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ENGINE RING WAGE BOARD ; BOMBAY HEARING

A MARATHON HEARING AND A MARATHON ARGUMENT BY A.I.T.U.C. AND  
N.F.M.E.W. REPRESENTATIVES

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The Bombay hearing of the Central Wage Board for the Engineering Industry on the demand of Interim Relief to the Engineering workers, went on from 15th of Nov. to 20th of Nov.

The meeting opened with Com. R. S. Kulkarni appearing on behalf of A.I.T.U.C. Unions of Bombay. Others who were present from the A.I.T.U.C. Unions were Com. G. Sunderam and Com. M. S. Krishnan Secretaries of the N.F.M.E.W.; Com. Vithal Chaudhary, Com. Vaman Tamhane and Com. Nizamuddin, vice-presidents of the N.F.M.E.W., Com. Dr. Mishra ~~and~~ from Nagpur and Com. Vasant Ghanekar from the Centre.

Com. Kulkarni opened with pointing out the guidelines of the Wage Board, as specified in the resolution constituting the wage-board, which, overrules all the present agreements, awards etc. by its very nature and also pointing out the observations of the ~~second~~ planning commission that the existing machinery for labour disputes has failed.

He further pointed out that the present wage structure is still based on the pre-war Rs 30/- and a 100% neutralisation of the rise in the cost of living by way of D.A. is only on this pre-war colonial concept of minimum and that too on the basis 2.4 units in a family.

This basis of Rs 30/- and 2.4 units <sup>is</sup> are totally outmoded and the 15th Indian Labour Conference has unanimously accepted 3 units as the basis.

He also pointed to the reality that the Tribunal decisions tend to freeze wages and are devoid of social justice.

About the so called heavy taxation, much trotted out by the employers, he said that the profitability of concerns in India was much more than in foreign countries and the Government takes away only a part of the excessive profits by way of taxes. Further he said that the new trend in tax policy to give relief to the Industries also should be taken into account.

For fringe benefits, he pointed to the view taken by other wage boards about them and added that that matter is absolutely irrelevant at least at this stage of ~~the~~ consideration of the Interim relief.

Answering to the bogey raised by the employers that the marginal units will go out of existence, if this additional burden is put on them, he answered that this cry was raised by all the employers, before all the wage boards, for different industries and in practice, no unit has gone out of production, instead the concerned industries are found flourishing.

Further, if a unit is closed, what will happen is only an individual employer will suffer and the machinery on changing hands will not be idle, so it cannot be said to be national loss.

He also pointed to the fact that wage rises do not contribute to the price rise and hence to check the prices we have to search for other remedies, like, putting a stop to the speculative markets, Nationalisation of Banks etc.

He further stated that though, cost of living is the most important factor for considering Interim relief other factors also should be taken into account, like the IInd and subsequent plans aiming at a wage structure to raise the real earnings of workers.

He went on to show that the index of real earnings of workers has gone down from 123 to 103, during 1953 to 1962. Against this, the productivity is continuously rising at a very high rate. He substantiated his arguments by producing exhibits.

Lastly, he argued that when engineering workers are adding maximum to the national income, their wages on the other hand are not even upto the bare subsistence level.

Com. G. Sunderam argued on behalf of N.F.M.E.W. He in the first place, explained the principles laid down by the supreme court, in wage fixation and pointed to the fact that drawing a comparison to the "sick industries" tends to freeze the wages. He referred to the Greaves Cotton case in support and cited the relevant extracts from the judgement.

He quoted from "Yojna" to substantiate the claim that the real wages are falling.

After these initial arguments, he turned to his most important point and said that the dietary norms of working class should be taken into account for calculating the need based minimum. About Steel Wage Board's fixation of the value of food packet, he said that the steel wage board functioned at a time when a lot of controversy about the dietary norms ~~was published~~ was raging after the Central pay Commission report was published, and the steel wage board had no scientific data at its hands, to take a correct approach through the controversy. But subsequently the Nutritional Advisory Committee's Sub-committee has gone into investigation and produced a report, about the dietary norms. This wage board is the first to have the basis of this scientific investigation, to base itself on.

Stressing the need for interim relief to the higher categories, he pointed out that about 80% of workers in this industry are in the higher categories and the resolution creating this wage board stresses the need for incentives to the workers for achieving higher skills, and if by way of interim relief ~~only~~ the wages of only the lowest categories are raised, the already depleted wage differentials will be further lowered and it could hardly be said to be an incentive to achieve higher skills and will amount to contravening the directive resolution.

Com. K. S. Krishnan spoke on behalf of the workers of the Public Sector concerns. He pointed out that Public Sector should be the model employer and as such should at least pay wages on par with the Private Sector. Which, ironically enough, is not the case. Not only that! The wages of the Public Sector workers are much depressed, compared to private sector. He produced exhibits to substantiate his claims.

As fair wage stage is not yet reached and is very far off, at this stage, there is no need to take into account the so called fringe benefits.

He gave the break-up of the different categories in Public Sector Companies of Bangalore. On that basis, he argued the need for relief to the higher categories of workers also.

Others to substantiate and to elaborate particular points were: Shri Chakravarty of Hindustan Aeronautics, Supervisory Staff Association; Shri Menon from Kerala; Daniel Theophiaus, from H.A.L.; Shri Nagarej Rao of Bharat Earth Movers.

It was unfortunate to see the I.N.T.U.C. representatives Shri Raja Kulkarni and Deshpande putting up the case with an apologetic note. They suggested a sliding scale of interim relief for higher categories.

The E.L.U. (H.M.P. & S. & C.) representatives Shri Tulsi Boda and Shri V.N. Sane, stressed that as long as the need based wage is not paid, the capacity of the industry to pay, cannot and should not be the criterion for relief considerations. Further the Engineering

Industry has shown tremendous progress. Shri Boda pointed out that if a worker is continuously kept on or below starvation level, his capacity to increase production is bound to suffer, to the detriment of the industry itself.

Shri Bohoni of H.M.S. said that only 30% of the engineering workers in Bombay get the Textile scale of D.A. and the rest don't get even that.

#### THE EMPLOYERS ARGUMENT

On the employers side, Shri Joshi representing both the Engineering Associations, harped on the same old song, about the crisis in the industry and difficulties in obtaining raw materials, foreign exchange, and other usally trotted out arguments.

But after grinding this for a very long time, he came to his most mischivous arguments and sinister arguments. Siting the Supreme Court decisions in the Reserve Bank of India award, he attacked the principle of three consumption units in a working class family saying that they should be taken into account only after 5 years of service and initially it should be taken to consist only 2.4 units.

#### Reply REPLY

In the closing 15 minutes, this argument was most effectively countered by Com. G. Sunderam and Com. R.S. Kulkarni. Siting from the same award of the Supreme Court the argument for this award that THE RESERVE BANK OF INDIA WAS NOT A PARTY TO THE 15TH LABOUR CONFERENCE AND HENCE ITS DECISIONS ARE NOT BINDING ON IT, they explained that this is not the case with the engineering industry. Further they also pointed to the difference in the mode of living in the white colored and working class families where marriages take place at an early age.

A good massive demonstration by A.I.T.U.C. workers on the penultimate day of the meeting highlighted the demand for interim relief and its urgency. The demonstrators were adressed by Com. Mohamad Elias, M.P., Member of the Wage Board.