CHAPTER 4

INDUSTRIAL RELATIONS DURING FRENCH PERIOD
(PART TWO - PERIOD FROM 1947 TO 1963)

4.1 Laws Applied during the Period from 1947 to 1963

The Charter of 1937\(^{(1)}\) continued to govern the industrial relation at Pondicherry until a comprehensive legislation was brought into force in 1952.\(^{(2)}\) In the earlier chapter, the legislative measures introduced by the Arrêté of 1937 have been discussed. Due to independence of India in 1947, there was an awakening in the mind of labour at Pondicherry. Due to geographical location of Pondicherry, every happening in the independent India had an impact in every sphere at Pondicherry more so, in the labour arena. Before the full implementation of the provisions of the Labour Code of 1952 the de-facto merger of Pondicherry with the Indian Union took place and therefore, there was not much enthusiasm to implement all the provisions of the Labour Code even though some of the provisions like exclusion of women from night shifts, equal remuneration for both male and female workers, lesser workload (40 hours per week) were more beneficial to workmen at Pondicherry. The

\(^{1}\) Arrêté of 6 April 1937.

\(^{2}\) Code du Travail 1952.
Décret of 1954(1) extended to the French overseas territories, the provisions of International Conventions regarding (i) Employment of women before and after confinement,(2) (ii) Weekly holidays in industrial establishments,(3) (iii) Age of children for admission to non-industrial establishments,(4) (iv) The procedure for fixing minimum wages,(5) (v) Trade union rights,(6) (vi) The minimum wage for engagement of children in industrial establishments.(7)

The first set of Indian Laws were extended to Pondicherry with effect from 1 October 1963(8) and extension of some of the legislations mainly in the field of personal laws was delayed for some more time. However, the committee which gave the award in 1955 had recommended to apply certain provisions of Indian Laws while deciding settlement of problems of workmen belonging to three textile mills at Pondicherry.(9) By virtue of non-repealment, even today, French laws continued to be applied in this part of independent India. Hence, an attempt is made to study the industrial relation system existing during the period

3. Article 14 ibid.
4. Article 33 ibid.
5. Article 26 ibid.
6. Article 27 ibid.
7. Article 5 ibid.
from 1947 to 1963 and to analyse the system in this chapter.


The Labour Code of 1952 was an important and exhaustive legislation governing all most all aspects of relationship between the employer and employees. The code contained separate and distinct provisions applicable to individual disputes as well as collective disputes. Equal importance was attached to the individual labour problems and separate and effective machineries were provided under the code to settle industrial disputes.

Article 91 of the Labour Code stipulated that under similar conditions, as regards works, skill, and output, the same wage shall be payable to all workers irrespective of their origin, sex, age, and status. Article 112 provided for 40 hours work per week. However, this could not be enforced at Pondicherry due to certain administrative difficulties. Article 113 provided for exclusion of women workers from night shifts. The situation in Pondicherry was peculiar. Nearly 50 per cent of the workers were women and they had been working in the mills for several years. Hence, the object of this Article could not be fully achieved. The code also validated the collective convention of the type entered into in 1946.

The 'Code Du Travail' contains 10 parts dealing different aspects of labour. First part deals with certain general

2. Article 180 to Article 208 ibid.
provisions in relation to application of the provisions of the 
code to the French nationals within the territory of France as 
well as in the overseas territories. Second part exclusively 
deals with matters relating to trade unions and their rights and 
privileges. Part three deals with entering of works contracts 
between the employer and employees and also execution and 
cancellation of such contracts. Part four provides for 
determination of salaries for various categories of workers and 
the mode of payment of salaries. Part five provides for 
conditions of service for various categories of workers. 
Part six deals with industrial hygiene and security provisions. 
Part seven deals with provisions relating to various 
organizations like administrative organization, personnel 
organization, consultative organizations etc., and also matters 
relating to middle level executives. Part eight provides 
elaborate provisions relating to individual disputes as well as 
collective disputes. Part nine deals with penalties to be 
imposed for non-compliance of the provisions of the 
code and the last part viz., the tenth part provides certain 
transitory provisions.

Though some of the provisions like contract of employment, 
determination of service conditions of labour, and security and 
welfare provisions etc., can be found in the labour legislations 
of other countries including India, the Labour Code holds unique
position in many respects. It is a single, short nevertheless exhaustive code on labour relations. The provisions relating to dispute settlement machinery are simple to follow and provide for cheaper and expeditious remedy to the aggrieved workmen. The methodology followed by the presiding officers of the settlement machinery also is clear and more equitable.

Though right to form trade union was recognized by virtue of the Décret of 6 April 1937 union activities were always on the low ebb at Pondicherry. The trade union leaders were of the Indian origin and the approach was similar to the one existing in other parts of India. However, French also had felt that the conflict between the labour and capital is a continuing phenomena and therefore elaborate provisions were made for settlement of labour disputes. Due to the fact that the mechanisms and machinery for settlement of labour disputes are unique in many respects, it is proposed to focus the study on the settlement machinery as prevailed during the French regime in this chapter. Most of the documents relating to the trade union activities also have been shifted to France after the merger of the territory. As such, constraints are felt in making the study relating to trade unionism.

The machinery of Council of Prudhommes was improved with the establishment of Labour Tribunal (Tribunal de Travail). \(^1\)

---

1. The Labour Tribunal is the improved model of 'Council of Prudhommes'.

112
Separate mechanism was adopted for settlement of individual disputes as well as collective disputes. According to French Labour Law, a labour conflict is individual, if it involves an employee and an employer, without affecting a group or collectively on either side.\(^1\) In other words, an individual dispute involves rights only and typically arises out of an individual contract of employment. It is stated that the 'Declaration of Rights of Man', 'the Napoleonic Code' and all modern codes which have to a greater or less extent been inspired by these two instruments are stressing on purely individualist conception of law. French law recognizes the clear distinction between the disputes over rights (juridical conflicts) and conflicts over interests (economic conflicts).\(^2\)

The individual worker in France has the right to present his grievance directly to the employer. The idea behind recognizing the individual right of the worker can be traced to French revolution, which believed that the association was the very denial of individual liberty. Thus in France, though formation of association of the workers was prohibited till 1884 the individual worker could exercise his right independently and could make valid protests against injustice meted out to him, if any.

In French Law, right to strike need not be considered as a collective right. The position still continues to be to some extent. Preamble to the Constitutions of the Fourth French Republic declared that 'there is a right to strike subject to the limitation imposed by law';(1) which may be understood as statute law. The right to strike by its inclusion in the Constitution has become a legal right, more so, a fundamental right. The constitution of the Fifth French Republic of 4 October 1954 also has reaffirmed the preamble to the Constitution of 1946.(2) Further, in France, the law guarantees explicitly or implicitly the right of the workers not to join a union.(3)

In the common law system, the concept of strike has been understood as a collective action by a group of workmen or union. In India, any kind of protest by an individual workman is not considered as strike and not even as an industrial dispute. Individual disputes have been considered as 'deemed industrial disputes' by virtue of an amendment in 1965 to the Industrial Disputes Act, 1947. The position prevailing in India has been discussed in chapter 6.(4) The approach of the French

4. See chapter 6 - p.
to the problem of the workers was totally different. Instead of allowing a collective action by the workmen, which would result in loss of mandays, the approach of the French was to solve the problem at gross-root level permitting the individual workman to avail the remedy by raising an industrial dispute. The settlement machinery, which entertained individual disputes was also simple in nature. As such, an attempt is made to study the mechanism provided under the Labour Code for settlement of individual as well as collective disputes.

4.2.1 SETTLEMENT OF INDIVIDUAL DISPUTES
(DU DIFFEREND INDIVIDUEL)

Any dispute, which may arise between the worker and the employer in relation to contract of labour is to be decided by the 'Labour Tribunal' (Tribunal de Travail). The tribunals shall have the capacity to give a verdict on all the individual disputes to the established orders or to the collective conventions. The tribunal will be competent to decide any matter arising during the course of the work.\(^1\) The tribunal which has the

---

jurisdiction in regard to place of work is competent to entertain the disputes. However for the litigation arising out of annulment of the contract of labour and notwithstanding any conventional status concerning jurisdiction, the employee whose habitual residence is in the metropolis or in a territory of French Overseas, will have the choice between the tribunal in the place of residence and that in the place of work.\(^{(1)}\) The Minister of French Overseas fixes for each tribunal its bench (seat) and its territorial competence.\(^{(2)}\) Labour Tribunals are dependent upon the chief of the judicial service of the territory in regard to its administration.\(^{(3)}\)

4.2.2 COMPOSITION OF THE TRIBUNAL

The Labour Tribunal is composed of a magistrate (Justice) appointed by the chief of the judicial service, who is the president of the tribunal.\(^{(4)}\) For exceptional reasons and as long as the staff from the magistrates are insufficient,

2. Article 182 ibid.
3. Article 183 ibid.
4. Article 184 ibid.
civil servants can be appointed by the chief of territory upon the proposal from the chief of the judicial services. Appointments of civil servants can be made also whenever the magistrate is absent due to leave or because of any other impediments.

Apart from the president of the tribunal, there will be also two assessors representing employers and two assessors representing employees. Every working class were allowed to form unions separately known as 'Syndicat Ouvrier'. For example, domestic workers union, textile workers union etc. Registration of unions was compulsory and every registered union was recognized by the employer. There was a central organization to which all the unions were members. The central organization had to meet at least once a year and prepare a list containing names, who could be considered for appointment as workers assessors. In case of insolvency of this organization, the list had to be prepared by the Inspector of Labour and comprising of number of names double to that of the posts available for appointment. The assessors are chosen from the above list and the appointments are made by the order of the chief of territory. There would be two categories of assessors viz., Chief Assessors (Titulaire) and Assistant

1. Narrated by Dr. Ranganathan, a trade union leader, Pondicherry, during French regime.

Assessors (Duputies). Ordinarily, there would be equal number of Chief Assessors and Assistant Assessors appointed by the chief of the territory. The president of the tribunal would choose among the assessors and appoint in each case, the assessor-employer as well as assessor-employees belonging to concerned category. In case of any impediment, chief assessors are replaced by the assistant assessors.

An administrative agent nominated by the chief of territory is attached to the tribunal in the capacity of secretary.

The appointment (Commission) of the Chief Assessors or Assistant Assessors is for a period of one year. It is however, renewable. The persons, who are considered for appointment as Chief Assessor or Assistant Assessor must possess civil and political rights. Besides, they should not have undergone any sentence of imprisonment having committed misdemeanour or imprudence or act of inefficiency or any other act which made him to lose civil and political rights. (1)

The appointment of the Assessors of the Labour Tribunal can be challenged on any of the following grounds:(2)

1) When the assessors have a personal interest in the litigation.

2) When the assessors happened to be parents or related to one of the parties up to the sixth degree of

2. Article 196 ibid.
relationship;

iii) If, in the year, which has preceded the appointment, there has been criminal or civil proceedings between them and one of the parties or his spouse or allied by direct line;

iv) If they have given a written advice upon the litigation; and

v) If they are employers or workers of one of the parties in dispute.

If the appointment of assessors is challenged on any one of the grounds, it would be taken up first by the tribunal before the main matter is argued. The order also would be passed immediately, either rejecting the petition or admitting it. If the petition is rejected, it will not be taken up for discussion. If it is admitted, the case which is to be taken up that day, will be postponed to the next hearing. In the meanwhile steps would be taken to appoint new assessors in accordance with the procedure established.

4.2.3 PROCEDURE BEFORE THE TRIBUNAL

Each and every worker or employer would request the Labour Inspector or his legal deputy or his delegate to settle the disputes amicably.\(^1\) In the absence of or in case of failure of this friendly settlement, the action is introduced by oral or

---

written declaration, addressed to the Secretary of the Labour Tribunal. Registration of such declaration is made immediately in the register kept specially for this purpose. An extract of this registration is delivered to the party having introduced the action. Within two days from the date of the receipt of the petition (excluding Sundays and general holidays) the president summons the parties within a specified time, which shall not exceed 12 days, except in cases of delay due to distance. (1) The summons must contain the name and profession of the petitioner, the information about the object of the petitioner and the hour and day of the appearance. The summons is served in person or to residence by medium of an administrative agent especially appointed to this effect. It can validly be sent by registered letter with acknowledgement. In case of urgency, it can be sent by telegram.

The parties will be directed to be present on the day and at the hour fixed before the Labour Tribunal. Parties can be assisted or represented by a co-worker or a co-employer belonging to the same branch of activity as the case may be. They can be represented also by an avocat (advocate) regularly enrolled at the Bar or a Defence Counsel or by even a representative form the Syndicate Organizations to whom they are affiliated. Besides, the employers can be represented by a

Superintendent (Manager) or an employee of the company concerned or of the establishment. Except in case of advocates, the attorney (agent) of the parties must be appointed by writing.

If, on the day fixed by the summons, the petitioner does not appear and does not show cause for non-appearance, the case is dismissed from the list. It can be taken up again only once and according to the procedure prescribed in relation to the previous petitioner.\(^1\) If the defendant does not appear and does not show cause for non-appearance, and if he fails to plead tribunal decrees on the merit of the petitioner.

The public is allowed as audience before the tribunal except at the stage of reconciliation.\(^2\) The president directs the debates, questions and confronts the parties, summons the witnesses cited upon the application of the parties or by himself. He can hear any person, whom he considers useful to adduce the evidence for the settlement of the disputes. He can allow to proceed or to make every proofs or valuation. A married woman is fully authorized to petition, to defend before the Labour Tribunal.

The Labour Tribunal at the first instance, would attempt to reconcile the matter, when the parties appear before it. In case, parties agree to reconcile the dispute, an official report would be drafted on the spot and recorded in the 'Register of

---

2. Article 194 ibid.
Deliberations of the Tribunal authorizing the friendly settlement of the litigation. An extract of the official report of reconciliation signed by the President and Secretary will have executory force.\(^{(1)}\) In case of partial reconciliation, an extract of the official report indicating the matters on which settlement is arrived at and on which reconciliation was not possible, will be supplied to the parties. In such cases, the report signed by the President and Secretary will have executory force in respect of matters reconciled between the parties. In respect of the matters, which are not reconciled or for any reason, the parties want to contest, the Labour Tribunal would take up the matter immediately for hearing. As soon as the hearing is concluded, the presiding officer of the tribunal will pronounce the judgement immediately. However, on any account, there shall not be delay of more than four days in delivering the judgement. The reasons have to be given for the conclusions drawn. The original judgement will be written by the Secretary in the 'Register of Deliberations' and it will be signed by the President and the Secretary. A copy of the judgement signed by the Secretary and the President can be given to the parties on request. In case of ex-parte judgements, a true copy of the judgement to the party, who has been set ex-parte will be given free of cost. If the party does not file any objections within

\(^{(1)}\)Article 197 of Code Du Travail, 1952.
10 days, the judgement becomes final and can be executed notwithstanding any appeal by the parties.\(^{(1)}\)

The judgement of the Labour Tribunal is final and no appeal would lie, when the decretal amount does not exceed Francs 36 000. If the decretal amount is above Francs 36 000, the judgements are susceptible to appeal before the Justice of Peace by virtue of extended jurisdiction or before the Court of First Instance. In case of Mahe and Yanam (which are the pockets of Pondicherry situated in Kerala and Andhra Pradesh States respectively), the appeal jurisdiction was with Munsif.\(^{(2)}\) The Labour Tribunal is competent to award compensation, if monetary limit is within its jurisdiction.\(^{(3)}\)

If the counter claim petition is admitted but not established and filed solely with a view to restore the judgement susceptible to appeal, the petitioner may be asked to pay the damages to the other party.

4.2.4 PROVISIONS REGARDING APPEAL

The judgement can be ordinarily executed without waiting for the appeal except when the value exceeds Francs 36 000. If the decretal claim exceeds Francs 36 000, provisional execution can be taken subject to production of surety. Appeal, if resorted to, must be filed within 15 days from the date of pronouncement of the judgement.\(^{(4)}\) The appeal will be

2. Article 204 ibid.
3. Article 205 ibid.
4. Article 206 ibid.
transmitted within a week from the date of declaration of appeal to the Justice of Peace by virtue of the extended jurisdiction or to the Tribunal of the First instance along with a copy of the judgement and other documents filed by the parties. The appeal will be decided based on the documentary evidence. No trial will be conducted. However, parties can make a request that they must be heard. Parties can be represented through their advocates. The 'Cour de Cassation' (Court of Appeal) would annul or remit the case to the Labour Tribunal, if the appeal would not lie. The appeal is entertained when a request is made to that effect to the Greffier (Sarishtadar) of the 'Cour de Cassation' or when such a declaration is made before the Tribunal. Declaration to the 'Cour de Cassation' (Court of Appeal) must be made within 15 days from the date of judgement. The Greffier of the lower court must give notice within 15 days of the declaration of revision by Registered Post - A.D. If the Greffier fails to issue notice within 15 days, he will be punished with fine, which may be upto Francs 100. No extension of time is given on any account. Within three months of the declaration, the Greffier of the lower court must send all the documents to the Cour de Cassation. If no objection is filed by the other party within four months from the receipt of the declaration, the suit will be listed before the 'Cour de Cassation'. Before the lower court, the party can make

4.2.5 CONTROL OVER THE FUNCTIONS OF THE ASSESSORS

The chief assessor as well as deputy assessor are expected to discharge their duties very efficiently and impartially. Any complaint received against them would be subject to scrutiny. Each and every chief assessor or deputy assessor who has seriously failed in his duties in the exercise of his functions will be called before the Labour Tribunal for explaining the facts, which are charged on him. The President of the Labour Tribunal and the Attorney of the Republic would hold an enquiry in this regard. Within a month's time from the date of the summons, the official report of the sitting is directed by the President of the Labour Tribunal to the Attorney of the Republic. The Attorney of the Republic would in turn transfer the official report along with his advice to the chief of the judicial service of the territory. When the charges are proved, after considering the proposal of the chief of the judicial service, orders would be passed in the name of the chief of the territory, imposing any one of the penalties, which would be in proportion to the lapses committed by the assessors. (1)

i) Censure

ii) Suspension for a term, which shall not exceed six months

Forfeiture

The assessor against whom the forfeiture has been pronounced cannot be appointed again to the same office.

Thus the French Labour Courts, which were first to be created in the world as early as in 1806 have been given exclusive jurisdiction to determine disputes over rights of the individual worker. This has helped the settlement of disputes at the basic level and avoided the loss of mandays due to collective action. Simple procedures adopted and expeditious action taken by the various machineries to settle individual disputes have won the heart of the workmen. The relevancy of adopting the French model in our system has been discussed at a later stage. (1)

4.2.6 SETTLEMENT OF COLLECTIVE DISPUTES (DU DIFFRENCE COLLECTIF).

While the individual disputes are settled through conciliation, failing which by adjudication before the Labour Tribunal, separate and distinct procedures are laid down for settlement of collective disputes. (2)

Every collective dispute is immediately notified by the parties to the Inspector of Works. (3) There is

a standing committee known as 'Consultative Committee for Works' to which the application would be submitted by one of the parties to the dispute. The President of the Consultative Committee for Works may also initiate the matter on intimation by the Inspector of Works. The Consultative Committee for Works consists of equal number of representatives of workmen as well as employers. The Consultative Committee may proceed with the matter or delegate the power of conciliation to a special committee composed of equal number of representatives from the employers and employees, which would be presided over by the Inspector of Works. The settlement is arrived at through conciliation. The settlement would be signed by the parties, which would become executory immediately. If the conciliation fails, 'process verbal' will be written indicating the issues and submitted to the Consultative Committee for Works with a recommendation to follow further procedure. The Consultative Committee for Works in turn would notify to the
parties about the failure of conciliation. Within four days from the notification to the parties about the failure of conciliation by the Consultative Committee for Works, the parties should appoint an expert. If the parties fail to do so, appointment of an expert is made by the Governor within 48 hours.

The experts cannot be chosen either from among the civil servants of authority or among the leaders of the enterprises involved in the dispute or among the persons having participated in the proceedings of conciliation. Every year, the Governor would notify a list of experts. The persons who will be chosen as experts must not practice necessarily their profession or have their residence within the territory or the group of territories interested in the dispute. The expert shall be obliged to give a verdict on all matters determined by the official report concerning non-reconciliation and all other matters, which could be in relation to the dispute.\(^{(1)}\) The expert has more extensive powers to investigate the economic

---

situation of the enterprises and the social situation of the workers interested in the dispute. With this object, he may specially conduct an enquiry, solicit all information from the parties and refer the documents, if any. He can appeal to the offices of every qualified person seeking assistance. The expert has to keep the secrecy in regard to documents produced before him. The parties are required to submit a memorandum to the expert. Within eight days, the expert should submit a report giving reasons based upon his investigations. The report of the expert is in the form of a recommendation by indicating a plan for settlement of dispute. The report and the final recommendations are communicated to the parties within 24 hours. They will be published in newspapers, broadcast over the radio and translated according to the conditions stipulated by order. They will also be published in the official journal (gazette) of the territory. (1)

The expenses incurred by the experts in their mission are reimbursed to them according to the conditions fixed by a Décret (Order) from the budget of the territory interested in the dispute. (2)

On the expiry of five clear days from the notification of

the report to the parties and if no one submits any objection, the recommendations would acquire executory force. The recommendation of the experts can be challenged in appeal on the ground of excess of power or violation of law before the Superior Court of Arbitration,\(^{(1)}\) situated in France. The appeal is decided in accordance with the provisions of law of 11 February 1950 and according to the collective conventions and the procedures established for settlement of collective labour disputes. If the settlement of recommendation rests upon the application of a lawful order instead of a collective convention, a fresh order will be issued automatically.

During the pendency of proceedings of reconciliation, strikes, and lockouts, are prohibited. If any strike or lockout is resorted to, the Superior Court of Arbitration may impose fine, sentence etc.\(^{(2)}\) Workers lose their right to wages, privileges, and contract of work. Strike commenced after giving due notice, however, shall not lead to annulment of contract of labour as it may lead to the infringement of their fundamental right.

Thus the French law has given equal importance for the settlement of collective disputes. Whether the collective disputes are over rights or over interests, treated equally, and attempts are made to settle the dispute as expeditiously as

2. Article 217 ibid.
possible. The disputes are submitted initially to specialized agencies, who may not necessarily follow ordinary rules of judicial procedure. Even if the procedures are established by statute, they may be amended by terms of collective agreements. (1) Three distinct mechanism viz., conciliation, mediation and arbitration can be made use of for settlement of collective disputes over interests.

In India, although all the above machineries are provided for, the jurisdictions of some of the settlement machineries are overlapping. The dispute may be taken up by the conciliation machinery or it may be subjected to mediation or if the parties have so opted, it can be submitted for arbitration. The same dispute may be also referred by the appropriate Government to the adjudication machinery. The matter may also be referred to Court of Enquiry for an expert opinion. But the whole system has become so complex and confounded that nothing is certain as to which kind of disputes could be settled before the forum with the result the industrial atmosphere has become turbulent. The purpose for which the Court of Enquiry is provided in the Industrial Disputes Act, 1947 has not been properly made use of in our country. Section 6 of the Industrial Disputes

---

1. Aaroon Benjamin - Industrial Encyclopedia of Comparative Law (vol. XV - chapter 16 - p. 19.)
Act, 1947 provides for establishment of Court of Enquiry, which can investigate and submit a report. The service of an independent person or persons can be made use of. The independent persons can be chosen from among the persons, who do not have any substantial interest in the subject matter of the dispute and also who are experts in the field. The Government can prepare a panel and notify in advance, so that expert advice can be sought, whenever needed.

The French system gives ample powers to the expert, who will not only investigate the disputes submitted to him but also carries out detail investigation to find out the economic conditions of the enterprise and the social situation of the workers involved in the dispute. All the documents produced by the parties would be examined by the expert. He would then prepare a model plan clearly outlining the issues involved and gives an expert opinion as to how the matter can be processed to arrive at a settlement. The report which contains the recommendations will have a lot of significance. The Court of Enquiry, which is also modelled more or less on the same lines has not been given the power to investigate on its own. The machinery has to wait for the reference to be made by the appropriate Government. Further, the parties have to move the appropriate Government for making the reference and it is not
certain, whether the Government would make a reference in all cases. The parties cannot compel the Government to make a reference. It is therefore suggested that the French model of investigation by an independent authority or expert may be incorporated in our system and make the Court of Enquiry more effective, so that industrial disputes which encompass the socio-economic conditions of the country can be dealt with in a broader perspective.

4.3 Transformation of the System

The de-facto merger of Pondicherry with the Union of India in 1954 caused great upheaval in every walk of life in the territory. Though the people of Pondicherry had fought for the freedom of the territory, it took sometime for them to adjust to the changing situation. Free flow of labour from the neighbouring States brought new problems like absenteeism, migration of labour etc., to be faced by the territory.

The de-facto integration of Pondicherry Territory with the Indian Union marked a beginning of a growing crisis in the textile industry at Pondicherry. Except a few small scale industries, the main industries at Pondicherry were textile industries on the date of de-facto merger. There were three mills, two of them being composite mills doing both spinning and weaving. All the mills were started and were designed to supply cotton textile materials to the less developed overseas territories of France. Except for a short period i.e.,

from 1951 to 1953 all the mills were flourishing and have been making good profits. The French Government after the political change was not prepared to allow the benefit of protected market in their overseas colonies for any indefinite period of time. The agreement(1) between the Government of India and the Government of France for transfer of power stipulated that, the French Government on their part agree to maintain to the benefit of these mills for a period of six months with allocation of foreign currency and under the same conditions as existed prior to the de-facto transfer, entry into the French Union of the goods produced by the said mills. Under the above clause, the mills had the benefit of the French overseas market only upto 1 May 1955. If therefore, the mills had to carry on their trade successfully thereafter, they had to find other markets before that date and switch on their production to the patterns suited to those markets. Of the three mills, the only mill which had some contact with the Indian market was the Rodier Mill. Moreover, the machinery in use in the Bharathi Mills was so worn out and out of date that unless there was almost complete replacement of the machinery no cotton spinning could be usefully carried on in that mill. The importing countries could accept the products of these mills purely from the consideration that these goods work out cheaper to them, when compared with

the prices charged by other suppliers like Portugal, Belgium, and France. While, thus the mills particularly Savana and Bharathi Mills were considerably agitated over their future, the labour who claimed to have made notable contribution to the freedom struggle insisted on the political change finding immediate reflection on the betterment of their conditions and prospects and so, put forward a number of demands first by a memorandum dated 27 November 1954 and later repeated them in their subsequent representations. One of the contentions of the management of the mills was that the workloads were too low and unless there was a revision of these workloads, they would not be in a position to compete with the mills in the rest of India. On the other hand, the labour was asking for a reduction of the workloads saying that they were too heavy. Many other differences between management and labour also developed. One was about bonus for 1953 and 1954 and other was in regard to the scheme of pension, which was in vogue in the mills at Pondicherry. Several attempts were made by the Government to reconcile the differences, so that there might not be break-down in the textile industry soon after the merger. All the attempts in this direction proved abortive.

This was the first major problem faced by all the textile mills at Pondicherry due to the impact of de jure merger. Though
one of the three big mills viz., Rodier Mill was carrying on the work, the prevailing situation in other mills was being watched by the workers of this mill and the tense situation existing kept the industrial relation far from satisfactory. The management and the labour agreed that the matters in dispute might be placed before an impartial Arbitration Committee, which may give its award. Accordingly, by adopting more or less the same pattern of settlement of disputes existing during the French period, the matter was referred to an Arbitration Committee. The award of the Arbitration Committee has blended the French system and the Indian system of industrial relation and showed the path of readjustment with the new system. An analysis of the award would indicate as to how the transformation of the system took place in Pondicherry in the industrial arena.

4.3.1 AWARD OF CHAKRAVARTHI COMMITTEE (1955)

The agreement to refer the dispute to Arbitration Committee was reached in April 1955. However, the committee could be constituted only in the last week of August 1955. The committee under the chairmanship of Shri B.R. Chakravarty submitted the award on 24 November 1955. Some portions of the award came into force from 1 November 1955 and the rest of the award was effective from 24 November 1955. The appointment of
Arbitration Committee in 1955 was the first of its kind immediately after de-facto merger, which aimed at settlement of industrial disputes by Arbitration. The award is very comprehensive and has discussed many aspects of industrial relation system existing at Pondicherry prior to merger. It embraced all most all questions on which disputes can ordinarily arise between the management and the workers. As such, it is proposed to discuss some of the important aspects dealt with in the award of Chakravarthi Committee, 1955.

The points set out for the committee in the reference were:

1. Wages.
2. Dearness Allowance.
3. Classification of workers and standardization of occupation.
4. Workload and efficiency.
5. Leave and holidays including maternity leave benefit.
6. Recruitment, promotion and confirmation.
7. Disciplinary action and introduction of standing orders.
8. Hours of work in week-shifts including night shifts and overtime.
9. Compensation in cases of retrenchment and involuntary retirement.
10. Incentive allowance.
12. Funeral and burial expenses.
13. Welfare activities.
15. Reinstatement of former workers.
16. Protective equipments like gloves and uniforms.
17. Exclusion of women workers in night shifts.
18. Classification of clerks.
20. Canteen.
21. Supply of free tea.
22. Pension scheme and payment of pension with or without provident fund.
23. Free gift of cloth.
24. Representatives of employees and their functions.
25. Rationalization.

At the time of de-facto merger, the industrial sector at Pondicherry was dominated by textile industries and the workers strength in other industries were negligible. The three textile
mills existing at the time of merger were facing different types of problems. The Bharathi Mills management was faced with a difficult situation in which they had to renew and replace their machineries, switch on their production to the pattern suited to Indian market and to find a market for their goods in India. In such a situation, further lessening of the workloads was impossible and when such a demand was made, they had to close down. Savana Mills (another textile mill) was a French concern with its head office at Bordeaux. With the transfer of political power, the company had lost their real enthusiasm for business at Pondicherry, unless it be for substantial profit. As such, they entered into an agreement to sell their mills at Pondicherry.

The award dealt with some of the following important points in order to restore industrial peace and harmony and to pave way to maintain good industrial relations in future.

4.3.1.1 **Minimum wage.** The committee took up the question as to what could be the minimum wage, which should be paid to an unskilled worker. In the Pondicherry Mills, it was Rs 12 per month,\(^1\) whereas in the neighbouring places at Tamil Nadu, the minimum wage recommended was Rs. 26 per month. The computation of month at Pondicherry was on the basis of a month being equal to 24 working days. The committee recommended

\(^1\)Chakravarthi's Award (1955) Point No. 1.
to increase the minimum wage to Rs 26 and to base a calendar month without regard to the number of working days in it.

4.3.1.2 **Pay day.** The committee recommended to retain the system existing viz., to disburse the payment once in a fortnight to avoid hardship to workers at least till such time the mills will start co-operative stores for the benefit of the workers.

4.3.1.3 **Wages for women workers.** The committee took note of the directives contained in Article 91 of the French Labour Code (1952) that subject to equality of work and output, the woman shall be paid the same as man. Since in all departments, work and output shall not be same, the committee recommended that in regard to winding, reeling, spinning, waste-picking, and sweeping, for which women are particularly suited, they should be paid the same wages as are paid to men and for other types of work except work done in piece rate, a woman will receive five sixth of the wages which a man receives. The dearness allowance and the basic minimum pay was recommended to be increased to be brought on par with the workers of the industries of the neighbouring region.

4.3.1.4 **Bonus.** The dispute in regard to the bonus was resolved relying on the verdict of the Supreme Court in the case of Muir Mills Ltd. (1) which stated the law as follows:

> It is therefore clear that the claim for bonus can be

made by the employees only if as a result of the joint contribution of capital and labour, the industrial concern has earned profits. If, in any particular year, the working of the industrial concern has resulted in loss, there is no basis nor justification for a demand for bonus. Bonus is not a deferred wage. Because, if it were so, it would necessarily rank for precedence before dividends. The dividends can only be paid out of profits and unless and until profits are made, no occasion or question can also arise for distribution of any sum as bonus amongst the employees. If the industrial concern has resulted in a trading loss, there would be no profits for the particular year available for distribution of dividends, much less could the employees claim the distribution of bonus during that year.

Though the settlement was arrived at and the parties have agreed to abide by the settlement, the application of the principle evolved by the Supreme Court in this case is of doubtful value. In 1955 when the present dispute was referred to the committee, French Labour Code of 1952 was the law applicable to the labour in the territory of Pondicherry. The Indian Laws were extended to Pondicherry only from 1 October 1963. The Supreme Court of India had held that Pondicherry is not a territory 'acquired' within the meaning of Article 1 (3) (c) of the constitution and as such no appeal lies to the Supreme Court. In the above circumstances, resolving a dispute with reference to a particular law, which is not applicable to the dispute would be destitute of legal effect. Since the law relating to bonus has undergone changes, the settlement of the issue of bonus by the committee is only of academic importance.

4.3.1.5 **Attendance bonus.** The workers at Pondicherry had demanded the introduction of attendance bonus as is prevailing in Buckingham and Carnatic Mills, Madras. The committee taking note of the directives provided for checking the absenteeism and also of the fact that the mills at Pondicherry have provided for 20 per cent leave reserve, the committee felt that there is no need for provision of attendance bonus in order to encourage punctuality and regularity in attendance. On the same ground, the committee considered it not necessary to provide special allowance for efficiency.

The efficiency was the hallmark of French system, equally so in respect of settlement of disputes and maintaining good industrial relations. Efficiency at every level was being encouraged by the employer either by giving timely rewards or special allowance for efficiency. This was given a quietus by virtue of the award of the Arbitration Committee.

4.3.1.6 **Hours of work in a week - shifts including night shifts.** French Labour Code provided for 40 hours week\(^{(1)}\) for workers in industrial establishments, though the provisions were not strictly implemented. The workers' representative accordingly demanded 40 hours per week. The committee found feasible to regulate the working hours and shifts and overtime in accordance with Chapter VI of the

---

Indian Factories Act, 1948 as there was no serious objection from the management and labour and as the wage structure was revised to be on par with the workers working in the neighbouring regions. This was another instance of application of Indian Laws in 1955 which could have been legitimately questioned.

4.3.1.7 Exclusion of women workers in night shifts. Based upon the 'Washington International Convention' express provisions was made in the Labour Code\(^1\) to exclude women workers from night shift. But the situation in Pondicherry was peculiar. Nearly 50 per cent of the workers were women and they were also working for the past many years. The provisions of Labour Code, which came into force from December 1955 was not enforced and actually the provisions remained a dead letter. The committee recommended for the gradual process of elimination of women workers in the night shifts and keep in abeyance the Article 113 of French Labour Code.

The committee made detailed recommendations as to rationalization and work load, taking into consideration the political change as well as need for replacement of machineries.

4.3.1.8 Abolition of pension scheme. Pension scheme which was existing since 1936 was recommended to be abolished.

\(^1\) Article 113 of Code Du Travail, 1952.
It is felt that though the workman did not take any serious objection, as the abolition was in tune with the practice existing elsewhere in this country, the workers have been deprived of their very vital benefits. The social structure has been changing. The society has been moving from status to contract. The joint family system has been virtually given up by virtue of the changing socio-economic conditions. In the circumstances, it would have been advisable to experiment with this novel scheme, which gives minimum economic security to the workmen during their retired life. The merits and demerits vis-a-vis the legal validity of the pension scheme existing then, have been discussed in detail in the third chapter.

4.3.1.9 Chômage fund. Another interesting phenomenon was the existence of the "Chômage Fund" (unemployment fund) created by an Arrêté dated 11 September 1952 issued by the Head of Pondicherry Government. The employer's contribution to the fund was 2 per cent of the wage bill and the employees contribution was 2 per cent of the wages. The biggest contribution was from the Government viz., 50 per cent of the 'Landing Tax' on coal and cotton. The right of workmen for compensation who have been laid off was recognized and the relief was to be provided from this "Chômage Fund". With the abolition of import duty on coal and cotton, the fund dwindled
down and its potential as a source of unemployment relief became negligible. The committee noticed that there was a sum of Rs 42,000 and odd in the fund as against outstanding liability of Rs 3 lakhs. Hence, the committee recommended to wind up "Chômage Fund" and follow the provisions of Section 25(c) of the Industrial Disputes Act, 1947 with modifications wherever necessary.

4.3.1.10 Other miscellaneous matters. Canteen facilities were provided as per the directives of the award of the committee. The workmen were getting free tea every day. However, this practice has been given up as the substantial wage increase is effected under the award and also as such a practice is not in vogue in most of the mills in Tamil Nadu. In the same way, the practice of giving free gift of cloth by the management to the workman was given up. However, it is felt that these two systems could have been retained as that would certainly help in creating a good and humane atmosphere, which are conducive for healthy industrial relations.

The existing medical facilities and welfare measures were felt to be adequate by the committee.

In regard to the safety measures, the committee recommended to the management to follow the directives contained in the Indian Factory Act, 1948 though the Act was still to be made applicable to Pondicherry.
The existing provisions on the basis of a collective agreement of 1943 providing for burial and funeral expenses were recommended to be abolished. A suggestion that management must contribute for 'Death Fund' also was not approved by the committee. This again appears to be not a healthy decision towards the labour vis-a-vis better industrial relations, though there appears to be justification from the legalistic point of view.

In regard to recruitment, the management was given a free hand. In regard to promotions, the committee recommended seniority, honesty, and efficiency, as the guidelines.

Sick Leave (1:20), Earned Leave (1:20) were introduced. Maternity Leave to the extent of seven weeks with Re 1 per day was recommended. The French Labour Code provided for 14 weeks' maternity leave. The collective agreement between the management and trade union provided for 12 weeks. Madras Maternity Benefit Act provided for seven weeks. The committee had chosen to adopt the provisions under the Madras Maternity Benefit Act, since the wages and other benefits were revised on the basis of the practice existing in Madras State.

The Draft Standing Orders prepared by the management based on the Model Standing Orders contained in the Madras Industrial Employment (Standing Orders) Rules, 1947 were approved with
certain modifications and directed to be followed till such time they are replaced by Statutory Standing Orders.

The award by and large has been welcomed both by the management and labour. The settlement has been arrived at by adopting a more legalistic approach than looking at a humanistic point of view. The chairman being a retired judge, who administered Anglo-saxon systems for considerable number of years analysed the issues more from the legalistic point of view and not taking into equitable principles, which were the hall-marks of the French system. Labour had to give up many privileges and benefits, which they had secured from the erstwhile rulers after a great struggle. The political change created a dilemma for the workers and appears to have made them agreeable for many compromises.

However, the award of 1955 became the working charter for the textile industries at Pondicherry till the Indian legislations were extended in 1963.

4.4 Settlement of Disputes through Labour Courts

On the eve of the de-facto merger of Pondicherry with the union of India, another important step was taken to improve the industrial relation by establishing Labour Courts at Pondicherry. The Arrêté of 20 May 1954 provided for the
creation of Labour Courts in Pondicherry and Karaikal regions. The Arrêté of 17 June 1954 determined the functions of Labour Court and provided for avoiding delay in the disposal of cases before the Labour Court.

The Labour Court established in 1954 was an amalgamated hybrid of Cour de Travail (Labour Court), which was existing earlier and the Labour Courts established under the Industrial Disputes Act, 1947 and existing elsewhere in the country. Since impact of India's independence could be felt at Pondicherry, it was then decided to establish Labour Court at Pondicherry on the Indian model viz., giving jurisdiction to try all kinds of disputes arising out of employment. However, the constitution and procedure adopted were in the French model. Due to the merger of the territory with the Union of India and extension of Indian Laws to Pondicherry, the Labour Courts could not function for a long time. However, the composition and procedure followed by the Labour Court is very interesting. It is therefore proposed to make a brief mention about the functioning of Labour Courts established in 1954.

4.4.1 COMPOSITION AND FUNCTIONS OF LABOUR COURT

The Labour Court dealt with individual disputes arising in
connection with a contract of employment between workers and their employers. It also decided all individual disputes relating to collective agreements or orders, which took place. Its jurisdiction also extended to disputes between workers arising out of employment. The Labour Court consisted of a judicial officer, who will act as President, two Employment Assessors, and two Worker Assessors, appointed for one year by the Government from the lists submitted by the most representative organizations. Different sets of assessors are appointed for adjudicating the disputes belonging to different categories of profession like government services, agriculture, trade and banks, industry, transport, domestic services etc.

The tripartite composition of the Labour Court has tremendous advantages. Every one gets a better insight into the true nature of the problem in the course of the mutual discussions before arriving at a decision. As the award emanates from a collegial body and not from a single individual, it has more weight in the eyes of all concerned and is above any suspicion, which could sometimes sprint in the heart of a losing party. It is worthwhile to note that even though representative of the parties were brought to judge their own issues, it never lead to any differences of opinion.
or taking the entire responsibility on the part of the judge to arbitrate. In an interview with an eminent legal scholar(1) who presided over the Labour Court for a considerable period, it was elicited that employers and employees when called upon to sit as judges realized their responsibility and as they were not directly involved in the matter, they acted with objectivity and a sense of justice. The approach to the problems may be different from both sides, but they did not differ very much regarding conclusions. Almost all decisions were arrived at unanimously. If there were any differences they used to be only in respect of quantum of compensation only.

4.4.2 PROCEDURE BEFORE THE LABOUR COURT

The procedure before the Labour Court was also very simple. The matter in the first instance would come before the Inspector of Labour, who would sincerely make an attempt for amicable settlement. Any worker or employer without even attempting such a settlement before the Inspector of Labour or after the failure of such an attempt can institute an action by an oral or written

1. Narrated by Hon'ble Justice Dr Anoussamy David, Judge High Court of Madras (formerly Judge, Labour Court, Pondicherry).
declaration to the Secretary of the Labour Court. Within two days of the receipt of the plaint, the president of the court summons the parties to the hearing within 12 days. The parties are allowed to be represented by a worker or employer as the case may be belonging to the same branch of activity or by an advocate or by a representative of the organization to which they belong. When the parties appear before the Labour Court, ordinarily an attempt would be made at reconciliation. In case, it is not possible to reconcile the dispute, the Labour Court would proceed with the matter. There can be no adjournment of the case, unless the parties so agree or unless further enquiry into the matter is found necessary. On termination of the proceedings, members of the Labour Court immediately consult in private unless the case is postponed for further consultation (this being limited to a maximum of four days). The judgement is drafted forthwith and the sitting resumed for the judgement to be read. The judgement of the Labour Court is subject to appeal and revision before Superior Civil Courts. (1) No stay can be granted by the court before which a revision petition is filed. Appeals stay automatically the decree of the Labour Court. Notwithstanding the appeal, immediate execution can be ordered by the Labour Court upto an amount of Rs 600. The workers are entitled to full legal aid for executing the judgement.

A model judgement which is given in Appendix would indicate as to how precise and reasoned judgements are pronounced by the courts. The judgement would only refer to the actual provisions of law by which the aggrieved party is entitled to get justice or that he has no case to substantiate.

4.5 Legal Position during the De-facto Period

Before the dé-jure transfer of Pondicherry took place in the year 1962, the legal position of Pondicherry became more complicated and confused. The situation was improved only after Indian legislations were extended to Pondicherry in the year 1963. The agreement dated 1 November 1954 between the Government of India and the Government of France authorized the Indian Government to take over the establishments. For the purpose of carrying on the administration, the Government of India issued two notifications on 30 October 1954 under the Foreign Jurisdiction Act, 1947. The first one was known as the French Establishments (Administration) Order 1954 which provided that all laws in force in the French Establishments or any area thereof before the commencement of the order shall continue to be in force until repealed by a competent authority. The second one called the French Establishments Application of Laws Order, 1954 extended to Pondicherry 22 Indian Acts.

1. Appendix 5.
mostly relating to coinage, currency, customs and excise duties, imports and exports, and exchange of control.1 Neither the de-facto arrangement nor the above two orders state clearly the real legal status of Pondicherry during the de-facto period. The matter came up before the Supreme Court in a case known as Sahib Masthan's case.2 The case came up before the Supreme Court by way of writ petition under Article 32 of the Constitution and partly by way of appeal against the orders of the State Transport Appellate Tribunal.

The Motor Vehicles Act 1939 was extended to Pondicherry with effect from 19 June 1959 and the State Transport Authority constituted under that Act started issuing permits. The Chief Commissioner appointed himself as the Appellate Authority to hear the appeals against the orders passed by the State Transport Authority. Ordinarily, the aggrieved party would have moved the High Court under Article 226 of the constitution against the decision of the State Transport Authority. No High Courts in India had jurisdiction over Pondicherry at that time. There was no possibility for bringing the matter before the "Conseil du Contentieux Administratif",3 since the order of the Transport Appellate Tribunal was not an administrative order but a quasi-judicial order. The following two important questions were raised by the Supreme Court:

1. Whether Pondicherry, which was a former French


3. Council for settlement of disputes of administrative nature, which can be precisely known as Administrative Tribunal.
Settlement is or is not at present comprised within the territory of India under Article 1(3) of the Constitution by virtue of the Articles of the Merger Agreement dated 21 October 1954 between the Governments of India and France and other relevant agreements, acts, and conduct of the two Governments.

2. If the answer to Question No. 1 is that Pondicherry is not within the territory of India what is the extent of the jurisdiction exercised by the Union Government over the said territory and whether it extends to making all and every arrangement for its civil administration, its defence and in regard to its foreign affairs. The Government of India might also state the extent of jurisdiction which France possesses over the area and which operates as a diminution of the jurisdiction ceded to or enjoyed by the Government of India.

On receipt of the answers from the Government of India, the Supreme Court observed that the statement by the Indian Government that Pondicherry was not part of the territory of India was binding on the court. It further held that the de-facto exercise of complete sovereignty by one State in a particular area would imply sovereignty of the State over that area, if it was exercised by unilateral action. In the case of Pondicherry, there was, however, on the contrary, the agreement dated 21 October 1954 and as per the agreement, though complete
administrative control had been transferred to the Government of India, such transfer cannot be equated to the transfer of territory which would take place only upon ratification of the treaty. In view of the fact of Pondicherry not being within the territory of India, the court held that it has no jurisdiction to entertain the appeals. As far as the writ petitions were concerned, the court observed as follows:

If the order of the authority under the control of the Government of India but functioning outside the territory of India was of an executive or administrative nature, relief could be afforded to the Petitioner under Article 32 by passing suitable orders against the Government of India directing them to give effect to the decision of this court by the exercise of their powers of control over the authority outside the territory of India. Such an order could be enforceable by virtue of Article 144 as also Article 142. But in a case where the order of the outside authority is of a quasi-judicial nature, as in the case before us, we consider that resort to such a procedure is not possible and if the orders or directions of this court would not be directly enforced against the authority in Pondicherry, the order would be ineffective and that the court will not stultify itself by passing such an order.

While dismissing the writ petitions, the Supreme Court observed that the dismissal would not preclude the petitioners from approaching the court, if so desired, in the event of Pondicherry becoming the part of territory. The order of the court was passed on 8 December 1961. The de-jure transfer of Pondicherry took place on 16 August 1962. The jurisdiction of the Madras High Court was extended to Pondicherry also from that
date. The parties preferred a second appeal before the Supreme Court on 10 October 1962. That was withdrawn on 11 February 1963 and the petitioners approached the 'Conseil du Contentieux Administratif' on 10 April 1963. Their prayers were rejected by 'Conseil du Contentieux Administratif' on the ground that the impugned orders were not administrative in nature but orders emanating from a quasi-judicial authority and that the court had no jurisdiction to review such orders. The parties preferred appeals to the High Court against that order, which were also rejected. (1) Their prayer for grant of permission to avail a special appeal before the Supreme Court was also not permitted. (2) The case illustrates as to the lacuna created during 'de-facto' period about the legal status of Pondicherry.

During the de-facto period, revision petitions against the judgements of the 'Tribunal Superieur d'Appel' in civil and criminal matters continued to be preferred before the 'Cour de Cassation' in Paris and the appeals against the decisions of the 'Conseil de Contentieux Administratif' were preferred before the 'Conseil d' Etat' in Paris. No one, including the Indian Administration of Pondicherry raised the plea of want of jurisdiction and those courts did not also refuse to entertain those appeals and revision petitions. In fact, they have decided cases during that period not only those filed before the


2.N.Masthan v. Pondy Transport & Others (W.A. No. 228/73 - Order dated 1 August 1980 - Madras High Court).
de-facto merger but even those filed after de-facto merger. There are also instances of cases in which the Cour-de Cassation after setting aside a judgement of the Tribunal Superieur d'Appel, Pondicherry remanded it to a court of appeal in metropolitan France during de-facto period. But it is a known fact that superior courts in France had been reluctant after sometime to exercise their jurisdiction and that they started soft-pedalling in respect of cases from Pondicherry.

As far as Laws enacted in France are concerned, as per the provisions which were in force at the time of de-facto merger, they could apply to Pondicherry only if and when promulgated by the Government of Pondicherry.\(^1\) No such laws were promulgated by the Indian de-facto administration. An interesting question arose as regards the French Constitution 1958. The constitution does not need any promulgation. Pondicherry being de-jure a French territory at that time an overseas territory forming part of the French Republic, the constitution should necessarily apply. But it was not so in fact. For the adoption of the new constitution, there was a referendum on 28 September 1958 all over French empire. The referendum gave rise to the overseas territories to become independent in answering 'no' to the proposed constitution. As far as Pondicherry was concerned, there was already Kijeour consultation held on

\(^1\)Dr Annoussamy David - Extension of Indian Laws to Pondicherry - CLA-III p. 6.
18 October 1954 in the course of which the elected representatives of Pondicherry had voted in favour of the transfer of Pondicherry to the Indian Union. Therefore the referendum could not take place.

The Pondicherry (Administration) Act, 1962 provided also that the Central Government may, for the purpose of facilitating the application of the pre-existing French Laws in relation to the administration of Pondicherry and for the purpose of bringing the provision of any such law into accord with the provisions of the constitution, within three years, make such adaptations and modifications as may be necessary or expedient. But there is no such instance of such adaptations or modifications.

Thus expeditious settlement of labour disputes, representative character of the settlement machinery, simple procedural mechanism for the benefit of the workmen, the availability of expertise had placed the industrial relation system at Pondicherry on a different and better footing from the rest of the country. However, the experience gained during the French period continued to influence the present system for some period due to the fact that the presiding officers of the Labour Court trained under the French system continued to preside over the adjudicating machineries for settlement of labour disputes.
It is in this background, the present industrial relation system existing at Pondicherry after the de-jure merger has been analysed in the next chapter.