CHAPTER VIII

MODERNISATION
AND
INDUSTRIAL RELATIONS
Much hue and cry has been raised over the question of modernisation in our country, and in Kanpur particularly, than over any other aspect of textile industry. It is all the more surprising because the need for modernisation is recognised by all sectors, labour, employers and the State. The sorry state of affairs in the textile mills in India with its very low productivity and high cost of output has been highlighted by comparison with the advanced countries of the world, as Japan, Great Britain, U.S.A., Germany etc. In this chapter an attempt has been made to examine the various aspects of modernisation in the context of industrial relations.

THE NEED FOR MODERNISATION IN INDUSTRIES:

"Modernisation of an industry is generally regarded as a replacement not only of old worn-out uneconomic or obsolete machinery, but also the introduction of modern techniques and methods so as to enable the industry to be equipped with the latest techniques of production for improving the quality of goods, increasing productivity, reducing unit cost of production and relieving the strain on the operatives."¹ In 1952, the first systematic ¹ Textile Reorganisation Committee of 1967, Gujarat.
effort was made to estimate the requirements of rehabilitation of old machinery, by the Federation of Indian Chambers of Commerce and Industry. The finance required was estimated at Rs. 600-800 crores in India. The U.P. Textile Industry Enquiry Committee, 1963, estimated that a sum of above 26 crores of Rupees will be required for modernisation in phases, but nothing has been done so far to provide the finance. Authoritative bodies and persons like the I.L.O., the Industrial Finance Corporation, Shri T.T. Krishnamachari, and the Indian Parliament have called attention to the imperative need of liquidating obsolescence and replacing it by improved modern techniques and automatic looms and machinery. This is all the more necessary because of daily improvements made in foreign countries. A decade ago our country could not boast of having a single mill equipped with all the latest improvements or run on the same basis as mills in the foreign countries. The backwardness of our country and particularly of U.P. in textile industry is proverbial.

COMPARISON WITH OTHER COUNTRIES:

A joint productivity survey undertaken by SITRA, ATIRA and BTRA revealed that productivity in Indian Mills is very low; it is roughly one-ninth of a typical American Mill and about one-fifth of a modern mill in Lancashire or Germany. One of the major causes for this low productivity in the Indian Textile Industry is the technical obsolescence of machinery. In Japan the new ring frames for spinning are running at speeds between 14000 and 15000 r.p.m. and the old ring frames have a speed of 13500 r.p.m. In
India, however, the spindle speed even in new mills is 11000 rpm. In weaving, the conditions are similar. Automatic looms, where labour productivity is more than 100 per cent of that of ordinary looms, account only for 17 per cent of the total looms installed in the country, as against 100 per cent in U.S.A., 62 per cent in France, 69 per cent in Germany and 81 per cent in Japan. Also the number of automatic looms per worker ranges between 40 and 100 in these countries. As against 6-36 looms per worker in Indian mills. It is not surprising that labour productivity between mills in India has a large variation of 550%. The foreign countries mentioned above have invested huge amounts in modernising their productive machinery. In our country even new mills that are being installed are not as efficient as those which have been modernised in other countries.

**STATE OF EXISTING TEXTILE MACHINERY IN INDIA:**

The General Report of the I.L.O. on "Recent Trends and Developments in the Textile Industry" for the year 1952 says "Renewal of textile machinery is an urgent problem in India also. It is estimated that 90% of the present machinery in the Cotton Textile industry is more than 25 years old." According to a scrutiny made by a technical Sub Committee of experts working under the aegis of the working party for the Cotton Textile Industry appointed by the Government of India under the Chairmanship of Shri A. Rama-swamy Mudaliar, the machinery could be classified under three age groups, viz., that prior to 1910, that between 1910 and 1925, and that from 1925 onwards. It was also evident from the scrutiny
that about 65% of the machinery in the spinning section was installed and worked before 1925, and that about half the total number of looms was installed and worked before 1910 and about three fourths was installed before 1925. A considerable part of the textile machinery existing today in Indian textile mills requires replacement. Machinery in the first age-group is completely worn-out, and that in the second age-group may serve for a decade at the most. Certain additions are also needed in the machinery of the third age-group.

Modernisation in the Indian Textile Industry is inevitable, if it has to stand competition of foreign countries. Modernisation eliminates several manufacturing processes and thus reduces working expenses. It may be pointed out that in America a weaver works with as many as 104 automatic looms and his task is no harder than that of the worker working with two non-automatic looms in India. The automatic looms are much more advantageous than the ordinary looms, (i) because in the former the shuttle is changed automatically and without stoppage of the looms, (ii) the automatic loom stops automatically in case of breakage of warp, saving mental strain to the worker; (iii) and lastly the percentage of damaged cloth on automatic loom is much lower than in the case of ordinary loom.

The Textile Reorganisation Committee, appointed by the Government of Gujarat in 1967, under the Chairmanship of Mr. M. Manubhai Shah, former Union Minister of Commerce, divided the moderni-
sation programmes into two parts, one 'phased programme' and another a 'crash programme'. The first programme is meant for such units as are not having a large proportion of old machinery but are handicapped for lack of finances. The second programme is meant for mills which are in a better position to undertake modernisation. In Kanpur Textile industries practically nothing has been done towards modernisation. The meagre amount of about Rs. 91 crores invested by the Kanpur Mills between 1956-66, on modernisation, rehabilitation and expansion, is neither here nor there. It is a very small fraction of the total amount needed.

THE ATTITUDE OF LABOUR TOWARDS MODERNISATION:

"For the last few years a heated controversy is giving on between those who are in favour of modernisation and mechanisation of plant and those against it. With few exceptions much that was said in the course of this controversy, between representatives of labour, Governments and employers, revealed a tragic misunderstanding of the true facts. On the part of labour much was made of unemployment, resulting as a national consequence of modernisation, while the employers on their part either avoided this altogether or failed to give any satisfactory explanation. This important subject, therefore, necessitates a thorough examination."2 Before proceeding further in this matter, it is proper to pause for a while in order to consider carefully the correct import of the various terms bandied about in this controversy.

Rationalisation, automation, modernisation and even simplification, intensification and standardisation, have been used rather freely and loosely in the raging controversy. The result has been confusion worse confounded. "In a sense automation could be considered a part of the wider concept of rationalisation. It is possible to conceive of rationalisation taking place in an establishment without any significant resort to automation and capital intensive devices, but automation will necessarily be a higher reach of rationalisation."

'Modernisation' is strictly limited in import to modern productive processes and is included in the term rationalisation. No doubt automation is the sheet anchor of modernisation but it is not the whole of modernisation. The latter term includes rehabilitation and replacement of old machines as well. 'Simplification' refers to industrial processes, 'intensification' refers to workloads and 'standardisation' to wages and patterns.

It is futile to talk about the attitude of labour towards modernisation when the latter has made little headway in our country. Only a small degree of modernisation has been effected in Bombay and Ahmedabad. In Kanpur the employers blame the workers and their unions. It is possible, however, to anticipate the reaction of the workers to any future scheme of modernisation from the reaction of the workers' unions to the schemes of rationalisation sought to be introduced in Kanpur Mills during the period 1935 to 1962. In spite of the various enquiry committees appointed.

by the U.P. Government and tripartite conferences, leading to the Sampurnanand Award after a record breaking strike, lasting 80 days in 1955, and various protracted negotiations between the employer's associations and worker's unions, nothing useful and tangible was done to promote schemes of rationalisation. Thus observes Shri P.D. Singhania, a noted industrialist of Kanpur, about the progress of the scheme of rationalisation in Kanpur, "It is, however, regretted that no headway worth the name has been made in this direction due to the resistance of trade unions. A number of schemes of rationalisation has been pending for over three years. Even new machines installed here remained idle due to worker's resistance to run them. Thus, the obstruction in the introduction of rationalisation has reached a climax, and there is unwarranted resistance of workers resulting in a complete halt in this direction."1

Lest this should appear a partisan attitude to some people, it is worthwhile quoting the opinion of an independent authority, viz., the Regional Director, National Productivity Council, Kanpur. He remarks thus, "In the field of lack of modernisation, labour has also been responsible, and I am prompted to say that retardation has come because of a domination of inertia both in the management and labour."

The scheme of rationalisation referred to above in Kanpur was really an "efficiency measure", designed to increase efficiency and output per operative. In the Sampurnanand Award there were

proposals for intensifying workload on the worker and for standardising of wages to the worker. Naturally if a worker worked on rationalised workload he was to be paid more. In the Award there were adequate safeguards against retrenchment as a result of rationalised workloads and also against any risks to the workers' health. Even the U.P. Government, much earlier in December, 1954, had announced in a notification as follows:

"The process of rationalisation in the industrial mills will now be left to agreed solutions reached between the parties, the employers on the one hand and the workers, individually or collectively, on the other. The Labour Commissioner will, however, continue to watch these arrangements with a view, particularly, to ensuring the reasonableness of the wages paid to the labour and working conditions in the mills." With all these safeguards and assurances, the worker's representatives could not overcome the lurking fear in their minds that the scheme would lead to retrenchment of labour and unemployment in some form or other. The result was that the scheme was torpedoed. When this was the fate of the thinnest type of rationalisation, viz., "efficiency measures", it is not difficult to imagine the reception that would be accorded by labour to any future scheme of modernisation of industry.

Modernisation would certainly bring about greater upheaval and unemployment than the "efficiency measures" referred to above. In the latter scheme, a worker was required generally to attend to two sides of ring frames in spinning or four looms in
weaving, in place of one side of a ring frame or two looms respectively. In modernisation the changes would be radical, as given in the opening paragraphs of this chapter.

PROGRESS OF MODERNISATION IN U.P. INDUSTRIES:

As already stated earlier, progress in this direction is nil. Modernisation in the sense of installing of modern automatic machines for higher productivity is altogether non-existent in U.P. Even in other parts of India there is not much achievement in this direction. Of course, modernisation in the sense of rehabilitation of old worn-out machinery has been attempted on a very meagre scale in Kanpur, but due to various unavoidable factors including lack of financial resources it could not make much headway. Persistent opposition of labour even to the scheme of rationalisation as an "efficiency measure" attempted in the industries of Kanpur by local industrialists has all along torpedoed it. The annexure to this chapter gives an outline of such attempts since the inception of the scheme in 1937 right up to 1962. The position even at present remains unchanged.

STEPS TAKEN TO SOLVE 'FEAR AND TEARS' OF LABOUR:

The misgivings of the workers as a whole to the schemes of rationalisation including, of course, modernisation, are not altogether unfounded. What is the use of having costly modern machinery or of adopting new productive processes capable of enhanced productivity, if the number of operatives is to be retained at
the same level? There is bound to be much retrenchment of labour in every scheme of 'Labour-Saving Character'. The question to be discussed here is how the baneful effect of rationalisation can be mitigated, if not altogether avoided, in the initial stages. The succession Five Year Plans have addressed themselves to the problem and the remedies suggested in them are as follows:

(i) Fresh recruitment in rationalised units should be stopped.

(ii) Vacancies due to 'Natural Wastage', i.e., due to death and retirement should not be filled.

(iii) Voluntary retirement should be induced by gratuities.

(iv) Labour rendered surplus should be absorbed in other departments.

(v) Workers thrown out of employment should be offered facilities for retraining for alternative jobs.

(vi) Accommodation of surplus labour in various projects of the state.

(vii) Higher wages and better standard of living to workers should be aimed at for popularising rationalisation.

(viii) No rationalisation should take place without the workers' agreement.

(ix) Adequate safeguards should be provided for the health of the workers.

(x) There should be a proper assessment of workloads and working conditions.

(xi) Standardisation of wages should be affected, i.e., more wages for increased productivity.

(xii) Immunity from retrenchment should be in descending order of seniority of the workers.
Developing countries like India, with surplus labour on the one hand and dearth of capital resources on the other, can ill afford indiscriminate resort to automation because of fears of unemployment and displacement of labour. A refined philosophical objection against automation and indeed against mechanisation itself, is that it has a de-humanising effect on the working-class. In automation the man is to be fitted to the machine, not the machine to the man. We will not discuss this sensitive and sentimental objection to rationalisation any further. A more serious objection is the inability of a worker past the age of 35 generally to adapt himself to alternative vocations. The measures suggested in the National Plans as outlined above will mitigate the disadvantage of rationalisation as far as possible.

The measures suggested above will be sufficient, by and large, to meet the situation. No scheme of rationalisation, however, perfect, can wipe out the tears from every cheek or suppress the fears of every mind. Individual cases of hardships for one reason or other cannot be avoided if the national objective of increased productivity within a reasonable time is to be achieved. Schemes of modernisation in the textile industry cannot be postponed indefinitely. The paramount condition for the success of the measures to solve the fears and tears of the working community in regard to rationalisation and modernisation is the genuineness of the management. If the latter proceed with their schemes of modernisation cautiously, fairly and sympathetically, all would be well with the industry and the operatives. The employers should
not utilise the necessity of unavoidable displacement of labour as a cloak to punish the workers who might have created trouble for them or who might have participated in coercive activities. A strict impartiality on the part of the management is needed, avoiding alike both frowns and favours.

**NEED FOR A PROPER APPROACHES**

The problem of unemployment under modernisation is bound to be very serious if all textile mills can got their plants modernised within a short period. The fear is unfounded because there is no possibility of this within the near future, owing to the very heavy cost of new machinery. Machinery prices have gone up more than ten times those of 1953. The problem needs very careful handling by the Government, management and labour. The choice before our country is not between modernisation and retention of the existing machinery. The choice is between modernisation and extinction of textile industry altogether. Intense foreign competition, high cost of Indian products, and rapid technological progress in the world will ruin the Indian Textile Industry if proper steps are not taken. In short, the struggle of Indian Textile Industry is simply a struggle for survival, which is impossible without modernisation.

The first essential is change in the attitude of labour unions. They believe that all rationalisation means doing comparatively more work without any corresponding relief. According to them it exploits the man, extols the machine and causes boredom.
to the workers. The next thing needed is the all-out effort of the Government in this direction. The management should do all in their power to raise necessary finance for modernisation and to create a climate in favour of modernisation by their actions towards the workers. The need of the hour is a psychological change to remove the inertia prevailing in the industrial sphere.

Among the special measures suggested are:

(i) Concession in excise duty to the modernised units;

(ii) Provision of adequate finance by means of loans and subsidy to the industrial units;

(iii) A more concerted action on the part of the Government to improve methods.

Until now the Government has been watching the situation as a disinterested observer without paying adequate attention to this second largest industry in India next to the Engineering Industry. The Government itself has introduced rationalisation in public sector, e.g., in Ordinance Factories and in the Hindustan Ship Yard Ltd. They can certainly utilise their experience in this sphere by giving proper advice and help to units that are trying to modernise.
ANNEXURE

Soon after the adaption of rationalised methods in Bombay and Ahmedabad in 1935, the Textile Mills in Kanpur also expressed their desire to introduce Rationalisation. This desire was stated in the form of a demand before Labour Enquiry Committee in 1938, presided over by Dr. Rajendra Prasad:

"The Association desires to state that rationalisation and intensification as known in other centres in India has not been introduced in Kanpur as yet. But the Employers' Association appreciate their readiness in this direction since they fully realise that rationalisation and intensification were today a world-wide policy. Therefore if the textile industry of Kanpur is to survive, it must be placed in a position to compete with other centres, both indigenous and foreign, and this can only be achieved by introducing rationalisation and intensification.

"The Association further desires to stress that schemes of rationalisation and intensification assist both the employer and employee. The former is able to retain his market and so continues to give employment to the latter. Such schemes increase the earnings of the operatives and therefore raise their standard of living and comfort. Health and efficiency are not impaired and, as there is no appreciable difference in the
productive efficiency, it would indicate that it is well within the capacity of the operative to look after more machines than at present."

The Mazdoor Sabha also presented their memorandum in which it stated:

"We accept the principles of rationalisation as a necessary factor in social and economic progress. But it is at the same time necessary to safeguard the interests of labour."

The Committee expressed their own view on the subject as under:

"It will be observed that even the Mazdoor Sabha accepts the principle of rationalisation and the conclusion emerges that a wider adoption of rationalisation schemes of intensification and efficiency as known in the local and other textile centres, is advisable. In fact, it is inevitable if the industry at Kanpur is to maintain its present rate of progress. We welcome the tendency towards rationalisation mentioned in a previous paragraph. It is essential in the face of world competition that Indian industry, of which the textile is the premier industry, should employ up-to-date methods. Economy and efficiency cannot otherwise be secured. Constant and comprehensive vigilance and adaptation is necessary. Exploitation, not of the worker, but of the material and machinery should be the key-note of our employers. One important employer, we are glad to note,
in the course of his evidence stated that his main concern was to exploit his machines rather than his man. If this spirit becomes general, the suspicion against intensification and rationalisation would be very greatly diminished."

In confirmation of their considered view the Committee also recommended certain measures for Rationalisation. However, before they could be seriously considered, the Second World War intervened and the case for Rationalisation and for increasing the productivity of labour was put into cold storage for the period of the war.

With the cessation of hostilities in 1945, the controversy on Rationalisation was again revived, this time in a fiercer form, as from a purely industrial problem Rationalisation had become a political problem also. The attitude of labour underwent a radical change and became intransigent and unfavourable to the introduction of Rationalisation. From this time the history of Rationalisation in Kanpur may be regarded as a painful one which reveals the failure of patient efforts made by the mills to rationalise their units. A brief narration of the vicissitude of the problem of Rationalisation in Kanpur since 1946 will be useful for a thorough understanding of the problem.

In 1946, the U.P. Labour Enquiry Committee was appointed by the U.P. Government and its first report was published in Aug., 1948, recommending the standardisation of wages and linking them
to a certain extent to workloads. In April, 1950, the Committee issued an exhaustive questionnaire to the mills on Rationalisation which was replied to and submitted to the Committee. The Committee, to the ill-luck of the industry, ceased to function in September, 1951, and the second part of their report was not published at all.

In the meantime the Employers' Association of Northern India formed its own Reorganisation and Standardisation Sub-Committee in September, 1949, for examining the reorganisation schemes of the Cotton Mills in Kanpur, which were forwarded individually by the mills to the Labour Commissioner for approval.

The Government then advised the Association to get the schemes examined by an independent Scientific Agents, M/s. Ibcon Ltd. and then to submit them to the Government for approval. Six of the cotton mills engaged the services of Messrs Ibcon Ltd., and submitted the schemes along with Ibcon Report to the Government. The whole question was discussed at the Labour Tripartite Conference held in Nainital in September, 1952, and there it was decided to set up a Committee consisting of three representatives each of the employers and the employees with the Labour Commissioner as its Chairman. The Committee, however, could not be formed because of the dissensions in the ranks of labour. The Government, therefore, on January 2, 1953, entrusted its Efficiency Department to examine the schemes of the six Textile Mills vetted by M/s. Ibcon Ltd. to study this. The Efficiency Department later submitted to the Government its tentative proposals for reorganisation in the said mills.
As the proposals of the Efficiency Department were not acceptable to the parties, a Tripartite Conference was held at Nainital in June, 1954. The employers gave an assurance that there would be no retrenchment of workers, permanent, substitute, or temporary, in the process of Rationalisation. The Conference appointed a Seven-Man Committee to thrash out the whole question of Rationalisation, but the Committee, owing to the resignations of its labour members, collapsed in December, 1954.

The Government in its notification dated December 6, 1954, announced as follows:

"The process of Rationalisation in the individual mills will now be left to agreed solution reached between the parties, the employers on the one hand and the workers, individually or collectively, on the other. The Labour Commissioner will, however, continue to watch these arrangements with a view, particularly, to ensuring the reasonableness of the wages paid to the labour and working conditions in the mills."

**KANPUR TEXTILE MILLS RATIONALISATION ENQUIRY COMMITTEE, 1955:**

The issue of rationalisation agitated the workers of Kanpur in 1955 for 80 days. After the termination of the strike, the Kanpur Textile Mills Rationalisation Enquiry Committee was appointed under the Chairmanship of Mr. Bind Basni Prasad, a former judge of the Allahabad High Court to enquire into the details of rationalisation in 7 cotton mills. The details of rationalisation
were to be worked out in the light of the decision of the Nainital Tripartite Conference, which stated: (1) Rationalisation should not mean any unemployment (e.g., reduction in the number of workers except by retirement etc.). (2) The wage structure and workload, as suggested by U.P. Labour Enquiry Committee should be considered for adoption. (3) That an arrangement of incentive wages should be introduced to reward high standard of work. (4) There should be a watch over the working conditions in the mills.

The Committee submitted its report on February 27, 1956, to the U.P. Government: (1) Rationalisation be restricted to Weavers, Ring, Piecers and Ring Doffers only, subject to the condition that the mills would be free to introduce rationalisation in other categories by modernisation, mechanization or elimination of processes; (provided that: (a) the mills submit their proposals to the Government for approval; (b) there is no unemployment and there is no increase in workload). (2) Further rationalisation, that is, switching on to six looms per weaver and four ring frames sides per piecer, be stayed for five years from the date of the submission of the Report. (3) In the broader sense rationalisation implies reforms in the industry in all its aspects - men, material, machines and money - with a view to yielding optimum output with minimum cost; but rationalisation on managerial, marketing and financial aspects can be taken up only by the Union Government on an all-India basis. (4) The Committee did not favour the demand that rationalisation introduced during the period of strike be cancelled. (5) The Committee examined in detail the question of competition with
Ahmedabad and Bombay and came to the conclusion that on the whole Kanpur cotton industry was not at a disadvantage, except in higher electricity rates. (6) It emphasised that the four conditions necessary for rationalised work are: mechanical, physical, operational and workload assessment. Since the provisions of the Factories Act, regarding the physical working conditions are of a general nature, they do not meet the requirements of rationalised work in the cotton mills, therefore, the committee prescribed standards for physical, operational and mechanical working conditions for rationalised working, spacing for rationalised working of looms and ring framers under existing sheds. The committee viewed that relative humidity for looms had to be between 75 per cent and 80 per cent and for Ring Frame shed 65 per cent and for maintaining prescribed temperature and humidity automatic recording transmitter should be provided and necessary facilities (which have been detailed in the report) be provided. (7) The proposed scheme of rationalisation ensures that it would not be accompanied by unemployment by any of the three categories of workers - permanent, substitute and temporary. (8) The composition, functions and persons of the supervisory committee (for the industry) have been prescribed and a Mill Committee for the plant has been recommended so that the scheme of rationalisation may be implemented smoothly.

The recommendations of the committee were not implemented. After this the State appointed Dr. Sampurmanand as an arbitrator between the parties, as agreed by them earlier.
DR. SAMPURNANAND AWARD, 1962:

It was published in the U.P. Government Gazette Extraordinary, dated August 14, 1962, just one year after the publication of the formal arbitration agreement by a notification of the U.P. Government. The findings of the Arbitration on certain important matters are as under:

**BASIC WAGES AND WORKLOAD**

They are identical with those recommended by the Kanpur Textile Mills Rationalisation Enquiry Committee (1955-56), as far as weavers, ring piecers and ring doffers are concerned. However, the Bombay pattern of basic wages has been recommended, as far as possible, for the other categories of workers covered by the mills in their individual schemes of rationalisation. But in some other cases the wage patterns prevailing in Coimbatore etc. have been commended owing to the peculiar conditions of production of Kanpur Textile Mills or owing to the non-existence of workload. The Arbitrator has rejected any adjustment of the personal wage to ad-hoc increase of wages consequent on the recommendations of the Wage Board or to increase in wages due to the rationalised working. So also he has rejected the framing of piece rates by the addition of the ad hoc Wage Board increase or the merged portion of D.A. "The fall-back wage of the categories covered in the award shall be the average of the preceding three months basic earnings. The basic earnings will include the basic pay including the increase granted on the recommendations of the Central Wage Board for
Textile Industry and the personal wage, if any. The fall-back wages will be payable only if the fall in wages is due to any reason within the control of the employers, e.g., defect in mixing. If the fall in wages is due to any fault of the operative or any reason beyond the control of the employer, then the fall-back wages will not be paid. The award on this issue relating to weavers, ring piecers and ring doffers shall operate with effect from the date of the publication of the arbitration agreement, viz., August 14, 1961, except that the award relating to fall-back wages of these categories shall come into force with effect from the date of the award coming into force. The workers who had undertaken rationalised workload after July 3, 1960 would also be receipient of gains in common with other workers working on rationalised system since the award regarding rates of wages has been directed to be applicable with effect from the date of the publication of the arbitration agreement, i.e., August 14, 1961. No special consideration was to be given to such workers.

WORKING CONDITIONS:

Physical, mechanical and operational working conditions of the three categories of weavers, piecers and ring doffers are overwhelmingly similar to those recommended by the Kanpur Textile Mills Rationalisation Enquiry Committee. The question of prescribing working conditions for other categories of workers included in the

1. Para 36 of the Dr. Sampurnanand Award.
2. Para 37 " " "
3. Para 42 " " "

individual schemes of rationalisation has been left to be examined by the supervisory committee to be constituted under the award.

PHASING:

Various time limits have been fixed for compliance with the working conditions by the mills in regard to the portions rationalised. For compliance with physical working conditions in rationalised portions, the award has prescribed generally a limit of one year, and for the satisfaction of mechanical working conditions a limit of six months has generally been fixed. For the satisfaction of operational working conditions a time limit of three months from the date of the award coming into force has been recommended for the rationalised portions of the departments concerned. An exception has been made for providing of pirns with 6" lifts for rationalised working of looms, for which a period of three and a half years has been prescribed. Similarly for the installation of pneumatic files on the frames and for self-threading shuttles on looms working on rationalised basis, a period of one year was recommended. The supervisory committee to be constituted under the award was authorised to extend the period or periods for the fulfilment of the working conditions, failing which the Committee was empowered to derationalise the portion or portions concerned. "No extension of rationalisation would be permissible until the standards of physical working conditions have first been satisfied and the operational working conditions, excepting with regard to 6" lift pirns for which the time limit of three and a half years from the
date of the application of this award has been allowed, have been met.\(^1\)

**PERMANENT MUSTER:**

The learned arbitrator has given careful consideration to these issues. Firstly, he emphasises the necessity of deciding "as to what should be the basis on which permanent muster should be determined."\(^2\) He agrees with the Kanpur Textile Mills Rationalisation Enquiry Committee, "that vacancies caused by natural wastage, viz., death, abandonment and retirement or resignation will not be filled in. Vacancies caused by dismissals will not be included in natural wastage and will be taken into consideration for filling up permanent vacancies."\(^3\) Next he comes to the question of the procedure of filling in the permanent muster. "After setting off the number of posts held by permanent hands, the remaining vacancies, according to the job requirements, will be filled in by substitutes in order of seniority with due regard to efficiency."\(^4\) Of course the stabilisation of job requirements was to follow the fulfilment of the standards of physical, operational and mechanical working conditions. If these were not attained within the time-limit prescribed, the vacancies would be filled in from the substitutes.

**ABSORPTION OF SURPLUS LABOUR:**

For absorption of surplus labour consequent on rationalisation, the Award laid down the following points:

1. Para 89 of the Sampurnanand Award.
2. Para 105
d. Para 105
e. Para 106
(1) Setting-off of the vacancies caused by natural wastage;

(ii) Third shift working;

(iii) Transfers to similar jobs in other departments of the factory;

(iv) Transfer to some jobs in other factories;

(v) Expansion of existing units so as to make them balanced;

(vi) Training within the industry;

(vii) Subject to certain conditions, seven days working where it becomes necessary to absorb surplus labour on account of rationalisation effected amongst the categories covered.

Sunday working according to the award would be permissible for absorption of surplus labour resulting from rationalisation subject to the following conditions:

(i) The concurrence of the Supervisory Committee has been obtained;

(ii) There are only two shifts on Sunday so arranged that, unless the timings of the shifts are mutually agreed upon and concurrence of the Supervisory Committee thereto has been obtained, first shift finishes by 3.00 p.m. and second shift does not start before 10.00 p.m. on Sunday;

(iii) An allowance of 33½% on the basic wage is paid to the worker for the period he works during any part of 24 hours on Sunday commencing from any point of time between 6 a.m. to 7 a.m. as might have been specified for commencement of shifts.

FESTIVAL HOLIDAYS AND WORKING DAYS:

The Arbitrator has prescribed 5 paid holidays (including the three national holidays) and 10 unpaid holidays. In lieu of
unpaid holidays, however, working on Sunday can be resorted to without payment of any additional allowance. This should now allow for about 308 working days in a year.

**RETIREMENT SCHEME AND GRATUITY RATE**

The Arbitrator has evolved a scheme of gratuity to be effective from August 14, 1961. Retirement for the purposes of this scheme means:

(a) termination of the service of a workman for any cause whatsoever, including attainment of age of superannuation or continued ill health;

(b) voluntary resignation;

(c) abandonment of service by a workman provided he submits his resignation within a period of one month from first day of absence without leave. The superannuation age prescribed by the Arbitrator is sixty years.

The gratuity shall be payable to workmen who have put in five years or more service at the rate of one month's consolidated wages of each year of completed service reduced by the total of employer's contribution to the Employee's Provident Fund Scheme, subject to a maximum of eight months consolidated wages or Rs.1000/- whichever is higher.

**MACHINERY FOR SUPERVISION**

In order to supervise the enforcement of the arbitration award, the Arbitrator has enjoined the setting up of double-tier machinery - one at the individual mills level and the other at the
industry level. The award lays down the composition, powers and functions of the Committees and requires the State Government to equip the Supervisory Committee at the industry level with adequate resources to discharge its responsibility satisfactorily.

**IMPLEMENTATION OF THE SAMPURNANAND AWARD:**

The most significant point regarding implementation of the Sampurnanand Award is that the employers of Cotton Textile Mills of Kanpur have either evaded or misinterpreted and not implemented its specific clauses.

The Arbitrator has fixed in the following manner the wages of the weaver: two loom weavers standard rates on a given specification, on three loom system 5/6 of the standard rates.¹ In case of two loom weavers the basic wage rates given in the schedule have not been enforced. Under the Award, the ring piecers are to be given wages on the basis of spindles worked² but this has not been enforced in about 50% of the Cotton Mills covered by the Award. The worst sufferers are the doffers whose normal workload under the Award is 3000 spindles doffs and the workers could increase to 3500 doffs at their option provided they are paid extra. This has not been done.

The employers of the Kanpur Textile Mills, according to the Award, should have completed a permanent muster by September, 1963³, but nothing has been done in this respect so far. This will

---

1. Para 25 of the Sampurnanand Award.
2. Para 119 " " "
3. V.B. Singh: Climate for Industrial Relations, p. 80.
have an adverse effect on the chances of permanency of the operatives as the prevalent rate of substitutes is 30%\textsuperscript{1} whereas the Arbitrator has prescribed, "percentage of substitutes to the permanent strength of weavers on rationalised working shall be 20 per cent, while in the case of other categories covered by the award including the ring piece and ring doffers it shall be 17.25%."\textsuperscript{2}

There has been slight improvement in physical conditions but nothing has been done so far either to implement the standards prescribed for weavers, ring piece and ring doffers or to adhere to the standards for the remaining groups. The operatives are carrying on their rationalised work without any improvement in their working conditions. The recommendations regarding physical and mechanical working conditions are not being followed by the employers of Kanpur Textile units.

The procedure for the disbursement of gratuity to workers is not up to the mark. Under the terms of the Award, the employers shall pay the amount of gratuity to worker and in the event of his death to the person or persons entitled to it within a period of ninety days of the claim being presented to the employer and found valid.\textsuperscript{3} There were several violations by the employers of Kanpur Mills in the disbursement of gratuity to the workers.

The manner in which gratuity is calculated, is unscientific and not based on reason. Under the Award, the average monthly

\begin{itemize}
\item 1. V.B. Singh: Climate for Industrial Relations, p. 80.
\item 2. Para 119 of the Sampurnanand Award.
\item 3. Para 154 " "
\end{itemize}
consolidated wage of the workman for the preceding twelve months has to be taken to be the annual earnings for the purpose of calculating gratuity. Thus the period of absence or authorised leave has been taken into account for the purpose of calculating gratuity. The employers of Kanpur Textile Mills have not implemented the scheme of gratuity in its true spirit.

Although some steps were being taken a few years ago for the formation of Mill Committees yet even now the position remains almost unchanged. The net result is that employers have manipulated various items of schemes for rationalisation to their own advantage and taken good care to perpetuate exploitation of labour.