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No:1/16/68/NCL(C)  
Government of India  
National Commission on Labour  
D-27, South Extension, Pt.II,  
New Delhi-3.



Dated: March 27, 1968.

To

The Chairman and Members of the Commission.

Sub: Eighth meeting of the National Commission on Labour held at New Delhi on the 11th March, 1968-Record of decisions.

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Sir,

I am directed to forward a copy of the record of decisions of the Eighth Meeting of the Commission held at New Delhi on the 11th March, 1968, as approved by the Chairman.

Yours faithfully,

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

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NATIONAL COMMISSION ON LABOUR

Record of decisions of the Eighth meeting  
of the National Commission on Labour held  
at New Delhi on 11th March, 1968.

The Eighth meeting of the National Commission on Labour was held in the Commission's Office at D-25-B, South Extension, Part II, New Delhi, at 11.00 A.M. on the 11th March, 1968.

The following were present:-

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|-----|-------------------------|-----------|
| 1.  | Dr. P.B. Gajendragadkar | Chairman. |
| 2.  | Dr. Baljit Singh        | Member.   |
| 3.  | Dr. Bharat Ram          | Member.   |
| 4.  | Shri Ramananda Das      | Member    |
| 5.  | Shri B.C. Ganguli       | Member    |
| 6.  | Shri D.C. Kothari       | Member    |
| 7.  | Shri Manohar Kotwal     | Member    |
| 8.  | Shri R.K. Malviya       | Member    |
| 9.  | Shri P.R. Ramakrishnan  | Member    |
| 10. | Shri G. Ramanujan       | Member    |
| 11. | Shri Raja Ram Shastri   | Member    |
| 12. | Shri Naval H. Tata      | Member    |
| 13. | Shri S.R. Vasavada      | Member    |

The following members could not attend the meeting:-

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|----|------------------|------------------|
| 1. | Shri S.A. Dange  | Member           |
| 2. | Dr. B.N. Ganguli | Member           |
| 3. | Shri B.N. Datar  | Member-Secretary |

Item No.1 Confirmation of the record of decisions of the  
Seventh meeting.

The record should be confirmed.

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Item No.2.

Meeting with Shri G.D. Birla.

The record of discussions with Shri G.D. Birla is appended - (Appendix 'A').

Item No.3.

Meeting with representatives of Shri Ram Centre for Industrial Relations, New Delhi.

The record of discussions with the representatives of the Centre is appended - (Appendix 'B').

Item No.4

Any other item with the permission of the Chairman.

1. The Commission's programme of visit to Patna on 15th and 16th April should stand.
2. The Conference of Chief Inspectors of Factories and the Commission's meeting for recording evidence in Delhi Administration fixed for 29th and 30th April should be cancelled. Revised dates will be fixed later.
3. The Commission's visit to Bhopal which was fixed for 12th and 13th March, 1968, should be cancelled. Dates for Bhopal will be fixed later.

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The following members could not attend the meeting:-

Member Shri G.A. Datta

Member Mr. B.H. Garg

Member-Secretary Shri B.H. Datta

Continuation of the record of Secretary of the

The record should be continued.

Appendix A.

NATIONAL COMMISSION ON LABOUR

New Delhi, 11th March, 1968.

11.00 A.M. to 12.00 Noon

Record of discussions with Shri G.D. Birla.

The Chairman welcomed Shri G.D. Birla and requested him to give his views about various aspects of the problems concerning labour in India against the background of his vast experience in industry and as a member of the Royal Commission on Labour in India.

2. In Shri Birla's view, the Report of the Royal Commission was out of date now. The pattern of administration as well as the psychology of labour in the country have changed. The present Commission will have to write on a clean slate, having regard to the present conditions. The National Commission could, however, adopt the procedure that was adopted by the earlier Commission.

3. It is not quite true that there is general discontent amongst the workers or that the workers are unresponsive in spite of so much being done for them. The situation varies from place to place. For instance, there is some unrest and labour trouble in West Bengal. This is mainly due to the fact that the scale of wages in Bengal is low. This again is the result of low productivity. Lack of orders has contributed to unemployment and retrenchment. Besides, politics has also intervened. On the other hand, in Bombay concerns where the average wages are fairly high the relations with the workers have been quite good.

4. As conditions differ from place to place, no uniform solution can be offered. The responsiveness of the workers would depend largely on the kind of workers, the attitude of the employers and the terms of employment as well as the general environment.

5. It is also not correct to say that labour in India tends to make extravagant claims even when their conditions are good. In Kerala, for instance, where the workers are highly intelligent, they drive a hard bargain with the employers and try to get the best terms, but they do abide by the settlements once arrived at, and generally there is no trouble.

6. In Bengal, even where wages, conditions of work and treatment are good, political influences create problems, in some cases the unrest is also due to the non-cooperative and unhelpful attitude of employers.

7. For industrial peace and economic development, it would be desirable to have one bargaining agent, representing the workers in general. Of the three methods of selecting the representative bargaining agent, viz., secret ballot, verification of membership and open subscription, the method of secret ballot appears to be the best.

8. The method of selection by secret ballot will not be fool proof, as indeed no method can be. But it would still be the best available method. The risks involved in election by secret ballot such as the possibility of a union making extravagant promises for getting elected, will have to be taken. In fact, it may not be a very real problem.

9. All employees irrespective of whether they are members of any union or not should be allowed to participate in the elections.

10. There should be a condition precedent for the eligibility of a trade union to offer itself for adjudication, that it must subscribe to the theory that industrial disputes should be settled through a process of negotiations, voluntary arbitration or adjudication; and strike will be the last step and not the first.

11. For some time to come it will be necessary to have some machinery which can adjudicate on the merits of a case when collective bargaining between the parties fails. Collective bargaining coupled with a provision for a cooling off period, if negotiations fail and before the State, intervenes, would be advisable.

12. As a first step in the achievement of the ultimate goal of introducing collective bargaining all over, a start can be made in a few selected industries.

13. The labour judiciary in India has been, by and large, impartial and fair. Labour judges should be appointed by High Courts.

14. There should be a common labour code and common pattern of labour judiciary. Labour Appellate Tribunal should not be revived.

15. The cases of reinstatement of dismissed personnel have not been many. Reinstatement does not destroy the discipline for long. The reinstated workers become in due course amenable to discipline.

16. The suggestion that domestic enquiries should be entrusted to arbitrators, seems to be a fair one.

17. There is a tendency to exaggerate the problem of indiscipline among workers. Except in a few areas of the country where political motivation is very much in evidence, by and large, discipline is good, It is no use exaggerating industrial unrest.

18. The problem of outsiders is not very serious particularly if the workers are intelligent and they understand <sup>their</sup> own interests. This influence of outsiders cannot be eradicated by legal provisions. When the workers are sufficiently educated and they understand their own interest, they themselves will get rid of the politicians.

19. Employers should have the right to fire by paying compensation. If the compensation is made penal, it would not be worthwhile for an employer to fire the worker.

20. Wages generally do not form a major part of the cost of production; as such the impact of increase in wages on total cost of production is only marginal.

NATIONAL COMMISSION ON LABOUR

Record of discussions with Shri Ram Centre for Industrial

Relations represented by:-

1. Shri K.N. Vaid, Director of Research.
2. Shri O.P. Dhingra, Research Officer.
3. Shri C. P. Thakur, Research Officer.

1. The Centre cannot suggest setting up any specific machinery for associating trade unions and employers' organisations on equal footing with Government officials in the enforcement and implementation of labour laws. However, trade unions and employers' organisations should be given the right to bring cases to the notice of the inspectorate staff for necessary action. Unions may also be allowed the right of inspection.
2. There should be only one bargaining agent, viz., the union representing majority of workers in an enterprise; minority unions should have no right to represent individual grievances of member-workers. The minority union can function as an effective opposition. Once a particular union is given the sole bargaining right, the arrangement should not be disturbed for a specified period, say, of two years. Any agreement reached with the sole bargaining agent should be binding on non-members as well. This is not likely to create problems as sooner or later all workers would become members of unions.
3. Secret ballot as a mode of determining majority union is preferable despite immediate and attendant dangers. Only those workers should be given the right to exercise their franchise who have been in employment in the enterprise for at least six months and who are either members of trade unions or wish to be so. The verification procedure presently followed under the Code of Discipline should be replaced, as it is cumbersome, lengthy and is of doubtful validity. It leads to enormous delays and defeats the very purpose of recognition. A worker joins a particular union because of its adherence to certain principles or because of its leadership. Thus a worker may join one union for some time and then may like to vote for another union because of its relative merits of its leadership.
4. The Works Committees or any other bipartite consultative committees can function effectively only if they are given executive roles in specified fields, such as, wages, automation and rationalisation, etc. As at present, the role of Works Committees is purely advisory in character and they are consulted in inconsequential matters, they are not effective. The existing Works Committees should go; these should be replaced by new bipartite committees with the functions, mentioned above, assigned to them.



5. Political motivation brought into industrial conflicts by the coming into power of leftist parties in some States is a factor to be recognised with. This factor, however, should be distinguished from the influence of some of the ~~leftist~~ trade unionists who are faithful to the trade union cause as such and who stand by their commitment and undertakings.

6. The attitude of public sector employers towards unions is no better than that of private sector employers. However, departmentally run public sector undertakings show a better understanding of unions. This observation is not based on any specific study undertaken by the Centre.

7. Voluntary arbitration has not made any progress so far. The Centre does not have any data to support this observation, but whatever data are available in the Government publications bear a testimony to this observation.

8. The Institution of Welfare Officers has not proved successful as Welfare Officers do not confine their activities to purely welfare measures. They are anxious to get quicker promotions as personnel officers and tend to function more as personnel officers than as Welfare Officers.

9. More and more use should be made of parliamentary lobbying by the unions for winning certain basic rights and demands by workers. This is possible through use of question hours, adjournment motions, public speeches, press notes, etc.

10. Provisions of the Bonus Act of 1965 only add to the minimum wages of workers. The Act has also disturbed many of the bipartite agreements on the issue. This observation was based on three case studies undertaken by the Centre. The Act has also resulted in increased litigation. However, the Centre has no statistics to show how many cases were referred to the Supreme Court after the enactment of bonus legislation. The question of bonus should be left to bargaining between workers and management at the enterprise level and for this purpose workers should have access to accounts and records so that they can bargain from knowledge. As regards the danger of uncalled for controversies in the matter of correctness of documents, the Centre had not given adequate thought to the problem. They were also of the opinion that LAT formula was better than the present legislation.

11. The influence of outsiders on trade union movement is mainly contributed by persons engaged in trade union work on a full-time basis, though they are

not employees. This has led to some amount of legalistic approach to the problems, and at times, the interests of the organisation are not well attended to.

12. There should be no inter-locking of union management i.e, the same trade union leader should not be allowed to represent more than a specified number of unions.

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