatement and bonus agreed to. Pay and allowances during strike refused—Conciliation effected.

G.O. Ms. No. 2464, Development, dated 24th June 1946.

[Labour—Dispute—Trade dispute between the workers and management of the Aaron Spinning and Weaving Mills, Pappinisseri, Malabar district—Board of Conciliation—Report—Published.]

READ—the following paper :—

Report from Khan Bahadur P. SHARFUDDIN SAHIB Bahadur, M.A., B.L., District and Sessions Judge of North Malabar, to the Secretary to Government of Madras, Development Department, dated Tellicherry, the 14th June 1946.

[Labour—Trade dispute between the workers and management of Aaron Spinning and Weaving Mills, Pappinisseri, Malabar district—Settlement by the Board of Conciliation—Report submitted. *Reference.*—G.O. Ms. No. 2044, Development, dated 25th May 1946, Memorandum No. 35104-P/46-1, Development, dated 5th June 1946.]

I have the honour to submit under section 7 of the Trade Disputes Act, the Report of the Settlement arrived at in the above matter and the Memorandum drawn up by me and signed by the parties.

ENCLOSURE.

(1) Report; (2) Memorandum of settlement; (3) Statement of the General Secretary of the Workers Union; (4) Statement of the Management; (7) Petition for local enquiry; (6) Ten lists filed by the Management; and (7) Interim Proceedings of the Board, dated 12th June 1946 (typed copy also enclosed); (8) Managing Director's Vakalat; (9) Memo filed; (10) Vakalat to Mr. V. R. Krishna Ayyar.

REPORT.

Under the powers conferred by section 3 (*b*) read with section 6 (1) of the Trade Disputes Act, 1929 (Central Act VII of 1929), His Excellency the Governor of Madras having appointed a board of conciliation consisting of one independent person Khan Bahadur P. Sharfuddin Sahib Bahadur, District and Sessions Judge of North Malabar, and referred the trade dispute now existing between the workers and the management of Aaron Spinning and Weaving Mills, Pappinisseri, Malabar district, to the Board for promoting a settlement thereof, the matter was posted for enquiry at the District Court Hall, Tellicherry, by the Board on Monday, the 10th June 1946, after service of

due notice as per law on the parties, Sri Samuel Aaron, Managing Director, Aaron Spinning and Weaving Mills, and the General Secretary, the Aaron Mills Workers' Union.

Sri C. Samuel Aaron submitted a letter, dated 28th May 1946 regarding G.O. Ms. No. 2044, dated the 25th May 1946, issued by the Government appointing the Board of Conciliation and wanted the Government to specify the dispute referred to the Board and as per Memorandum No. 35104-P/46-1, dated the 5th June 1946, the Government of Madras, Development Department, has declared that the duty of the Board of Conciliation was to enquire into and settle only the dispute arising out of the strike by the workers on the 26th February 1946 and the subsequent unemployment of a large number of workers as a result of the events which took place after the strike.

This dispute was taken up for enquiry at 11 a.m. on Monday, the 10th June 1946 and Sri C. Samuel Aaron appeared along with a legal practitioner Sri G. Damodara Rao, Advocate, Tellicherry, and wanted the latter to represent him in this reference and that was permitted. The General Secretary, Aaron Mills Workers' Union, to whom the Government of Madras had issued a copy of the G.O. Ms. No. 2044, and to whom, notice of the Board of Conciliation was served filed a memorandum designating the following gentlemen : (1) Sri V. R. Krishna Ayyar, Advocate, (2) Sjt. P. Krishna Pillai and (3) Sjt. C. Kannan, President of the Aaron Mills Workers' Union, to represent him and that was also allowed.

On this, the learned Advocate for Sri C. Samuel Aaron filed a memorandum that the Association or Union of workers on its corporate capacity was not a party to this dispute and that no settlement need be promoted between the management of the Mills and a Union or Association of workers with " Corporative " existence and representative staff. It was also stated (that the trade dispute alleged in the Government Order was said to relate to a dispute between the workers and the management of the Aaron Spinning and Weaving Mills, Ltd., Pappinisseri, with reference to the strike by the workers on the 26th February 1946 and subsequent unemployment of a large number of workers, one set of the disputants being the workers individually and not as association of workers operating on behalf of the workers individually.

Sjt. P. Krishna Pillai, one of the representatives nominated by the General Secretary of the Aaron Mills Workers' Union, Pappinisseri, submitted that for a proper appreciation of the issues involved in the dispute and ' for a thorough understanding of the suffering and agony of the workers involved in the strike,' the Board should conduct its sittings at Pappinisseri itself and in view of the technical objection raised by the learned advocate for the Managing Director and the request of the General Secretary's representative, the second hearing of the Board was adjourned to 11 a.m. on Wednesday, the 12th June 1946 at Pappinisseri and the General Secretary's representatives were informed that they should have all the workers of the Aaron Mills who were out of employment from 26th February 1946 assembled at the spot.

After a preliminary discussion between all the parties, the Board accompanied by a representative of the Managing Director proceeded to the place where the workers had assembled and it was elicited from these workers that the three representatives nominated by the General Secretary of the Union and already on record really represented them and so orders were passed that the technical objection raised on behalf of the Managing Director was not entitled to any consideration.

On the first hearing date, the General Secretary of the Workers' Union filed a long statement, copy of which was given to the other party, giving a history of the events leading to the strike, the circumstances relating to the same, the illegality of the order passed by the Managing Director dismissing the people who did not work on the 26th February, the refusal of the Managing Director to recognize the Workers' Union as representing the workers and their desire to settle the dispute and end unemployment at all costs (irrelevant portions in this statement were struck out by order of the Board). Both parties then stated their case and the Board then adjourned the hearing to the afternoon and in the interval had a private discussion

first with the workers' representatives and then with the Managing-Director and his advocate and in the afternoon, the further enquiry of the dispute was adjourned to the 12th instant to be held at Pappinisseri.

The Board of Conciliation went over to Cannanore six miles away from Pappinisseri on the 11th instant and investigated further into this matter by holding discussions with the local Police Deputy Superintendent and the Revenue Divisional Officer, Tellicherry, who gave valuable information regarding this dispute. The next morning, Janab A. K. Kaderkutty Sahib Bahadur, M.L.A., a Director of the Aaron Spinning and Weaving Mills, was interviewed by the Board with regard to the facts and circumstances relating to this dispute and then the Board proceeded to the spot for further enquiry.

The Managing Director filed a statement along with the following lists: (i) list showing the names and numbers of people who struck work on the 26th February 1946, (ii) list of workers who struck work on the 27th February 1946 and succeeding days till 25th May 1946, (iii) list of people who are not now unemployed out of the list according to their information, (iv) list of workers who are now unemployed, according to available information, (v) list of employees out of lists Nos. (i) and (ii) who have now been serving the Company after accepting employment as per the standing orders of the Company, (v) (*a*) list of people mentioned in lists (i) and (ii) who are now unemployed and whom the company is not prepared to re-employ even as new workers, since they are workers who formed a group to murder Sri Samuel Aaron inside the Mill, when they got an opportunity, (v) (*b*) list of workers who have been abusing the Managing Director in most vulgar language from the beginning of the strike and whose names may be considered for employment, (v) (*c*) list of workers in construction department who cannot be taken back in service since they were only temporary hands and since their services were not required any further and (vi) list showing the number of people the Company will be able to entertain and the conditions under which they will be re-engaged.

The workers' representatives wanted to verify these lists and also make their own submissions on this matter and to enable them to do so, the enquiry was adjourned to 10 a.m. on the 14th June 1946 at the Judge's bungalow, Tellicherry.

On the 13th June 1946, Messrs. V. R. Krishna Ayyar on behalf of the workers and Janab A. K. Kaderkutty Sahib Bahadur on behalf of the Company were interviewed separately and advised to arrive at a settlement, agreeable to both parties and the next day, the Board suggested to the parties, the terms of agreement which would be beneficial to both the parties and solve the dispute and which is as follows:

MEMORANDUM OF THE SETTLEMENT.

1. The Company will re-employ the workmen who went out of employment after 26th February 1946 up to 5th June 1946 within one month from this date, subject to the following provisions and till then employ them in shifts or give them part-time employment weekly and 50 per cent of the workers to be provided for in ten days. As a special case, all women in list V (*c*) will be employed by the Managing Director.

2. The representatives of the workers having declared that none of the workers as per list No. 5 (*a*) have ever uttered a threat or abused the Managing Director, they too will be re-employed for handloom work (or other work to which they have been accustomed to before) available in Pappinisseri area outside the Mills, except, half-a-dozen who will be re-employed in the Mills by the Managing Director.

3. The workers should undertake to strictly follow the rules and obey the by-laws as framed by the Company and enter into agreements of service afresh and such agreements to be entered into on or before 20th June 1946.

4. Though according to the Managing Director the workers by their action have disentitled themselves to claim any bonus, the Manging Director in consideration of the special appeal by the Board has also agreed to grant them the necessary bonus to which they are entitled for their past services.

5. The workmen are not entitled to any pay or allowance or bonus during the period they were out of service.

6. People who are employed elsewhere will also be re-employed if they want in Pappinisseri area in the power loom section of the Mills in respect of those who were working there; in handlooms outside the Mills, for those who were previously working there and the ceramic section as soon as it re-commences work. As soon as any new construction work is started, the other people in list V (c) will be given first preference.

7. Since a month has been allotted by which some of the workers noted in paragraph 1 should be re-employed, any difficulty or dispute arising may be referred to the Conciliation Board who will fix a holiday for enquiry and the Managing Director agrees to appear whenever called for by the Board in this connexion.

After an elabrote discussion of all the terms for over six hours, both parties have accepted the Memorandum of Settlement as finally drawn up by the Board and have signed the same in acceptance of such agreement and the same is submitted to the Government.

In this matter from the statement submitted by the workers it is found that it was in sympathy with the R.I.N. Ratings strike, that about 250 workers of the Aaron Spinning and Weaving Mills absented themselves from the Mill premises on the 26th February at about 8 o'clock in the morning and that at about noon some more workers intimated to Mr. Sumitran Aaron that they desired to observe a hartal in view of the Bombay happenings and sought his permission and that permission was declined, but the workers left none the less. It is stated further that on the 28th February when some workers were victimised for wholly unworthy reasons the main mass of the remaining mill hands rallied to their support and started a general strike. According to the standing orders for operatives of the Aaron Spinning and Weaving Mills, Ltd., Pappinisseri, which have come into force on 1st February 1943, 'striking work either singly or with other operatives without giving 14 days' previous notice' is considered to be misconduct, and as per S 20 any operative who is adjudged by the Manager on examination of the man, if present, and of the facts to be guilty of misconduct is liable to be dismissed without notice or alternatively, to be suspended for a period not exceeding seven days. This clause without any question as to the propriety of the strike on the 26th and the 28th February 1946 will justify the conduct of the management in dismissing the people who have struck work. The workers' representatives urge that under R. 18 (c) 'If ten or more employed persons, acting in concert absent themselves from work, without due notice as required in this order and without reasonable cause they will, at the discretion of the Manager and in accordance with the Payment of Wages Act, be liable to a deduction from their earned wages of an amount not exceeding six days' earning in each case'; but according to the Board it is only R. 20 which applies to the facts of this case and from their own statement it is found that they organized a general strike on the 28th February and this was without giving due notice as per rules. The point urged that the rules required the Manager to give the workers concerned an opportunity to be heard about the charges against them before they are condemned will not apply because the operatives must be present as the rule implies for being examined by the Manager and from the statement filed on behalf of the workers it is found that they left service without due notice. In the Board's view this strike cannot therefore be justified as valid in law, but this does not arise now for consideration, since the matter has been adjusted amicably.

The next point which will arise for consideration is clause 7 of the Memorandum of the Settlement. Both the Managing Director and the workers' representatives agreed that it will not be possible to re-employ all the workers immediately and so they after deep consideration left the matter of re-employment to be finished in one month from this day. Further, it was not possible for the workers' representatives to decide now as to whether all the people who went out of service and who are employed elsewhere would agree to come back to Aaron Mills and so any possible difficulty or dispute which may arise in actual working of this agreement was left open to the Board for settlement. Further if the settlement had to be postponed till the last man entitled to re-employment was absorbed in service, it will take one more month and in the highly strained feelings which exist between the parties,

necessitating a special squad of the Malabar Special Police and a Special Sub-Inspector of Police to be stationed at Pappinisseri, it will not serve the purpose for which this Board was constituted if the settlement as such was not arrived at immediately and so the last clause was introduced to safeguard all interests.

In conclusion, I have got to express my high appreciation of the valuable services rendered by the Managing Director and his Advocate as also of the valuable co-operation of the workers' representatives in arriving at this amicable settlement.

MEMORANDUM OF THE SETTLEMENT.

1. The Company will re-employ the workmen who went out of employment after 26th February 1946 up to 5th June 1946 within one month from this date, subject to the following provisions and till then employ them in shifts or give them part-time employment weekly and 50 per cent of the workers to be provided for in ten days. As a special case, all women in list V (*c*) will be employed by the Managing Director.

2. The representative of the workers having declared that none of the workers as per list No. 5 (*a*) have ever uttered a threat or abused the Managing Director, they too will be re-employed for handloom work (or other work to which they have been accustomed to before) available in Pappinisseri area outside the Mills, except half-a-dozen who will be re-employed in the Mills by the Managing Director.

3. The workers should undertake to strictly follow the rules and obey the by-laws as framed by the Company and enter into agreements of service afresh and such agreements to be entered into on or before 20th June 1946.

4. Though according to the Managing Director the workers by their action have disentitled themselves to claim any bonus, the Managing Director in consideration of the special appeal by the Board has also agreed to grant them the necessary bonus to which they are entitled for their past services.

5. The workmen are not entitled to any pay or allowance or bonus during the period they were out of service.

6. People who are employed elsewere will also be re-employed if they want in Pappinisseri area in the powerloom section of the Mills in respect of those who were working there ; in handlooms outside the Mills, for those who were working handlooms before and in the tile section for those who were previously working there and the ceramic section as soon as it re-commences work. As soon as any new construction work is started, the other people in list V (*c*) will be given first preference.

7. Since a month has been allotted by which some of the workers noted in paragraph 1 should be re-employed, any difficulty or dispute arising may be referred to the Conciliation Board who will fix a holiday for enquiry and the Managing Director agrees to appear whenever called for by the Board in this connexion.

Order Ms. No. 2464, *Development, dated* 24*th June* 1946.

In G.O. No. 2044, Development, dated 25th May 1946, the Government appointed Khan Bahadur Sharfuddin Sahib Bahadur, District and Sessions Judge, North Malabar, as a Board of Conciliation under the Trade Disputes Act, 1929, to enquire into and settle the dispute between the workers and the management of the Aaron Spinning and Weaving Mills, Pappinisseri, Malabar district. They have now received the Board's report under section 7 (3) of the Act and direct that it be published in the *Fort St. George Gazette* as required by sub-section 12 (1). In doing so the Government wish to place on record their application of the manner in which Khan Bahadur Sharfuddin Sahib Bahadur has settled the dispute.

The Government are in general agreement with the Board's recommendations and are glad to note that both the parties to the dispute have accepted the recommendations.

(By order of His Excellency the Governor)

K. G. MENON,
Joint Secretary to Government.

(15)

BEFORE THE BOARD OF CONCILIATION :

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(Retired District and Sessions Judge.)

IN THE MATTER OF A TRADE DISPUTE,

Between

THE WORKERS OF THE SPENCER & Co., LTD., MADRAS

and

THE MANAGEMENT OF THE SPENCER & Co., LTD., MADRAS.

Mr. V. P. CHINTAN (Secretary), Spencer & Co. Workers' Union—*For Workers.*

Mr. EDWARDS, Managing Director and Mr. STEPHENSON, Secretary, Spencer & Co. —*For the Management.*

Subject.—Stay-in-strike on 12th April 1946 demanding holiday for Tamil New Year's Day—Management terminating the service of workers.

Lock-out held to be a drastic measure—Recommend expression of regret by five or six representatives of workers and reinstatement of all workers on the rolls on 12th April 1946—Not agreed to by management—Conciliation failed.

G.O. No. 2309, Development, dated 14th June 1946.

[Labour—Disputes—Trade dispute between the workers and management of Messrs. Spencer & Co., Ltd.—Board of Conciliation—Report—Published.]

READ—the following paper :—

Letter from Sri Rao Bahadur M. VENKATARAMAYYA (Board of Conciliation appointed in G.O. 1364, P.W., dated 11th May 1946), to the Secretary to Government, Development Department, dated the 28th May 1946.

I regret to inform you that the endeavours at settlement of the Spencer & Co.'s dispute have failed and I now submit the report as required by section 7, clause 2 of the Trade Disputes Act.

The events which led up to the present conciliation proceedings are these :

From about the beginning of this year, there has been a number of items of controversies between the workers and the management of Spencer & Co. A notice of strike was given on 2nd March 1946 by the Spencer & Co. Workers' Union, but the same was withdrawn on the intervention of the Commissioner of Labour on the 1st of April 1946. Although certain terms of agreement were reached, even in the letter of 1st April 1946 there were two subjects, bonus and drafting of standing orders, which were left over for future consideration.

While so, on the 6th of April 1946, the workers applied through the union to the company to declare the Tamil New Year's Day, Saturday the 13th April 1946, as a complete holiday. To this, the management did not give any reply until now. On 12th April 1946 the President of the Union wrote to the Commissioner of Labour " to intervene and see that 13th be declared as a holiday. " In the meantime, on 12th April 1946, at 2 p.m., the workers in the Aerated Water Factory, Laundry and Furniture departments of Spencer & Co. staged a sit-down strike or stay in strike. Immediately, i.e., in the afternoon of 12th April 1946 itself, the management declared a lock-out, and put up a notice (marked A) intimating to those workers that they should enter into fresh contracts as per agreement (marked B) and that the workers rendered themselves to pay damages for breach of contract of service with the company and further declared that the employees ceased to be in the company's service. On 13th April 1946, the lock-out was fully effectual in the abovesaid three departments. From Monday, 15th April 1946, the excitement seems to have grown and gradually, more and more workers from other departments stopped away from work. The situtation was this ; of the 1,023 men who were on work on 12th April 1946, on 30th April 1946 the number of men among them who

were on work was only 203. The management has been recruiting new hands. The strike has thus spread to the Bakery, Packing, Local Service and the Hotels Spencer and Connemara and as the tension between the workers and the management grew in intensity and no settlement was arrived at, the Government appointed a Board of Conciliation on 11th May 1946 with me as its sole member.

I discussed this matter on two occasions with Mr. Edwards, Managing Director of Spencer & Co., and several times with Mr. Stephenson, the Company's Secretary. I also had talks with Mr. Chintan, the Secretary of the Union and three or four other persons among the workers who are on strike.

The facts, as I find them to be, are that no reply was given to the letter of 6th April demanding a holiday on Tamil New Year's Day. This attitude of the Company, without saying yes or no, even until the afternoon of 12th April 1946, provoked the workers to make a demonstration and they struck work. I hold that they should have been informed instead of being kept in this state of suspense.

It is not improbable, if they had been told that 13th April 1946 would not be declared a holiday, that they would have turned up for work on 13th April 1946. The lock-out declared was a drastic measure which only infuriated all workers. One significant fact is that on 13th April 1946, the bakery was working with the full complement of 109 workers. The others apparently attended the factory as it was not declared a holiday. But none of the 46 men in the Refrigeration department attended on the 13th although on Monday, the 15th, the attendance was more or less normal, being 45. I am of opinion that the company should have given an answer, either yes or no, to the demand, and I am further of opinion that there was no necessity to put a notice of lock-out and imposing new conditions of service as are contained in B. One can therefore postulate that the stay-in strike on 12th April 1946 was not out and out illegal, inasmuch as there was a provocation due to the silent attitude of the management. Whether the strike is legal or illegal is a vital point for decision.

I have mentioned the existence of dispute and the consequent notice of strike and the subsequent settlement of the same and the withdrawal of the notice of strike. The document marked C contains terms of settlement. Even after that date, i.e., 11th March 1946, the question of bonus has been the subject of much correspondence and discussion. On 5th April 1946, a complaint was made to the Commissioner of Labour that "a good number of workers have not received any bonus at all and many of us have received paltry amounts," and the Commissioner of Labour wrote to the Managing Director on 8th April 1946 to let him have a copy of the notice published in relation to the grant of bonus. This matter was allowed also to drift, as it was not until 15th April 1946 that the reply (D) was sent by the company. During the course of this enquiry, representations were made to me and a list of names was given by the Secretary of the Union in support of his contention that the payment of bonus was not in accordance with the agreement reached. This is not a subject for me to enquire into.

My suggestion was that five or six representatives of the workers should tender an apology before the Board to the management expressing regret for what had happened and the Company should take back all the workers who were on the rolls on 12th April 1946, subject to some provisos. But the management was not willing to take all the workers but only some, whose names would be given to me. My idea is that things should be restored as they were on 12th April 1946 and both parties should thereafter get on as amicably as they can and settle such disputes as they may have including proposals for reduction of strength in the number of workers.

The management is prepared to take 451 of the 1,023 workers, and that too after they execute fresh contracts. This is tantamount to victimising some 318 men—and victimisation is opposed to all canons of the labour code of ethics, as everyone knows.

Under section 7, clause (4), the Board should make its recommendation, on every item of dispute, but in the reference to the Board of Conciliation in G.O. No. 1364, dated 11th May 1946, the Government have not indicated what particular

item or items constitute the trade dispute referred to me. The facts which have emerged upon my investigation disclose the following items of dispute which have to be settled after due enquiry :—

(1) Whether management's failure to reply to the letter of the 6th April demanding a holiday on Tamil New Year's Day is a sufficient and valid reason for cessation of work on the afternoon of 12th April 1946.

(2) Whether the notice marked A constitutes lockout and is legal. If so, whether the imposing of new conditions of service as per B invalidates the lockout ?

(3) On what conditions were bonus paid and were those conditions published or intimated to the workers or the Union ?

These points are matters for adjudication and I cannot express any opinion on them without further enquiry.

One other matter is that, under similar circumstances when Deepavali fell on a Saturday, the workers applied for a holiday, but were told that they might attend at 10 a.m. instead of 8 a.m. Even that was not done in the present case.

As required by the latter part of clause (4) of section 7 in my opinion, the management should take back all those who were on the rolls on 12th April 1946. The workers should not claim whole or any part of the wages for the period of their absence from duty but they should not lose the benefit of their service prior to 12th April 1946. That is my recommendation which I am still hoping the parties will accept.

Order—No. 2309, *Development, dated* 14*th June* 1946.

In G.O. No. 1364, P.W., dated 11th May 1946, the Government constituted a Board of Conciliation under section 3 (*b*) read with section 6 (1) of the Trade Disputes Act, 1929, to enquire into and settle the dispute between the workers and management of Messrs. Spencer & Co., Ltd., Madras. The Board has submitted its report under section 7 (3) of the Act. The Government direct that the report be published in the *Fort St. George Gazette* as required by section 12 (1) of the Act.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

ENCLOSURES.

Spencer & Co., Ltd.

Copy of notice.

To all employees who have refused to work from 2 p.m. today the 12th April 1946, it is hereby notified that by refusing to work they have without giving notice terminated their employment with Spencer & Co., Ltd., and are liable to pay damages for breach of their contract of service with the company. Such employees have ceased to be in the company's service and will not be admitted into the premises until a new specific contract is entered into and accepted by the company.

Applications for re-employment received after the 22nd April 1946 will not be considered.

Applications for re-employment must be made individually and addressed to the undersigned.

(Signed) STEPHENSON,
Secretary.

Madras, 12th April 1946.

To Messrs. Spencer & Co., Ltd.

I accept employment as a on a daily wage of Rs.
in your service.

I understand and agree that the employment is on a daily basis, wages to be accumulated and paid to me monthly not later than the day of the following month, if any, as prescribed for employment of this nature, by the Payment of Wages Act.

I shall be at liberty to resign my appointment any time without any previous notice to you. You shall be entitled to dispense with my services at any time and at a moment's notice without assigning any reasons whatsoever for your so doing.

Provided that if I acting in concert with ten or more persons employed by you absent myself in contravention of the provisions of any law in force at the time which makes such absence without due notice an illegal strike or if no such law is in force I in concert with ten or more persons employed by you absent myself without a month's notice of an intention of strike I shall be liable to damages for breach of contract and a deduction from my wages equivalent to wages for eight days may be made by you from any wages due to me.

I agree to abide by all the company's rules governing employment that are in force at the present time or which may be made or amended from time to time.

I agree to work anywhere in South India wherever the company's business necessitated my services being employed.

In token of my agreement I hereunder set my signature.

(16)

BEFORE THE BOARD OF CONCILIATION :

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(Retired District and Sessions Judge, Chairman.)

IN THE MATTER OF A TRADE DISPUTE.

Between

THE MANAGEMENT OF THE CHROME LEATHER COMPANY, LIMITED, PALLAVARAM,

and

THE CHROMEPET-PALLAVARAM TANNERIES WORKERS' UNION.

Mr. C. E. WOOD SCAVEN and Mr. ROY CHAMBERS—*Representative of the Company.*

Sri G. KRISHNAMOORTHI and Sri M. GANAPATHI—*Representatives of the Union Members.*

Subject—Bonus.

Workmen demanded half month's bonus in addition to what was paid and staff demanded one month bonus—Majority recommended as above—Two members dissented from the recommendation—Company agreed to pay the bonus recommended under protest.

Dispute settled.

G.O. No. 3266, Development, dated 27th August 1946.

[Labour—Disputes—Trade disputes between the workers and management of the Chrome Leather Co., Ltd., Pallavaram—Board of Conciliation—Report—Published.]

READ—the following papers :—

I

G.O. Ms. No. 1267, P.W., dated 30th April 1946.

II

From the Board of Conciliation, dated 10th August 1946.

The Board of Conciliation appointed to settle the dispute between the Chrome Leather Company and the Workers' Union held its first sitting on the 5th July 1946 and the final sitting on the 7th August 1946.

A settlement has been arrived at but not in unequivocal terms as the enclosed two documents would show.

The workmen demanded half-a-month's bonus besides what was paid and the staff demanded one month's bonus for the half-year ending 30th September 1945. Seeing that the majority took the view that they should be paid, the two members representing the Company accept the suggestion though they are of opinion that the facts do not justify the recommendation of the majority. Nevertheless they are willing to pay the bonus as stated in document 'A', but under protest.

I, as Chairman of the Board of Conciliation, therefore report that the matter in dispute may be taken as settled and the parties may be asked to give effect to the terms, viz., that the management do pay to the workmen half-a-month's bonus in addition to what was paid for the half-year ending 30th September 1945 and that the management shall pay to the staff one month's bonus for the same period and that if any ex-employee turns up who claims bonus for the said period his case will be investigated by the Company and if found due he will be paid.

Order—No. 3266, *Development dated, 27th August* 1946.

In G.O. Ms. No. 1267, P.W., dated 30th April 1946, the Government appointed a Board of Conciliation under the Trade Disputes Act, 1929, to enquire into and settle the dispute between the workers and the management of the Chrome Leather Company, Ltd., Pallavaram. They have now received the Board's report under section 7 (2) of the Act and direct that it is to be published in the *Fort St. George Gazette* as required by sub-section 12 (1).

The Government are in general agreement with the Board's recommendations and request both the parties to the dispute to give effect to the terms in document 'A' appended to the report.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

ENCLOSURES.

Document 'A'.

1. The Management shall pay to the workmen half month's salary as bonus for the half-year ending 30th September 1945, in addition to what has been paid already.
2. The Management shall pay for the same period, one month's pay as bonus to the staff.
3. That these terms being special for 1945, shall not act as precedent in future years.
4. The Union withdraws the claim for bonus on behalf of workers who left the service of the Company. But, if any worker who left service truns up and applies to the Company the latter will pay the bonus for the half-year ending 30th September 1945 provided he had put in a continuous qualified service of six months, as a special case.

Document 'B'.

Letter from the Chrome Leather Co., Ltd., Chromepet, to the Chairman, Board of Conciliation, Madras, dated 7th August 1946.

[Trade dispute between the workers and the management of the Chrome Leather Co., Ltd., Pallavaram. *Reference.*—G.O. No. 1267, P.W., dated 30th April 1946.]

The two Members of the Board of Conciliation representing the Company find that the majority of the Board of Conciliation have come to agreement on the Award which should be made in this case, and as they are themselves of opinion that on the figures and the representations placed bafore this Board on behalf of the Company there is no justification for any Award of any further bonus to the staff and work people for the period in question they regret they must dissent from the view of the majority and wish to make it clear that they only agree to the payment of the additional bonus in question under protest.

(17)

BEFORE THE BOARD OF CONCILIATION:

SRI RAO BAHADUR M. VENKATARAMAYYA, B.A., B.L.

(Retired District and Sessions Judge.)

IN THE MATTER OF A TRADE DISPUTE

Between

THE RICKSHAW-PULLERS IN THE CITY OF MADRAS

and

THE RICKSHAW OWNERS IN THE CITY.

Mr. P. SELVANATHAN, Mr. S. P. I. BALAGURU SIVAN and Mr. T. S. RAMANUJAM —*For Rickshaw-Pullers' Associations.*

Mr. ROBERT PAUL and Mr. P. C. VELU—*For Rickshaw Owners' Association.*

Mr. A. MUTHIAH, Rao Sahib A. BALASUNDARAM NAICKER and Rao Sahib C. G. REDDI—*For Rickshaw-Pullers' Co-operative Society.*

Subject.—Dispute regarding hire for rickshaws.

Annas eight per day claimed by owners. *Recommended*—Annas six per day—Gradual abolition of rickshaw pulling—Construction of rickshaw-stands and housing for rickshaw-pullers.

G.O. Ms. No. 4207, Development, dated 11th November 1946.

[Labour—Disputes—Dispute between the owners of rickshaws and rickshaw-pullers in Madras—Report of the Board of Conciliation—Published.]

READ—the following papers :—

G.O. Ms. No. 3130, Development, dated 15th August 1946.

Report of Sri Rao Bahadur M. VENKATARAMAYYA, Board of Conciliation, to the Secretary to Government, Development Department, No. C. 33/46, dated 28th October 1946.

[Rickshaw-pullers—Disputes—Conciliation—G.O. No. 3136, Development, dated 15th August 1946.]

I have the honour to submit my report consequent on the enquiry held by me. The immediate cause which led to the appointment of a Board of Conciliation was the demand by owners of rickshaws of eight annas per rickshaw per day whereas the rickshaw-pullers refused to pay more than six annas in consequence of which dispute, there was a strike. The main dispute has resolved itself by the owners accepting six annas. Hence it may at once be stated that an agreement has been reached between the two parties—that six annas shall be the rate, but it should be pointed out that not all the rickshaw owners have informed me that they agree to receive six annas. This has to be emphasized because, there are 5,350 rickshaws and it is well nigh impossible to get at the owners of the rickshaws numbering some thousands. A notice was therefore published in the *Hindu* and the *Indian Express* that any owner or any puller of a rickshaw may make representations to the Board of Conciliation.

There are two Rickshaw-Pullers' Unions, one Rickshaw-Pullers' Co-operative Society and one Rickshaw Owners' Association. Representatives of these bodies appeared before me. The co-operative society is letting out a rickshaw at six annas per day. The rickshaw-pullers who appeared before me and Mr. T. S. Ramanujam, the President of the Rickshaw-Pullers' Union, said that they have no dispute because the owners are now receiving six annas. In token of their consent the owners have issued leaflets which have been pasted to the rickshaws saying that the hire would be six annas per day. The only representation to the contrary was made by the Rickshaw Owners' Association whose President Mr. Robert Paul and Secretary Mr. P. C. Velu appeared before me. This association itself was formed after the present dispute arose, and the above two gentlemen stated that they belong to Perambur and that some of the rickshaw-pullers are paying eight annas and I was requested not to disturb the arrangement which they have made with the rickshaw-pullers. I leave this alone. If the rickshaw-pullers are paying eight annas and agree to pay eight annas, the owners may receive it. None of the rickshaw-pullers of the locality appeared before me. At the same time I cannot forget that Mr. Robert Paul himself told me that though the agreed amount is eight annas really the rickshaw-pullers are paying only six annas and it is being received without demur. So the dispute referred to me may be taken as settled on the understanding that six annas shall be the rate.

In the course of this enquiry I have had discussions with Mr. Robert Paul and Mr. P. C. Velu representing the owners' association ; Messrs. P. Selvanathan and S. P. I. Balagurusivam, Secretaries of the Rickshaw-Pullers' Union, No. 7, Ritchie Street, Narasingapuram, Mount Road ; Mr. T. S. Ramanujam, President of the Madras Rickshaw-Pullers' Union ; Messrs. A. Muthayya, Professor of Economics, Pachaiyappa's College and Rao Sahib A. Balasundaram Naicker, and Rao Sahib C.G. Reddi representing the Rickshaw-Pullers' Co-operative Society. In addition to these gentlemen, I have had discussions with the Deputy Commissioner of Police (Traffic) Mr. A. R. Jakeman and Mr. M. Krishnamurthy Nayudu, Assistant Commissioner of Police.

The owners' association has submitted a memorandum and placed before me figures showing that six annas would be unreasonable. I am afraid I cannot agree with that view. It is a very simple mode of calculation. Assuming that Rs. 200 is the cost of a rickshaw, the expenses of maintaining it are as follows (according to information given to me):—

	Rs.	A.	P.	
Annual registration fees	6	0	0	
Annual repairs	80	0	0	(according to Mr. P. C. Velu).
Fee for Police registration and for badge	4	0	0	
Fee for pullers' badge	0	6	0	
Total ..	86	10	0	

Besides these expenses there are said to be illegitimate expenses by way of illegal gratification. Three rupees on the average per year by the owner and three rupees a year on the average by the puller. Rs. 80 is the estimate of repairs according to Mr. P. C. Velu while the co-operative society which may be taken to be not erring on the side of exaggeration has been able to effect the annual repairs within Rs. 50 in order to get the rickshaw passed by the police for registration purposes. I would accept Rs. 50 as quite a reasonable amount for effecting the necessary repairs so that the cost of maintenance per year cannot be more than Rs. 60 and as the life of a rickshaw is at least three years, repairs for two years will be Rs. 120 and hence the total outlay is Rs. 200 plus Rs. 120 or Rs. 320. Against this, the earnings of the owner is Rs. 11–4–0 per month at six annas per day. That would mean his income is Rs. 135 a year. Even assuming that a rickshaw will not ply for about two months a year, still the owner is getting more than Rs. 100 and the entire cost of the rickshaw is realized within two years. Surely even at the end of three years the rickshaw is not a mere waste. It does produce some value in the market. It will therefore be readily seen that the rickshaw owner is quite well off in his trade and he has no reason to grumble.

As pointed out by the Rege Committee in the report on rickshaw-pullers relating to Madras, "the ownership by a multitude of petty capitalists leads to a great deal of waste and indicates the disorganized character of this transport service." It has been ascertained that nearly 500 owners are women and they own about one-third of the total number of rickshaws registered. It is strange that not one of them appeared before me.

Although the dispute related to the hire of a rickshaw I deem it desirable to make a few suggestions. This method of transport is not very edifying according to civilized standards and I express my concurrence with the opinion of those who have dealt with this subject in the past that the sooner this is abolished the better. It will not be enough merely to say that a number of people are earning their livelihood by this system of rickshaw-pulling. Alternative means of livelihood can easily be found where there is a will. By gradually reducing the number of registrations rickshaw-pulling may be abolished in about three years without affecting the economic condition of the people.

One astonishing fact is that the Corporation of Madras which is receiving annually a sum of Rs. 30,000 by way of tax is doing little or nothing for the amelioration of the rickshaw-pullers—except the general maintenance of the roads. The Revenue Officer of the Corporation has reported that the Corporation has *not* constructed any sheds at its cost for giving shelter to the rickshaw-pullers or the rickshaws and the revenue collected in the year 1945–46 is Rs. 29,469. I think it behoves Government to take action forthwith by referring the matter to the Local Administration Department to direct the Corporation of Madras to build sheds for the rickshaws at suitable places and I would further recommend that at every rickshaw-stand there should be a water-tap.

The next point that was prominently brought to my notice was that some organized receipt of illegal gratification is going on which is of two kinds—first, what is paid to the police at the time of the registration of the rickshaw and secondly, what the rickshaw-puller pays to get the badge and also to escape detection when he is using an unlicensed rickshaw. A good part of the discussion centred round what happens at the time of the registation of the rickshaw. Three thousand one hundred

and fifty-one rickshaws were registered in the month of April and 1,849 in May. This brings the total to 5,000 and no more registration in the other months. The number of rickshaw-pullers registered between 13th May 1946 and 30th September 1946 was 6,000. Thus there is a heavy rush for registration of rickshaws in the months of April and May. If a rickshaw is to be taken to the police office for seven or eight days in order to get it registered, it means loss of income to the owner and loss of income to the puller. There may be some truth in the complaint that either to get the rickshaw passed for registration or to get the registration done quickly some bakshis is being paid by some of the rickshaw owners. Now as the matter has been discussed at some length and as I also find that the higher officers of the police are apprised of this fact and are taking steps to put down this evil there is no need to further consider this. I however think that instead of leaving the registration of rickshaws and the giving of the badges in the hands of the lower ranks of the police, a sort of licensing board consisting of, say, a Gazetted Officer of the Police Department of the Madras City, a Parliamentary Secretary (of the Development or the Local Administration) and another person to be nominated by the Government may be empowered to take up this work during the months of April and May.

Finally, and I think, this is the most important point to be considered, is the question of hire. Now there is no rule regulating the rate of hire between the puller and the owner. The Rege Committee has just touched on this question but has not made any recommendation. Just as there is a schedule of rates for the hire of a rickshaw by the public, there may be a rule fixing the rent which the puller should pay to the owner and a rule may be made now that it shall not exceed six annas. Such a rule may come into force from the 1st April next.

The rickshaw-pullers themselves have been complaining of the very bad plight in which they are, not having even houses to live in, and their condition has been very well described in the Rege Committee's report above referred to. A large majority of the rickshaw-pullers are Harijans and as there are some housing schemes under the contemplation of the Government for providing suitable houses in different parts of the City for use as residences, the rickshaw-pullers' case may also be taken up for early consideration.

The Corporation can be directed to provide sheds and water-taps almost at once, and in succeeding years, a proportion of the income (say two-thirds) may be spent in providing house accommodation in certain localities. Along with this, the Government may take up immediately construction of houses for the rickshaw-pullers from out of funds meant for amelioration of Harijans. The whole question may be considered by a small committee and works may be executed as per their directions.

I wish also to recommend that some life may be infused into the Rickshaw-Pullers' Co-operative Society by means of financial aid and by appointing a whole time officer who has enthusiasm for social work. Pullers should be enabled to become owners and later on to be drivers of a more civilized type of transport.

Order—No. 4207, *Development, dated* 11*th November* 1947.

In G.O. No. 3130, Development, dated 15th August 1946, the Government appointed a Board of Conciliation under the Trade Disputes Act, 1929, to enquire into and settle the dispute between the owners of rickshaws and the rickshaw-pullers in Madras. They have now received the Board's report under section 7 (2) of the Act and direct that it be published in the *Fort St. George Gazette* as required by sub-section 12 (1) of the Act.

The recommendations of the Board are under the consideration of the Government.

(By order of His Excellency the Governor)

K. G. MENON,
Deputy Secretary to Government.

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