
**THE CHANGING PHASES
OF
INDUSTRIAL RELATIONS
AND
THE ACHIEVEMENTS
BETWEEN
SIMPSON AND GROUP COMPANIES, MADRAS
AND
SIMPSON AND GROUP COMPANIES WORKERS' AND STAFF
UNIONS, MADRAS**

1944-1971

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I. FORMATION OF UNION AND
INITIATION IN INDUSTRIAL RELATIONSHIP.

In the year 1944 when K. Gurumurthi joined as a staff member of Simpson & Co.Ltd., Madras, the workmen and the staff of the Company were not represented by any independent and free Trade Unions. There existed "The Madras Automobile Workers Union" organised by the Communist Party of India, covering the workers employed in some of the Automobile Factories in Madras and some workers of Simpson & Co.Ltd., were members of the Union, but the staff did not join the said or any other Union.

The management of the Company who thought that organising a Union by their employees could not be prevented, wanted to guide their employees to form a Union which would run for the benefit of their employees totally divesting itself from political activities. Such a desire gave birth to a Union under the name and style of "THE WELFARE UNION" to cover the employees of Simpson & Company Limited and S.R.V.S. Ltd., the only subsidiary of Simpsons at that time. The Union was formed in 1943 and registered on 16.3.1944 and allotted No. 246. By one of the Bye-Laws of the Union, outsiders, i.e. who were not employed in Simpson & Company, were excluded from being a member or from holding any office in the Union. In spite of encouragement from the management, the Union did not attract the workers and the membership was very poor. The said Communist Union branded this Union as "Yellow Union" (Management Union) and indulged in effective propaganda which dissuaded the workers from joining the Union.

The correspondence between the Welfare Union and the Management regarding Bonus was published by the Communist Union to fortify their allegations that the Welfare Union was a stoogy of the Management. Two of the letters are given below:

18th December 1944

The Director,
M/s Simpson & Co.Ltd.,
Mount Road, Madras.

Sir,

We are thankful to the management who have sanctioned our request to give a bonus of one month's wages to those who have completed one year's service as on 31.11.44 and 14 days wages for those who have completed 6 months service as on 31.11.44.

--

28th December 1944

The Secretary,
M/s Simpson & Co.Ltd.,
202, Mount Road, Madras

Dear Sir,

I beg to acknowledge receipt of your letter Ref.G.JS.4 of 19th December and note the contents.

The erroneous term "Bonus" while it should be called A " Special Gift " is much regretted.

I am making necessary amendments in our records and the Labour Commissioner is being advised to this effect. However, I apologise for the error.

Yours faithfully,

Sd:

President, The Welfare Union.

The situation worsened after this and the propaganda by the Communist Union was very successful and in 1945 even the small number of members left the Union and all the Office Bearers resigned their position in the Union.

It was at that time the Congress Leaders were released from the jail. Sri K. Kamaraj, the President of the Tamil Nadu Congress Committee found that in the absence of the National Leaders in jail, the Communists have infiltrated into the working class movement and he wanted to retrieve the workers from the clutches of the Communists. He, therefore, formed a Labour Wing (Labour Section) of the T.N.C.C. and made Sri R. Venkataraman, an Advocate and a freedom fighter, who was also released at that time from the Jail, as member-in-charge. The objective of the Labour Section was to work amongst the Labourers and help to solve their problems, etc., and thus wean them away from the influence of the Communists. Sri Kamaraj laid down as a policy that the workers' problems were to be considered and solved irrespective of the fact whether they belong to Communists or other Unions. Sri Venkataraman started the work right earnest in 1945 with a band of party workers to help him and Gurumurti was the chief among them. For the clerical employees, a Union named "Commercial Employees Union" was formed in which many employees in the commercial establishments, shops, etc. joined and Gurumurti was assigned Mount Road area and he enrolled membership from Simpson & Co., S.R.V.S. Ltd., and other establishments in Mount Road. There were several other workers unions for which Sri Venkataraman was elected as President and all of them were affiliated to Tamil Nadu Congress Committee Labour Section. Unions in Engineering Industries, Textile Industry, Plantation, Transport, etc. from all parts of the State were lead by R. Venkataraman with affiliation to T.N.C.C. Labour Section. At one time about 125 Unions were affiliated to the Labour Section.

As far as Simpson & Co., was concerned after taking all circumstances into consideration, Gurumurti apprehended that he would not be successful in straightaway forming an Independent Union in the Company and as a strategy he thought that the staff members can be persuaded to join the Welfare Union and start working towards making it as an independent

Union. This clicked and a petition was sent to the management signed by all the staff members including Supervisory staff, expressing their desire to join the Welfare Union, which was accepted by the Management and the General Body of the Staff Members elected Gurumurti as President and also other office bearers and executive committee members. Slowly the Union grew into an independent one and divested itself from the control of the management. The name of the Union was changed as "Simpson Employees Union" on 20.8.1946. Since only members of the Staff of Simpson & Co. were members of the Union the name of the Union was again changed as "Simpsons' Staff Union" on 8.4.1948 and by the same time the by-law prohibiting outsiders from joining the Union was amended permitting outsiders to be honorary members of the Union, Office Bearers, etc., upto 50% of the Executives as per the provisions of the Trade Union Act, 1926.

The Union desired to open a portrait of Mahatma Gandhi in the Company and when this was conveyed to the management, they readily agreed. Accordingly, a function was held in the main hall of the Accounts Department on 27.4.1948. Mahatma Gandhi's portrait got up by the Union was opened by Sri M. Bhaktavatsalam, a Minister in the State Cabinet. Sri S. Anantharamakrishnan presided and the function went off very well.

It was at that time in the course of his speech the President of the Union referred to the amendment of the by-law of the Union, providing scope for non-employees of the Company to become a member of the Union, so that the Union could get guidance from experienced trade unionists.

Although the management accepted the change in the name they were against the amending of the by-law facilitating outside leaders to lead the Union. This difference led to a lot of misunderstanding between the Management and the Union and an era of conflict began resulting in antagonistic attitude between the Union and the Management and for the Management, Gurumurti was the main target.

Order was issued on two occasions transferring Gurumurti to outstation branches and was frequently transferred to several departments in the company and was posted to work in the Engine Assembly Department as a worker. This greatly helped Gurumurti to learn the working in all sections and the transfer to Assembly Section made him come closer to workers and get himself fully familiarised with the manufacturing process in the various departments of the works.

None of the demands of the Union were considered. It was then the Industrial Disputes Act came into force and all issues after failure at the conciliation level were referred to Adjudication in 1949. (I.D.15)/49.

The Annexure (I) containing a few extracts from the judgments of the Industrial Tribunal will give an indication of the conflict.

Gurumurti finding himself difficult to carry on the Union activities in addition to his duties in the Company decided to bring in Sri Venkataraman as the President of the Union and he assumed the Office on 19.7.1948 and Gurumurti became the Vice-President. The relationship however, did not improve, but the Union had the opportunity of getting advice and guidance from an experienced leader Sri R. Venkataraman.

It was at that time the T.N.C.C. Labour Section formed for the Automobile Workers "The Tamil Nadu Automobile Employees Union" which was registered and allotted No.847 on 7.7.1948 and the workers of Simpson & Co. were persuaded to join the Union. Gurumurti was one of the Vice-Presidents of the said Union. When it was found that almost all the members were from Simpson and other Group Companies, the Union took a decision on 16.5.1949 to operate the Union solely for the workers of Simpson & Group Companies and the name of the Union was changed to "Simpson & Group Companies Workers Union" on 23.9.1949 and Sri R.Venkataraman as the President and Gurumurti as the Vice-President continued. Since, it is only a change of name the Reg. No. 847 continued.

At the same time since the Staff of other Group Companies also wanted to join the Union, the name of the Simpson Staff Union was changed as "Simpson and Group Companies Staff Union" on 1.10.1951 with Sri R. Venkataraman as President and K. Gurumurthi as the Vice-President. Since it is only a change of the name, the Reg.No. 246 of the Union continued.

Sri R. Venkataraman continued as the President of both the Workers and Staff Union until he assumed charge of State Ministership on 21.4.1957.

In the Tribunal most of the issues were won by the Union and several others were agreed to between the parties and this paved the way to begin an era of direct negotiations and settlement. The Tribunal's conclusion also helped to foster a good relationship between the parties. The conclusion reads as follows:

" Before I close, I feel compelled to refer to the estimable manner in which the enquiry has been conducted by the representatives of the management and the workers. I confess to having initially felt some diffidence at the way in which this fairly complicated enquiry would be conducted by these representatives, in the absence of Counsel. But this diffidence was soon dispelled by the high intelligence, reasoned moderation and warm cordiality displayed by these representatives on the side of both the management and workers alike. In particular, the General Manager of Simpson & Co. Ltd., Mr.N.F. Still appeared to be always anxious to meet the wishes of the workers to the extent that he could. Not to be outdone in this direction, the Vice-President of the two Unions, Mr.K. Gurumurthi was amenable to giving up some problematic demands. These feelings, born of a recognition that the mutual interest of the management and the workers alike really depend on a fruitful co-operation with each other, have resulted in various agreements in different matters. I am quite confident that if animated by the same spirit, the representatives of the workers would assure themselves that their demands are reasonable and just and not allow themselves to be stamped into initiation of exaggerated and fanciful demands. The workers should not seek temporary popularity and the management would, in their turn, honestly and

sincerley try to meet all reasonable demands to the greatest extent that is possible, the differences between the workers and the management would, in time, be materially minimized if not wholly eliminated. If that is achieved, there is no doubt that both the management and the workers would equally reap the rich benefits of an increasingly assured prosperity of the concerns as a whole."

The management and the Union decided to take steps to make the hope of the tribunal a reality especially from the experience gained through the years in conducting the cases before the Tribunal and the agitated and disturbed situation at the factories during the period also made the management and the Union to settle issue by direct negotiation.

The Management and the Union fully realised the serious drawbacks in compulsory adjudication. The system introduced a spirit of contankerous hypertechnical legalism and prevented easy solutions. The challenging of the Award in High Courts only aggravated the malady and rendered the parties " litigation-minded". Instead of promoting harmony between capital and labour the adjudication method only worsened the discard. If the employers won the Labour became sunken, discontented, disillusioned and showed tendency to go slow and wreck vengeance on the management, if the Labour won, the management became vindictive, resorted to pinpricks, victimisation and other unfair labour practices. The whole system of compulsory adjudication envisages the imposing of a contract of employment between the parties on the terms and conditions laid down by the Tribunal. In this context, direct negotiations is the best method to resolve industrial disputes. The parties discuss the matter amongst themselves and in spirit of goodwill and cordiality enter the principle of give and take, arrive at a contract and both parties agree to implement their respective obligations and strive hard to fulfil the spirit of the agreement and not merely the letters in it. The contractual arrangements between the parties, who are the best judges of their own interests, will leave no bitterness and instead makes each party to respect

the other. The method of direct negotiations will succeed only when the management welcomes and accepts Trade Unions as the democratic representative of the work people and give them the necessary status.

Based on these principles the management and the Union started negotiations between themselves of the several matters of dispute that were pending to be cleared between 1949 and 1951.

For the first time discussions between the management and the Union with Sri R. Venkataraman (although R.V. was the President of the Union from July 1948 he was never invited for discussions) started in June 1951 and the first historic settlement was arrived at on 30.6.1951.

The Agreement covered a number of issues. The spirit of understanding was such that the Union agreed to give up 3 months bonus awarded by the Tribunal for the year 1948-1949 and accepted 2 months each for the 3 years 1948-1951. In the same manner the management agreed to reinstate all the dismissed workers whom the the Tribunal refused to order reinstatement.

For the first time in the country, a scheme for payment of gratuity was introduced. Although the quantum was 7 days basic wages for every year of service, this was agreed to because the management has accepted in principle to provide more than one benefit to retired employees, i.e. both Provident Fund and Gratuity. In the later agreements, the quantum was increased to 15 days basic wages for every year of service and finally 15 days basic wages and D.A. for every year of service prior to the introduction of Payment of Gratuity Act.

In addition there was revision of D.A., P.F., etc., etc., in the agreement. As at that time several of the employees of the Group Companies have joined the Union and the agreement covered, Simpson & Co.Ltd., George Oakes Ltd., Addison & Co. Ltd., Associated Printers Ltd., Addisons Paints & Chemicals Ltd., and India Pistons Ltd. It was specifically understood between the parties the benefits of this agreement will be extended to other Comanies of the Group including the Branches as and when the employees join the Union.

The preamble of the Agreement read as follows:

" With a view to arrive at an amicable settlement of all the points of difference outstanding between the several companies mentioned supra and the staff and the workers employed therein, the following representatives, namely Messrs. S. Anantharamakrishnan, W.W. Ladden, N.F. Still, H.B.Stanford, Mrs.Buck and V. Ramalinga Aiyar, representing the Companies and Messrs.R. Venkataraman, K. Gurumurti, A.V. Srinivasan and K. Seethapathy representing the Staff and Workers had several conferences during the last two weeks.

It was realised that with a view to increase the productions and efficiency in the Companies' Undertakings, it was necessary to bring about an atmosphere of co-operation, mutual trust and goodwill between the parties and the parties have endeavoured to assure that in the terms which they have agreed hereunder".

The agreement was concluded in the following terms:

" The parties sincerely hope that this agreement will inaugurate an era of friendly co-operation between the management and the staff and the workers and that a joint effort will be made towards increasing production and efficiency. The Union will not agitate any of the questions covered by this agreement for a period of one year from this date and will devise an agreement with the management a grievance procedure for settling the day-to-day grievances.

The parties hereby agree that all differences shall be discussed between Mr.W.W. Ladden and Mr.R. Venkataraman in the first instance before resorting to any statutory or other remedies."

It will be significant to state here that although the discussions should be between Sri W.W. Ladden and Sri R. Venkataraman before any final action was taken by the parties, the discussions could not take place between them after a time as Sri R. Venkataraman was elected to Parliament and thereafter became

a member of the U.N. Administrative Tribunal and Sri W.W.Ladden was out of the country and mostly the final decision had to be taken after discussions between Sri S. Anantharamakrishnan and K. Gurumurti.

Based on this agreement a procedure for direct negotiations was drawn up. All matters arising in each of the Companies were to be first discussed between the Union representatives and the Managing Director/General Manager of the Company and issues for which no solution could be found at that level discussions would take place between K. Gurumurti and the Chairman of the Group, Sri S. Anantharamakrishnan and in case of issues that could not be settled at that level the parties were free to resort to statutory or other remedies. However, in reality no issue remained unsettled at that level as the parties accommodated each other's view in a spirit of understanding and goodwill.

The discussions between the Union and the management continued almost every day. The discussions with Mr.W.W.Ladden will take place between 6 and 8 A.M. before the work starts so that there will be undisturbed concentration on the issues involved. Sri Gurumurti one day was a little late and when he saluted Mr.Ladden with a "Good morning", Mr. Ladden responded by saying "Good afternoon". This was a good lesson learnt by Gurumurti and from that time onwards he kept his punctuality in an exemplary manner.

Many of the issues not settled at the level of the unit management on the basis of the grievance procedure were discussed at these meetings and a mutually satisfactory decision arrived at.

The issues common to all the Companies such as Bonus, Wages, D.A., P.F., Gratuity, Leave facilities, Age of retirement, etc., and other terms and conditions of employment which would not cover discussions at the unit level would come up for discussion at this highest level and a settlement reached.

An agreement on leave privileges to the workers/staff of the Group Companies dated 11.8.1951 was unique in that all leave with wages in spite of their nomenclature, for which employees were eligible for each year, which were not availed by the employee, except 10 days of leave which the employee should compulsorily avail for recuperative or other purposes during the year, will be kept to his credit for future use which but for the agreement would lapse with the end of each year. The monetary value equivalent of the said accumulated leave would be ascertained on the basis of the salary including D.A. drawn by the concerned employee in that particular year and would be kept in credit to his account.

In any particular year the employee needs more leave than what he was entitled in that year, apart from the 10 days of obligatory leave, he would be paid from the account to his credit the amount equivalent to the number of excess days of leave he requires. This made the worker to conserve his leave for helping him at the time of his need.

When he ceases to be an employee of the Company, the entire amount to his credit in leave Banking Account would be paid to him and in the case of death of an employee to his nominee.

This agreement encouraged the employees not to take leave, when not needed, merely to avoid the lapse of leave as per rules.

The agreement was hailed by the employers and unions in the entire country as a trend setter and Trade Unions abroad who visited the Union expressed a keen desire to introduce same in their countries and took copies of same.

Simpson & Co. did not fix an age for superannuation and employees continued to work until they became physically unfit to work. When this matter was discussed with the management and the union it was no doubt agreed by the union that an age should be fixed for retirement, but, at the same time the management should come

forward to provide employment to a son or a dependent to support the retired worker and his family in retirement. This was agreed to by the Management and age of retirement was fixed as completion of 60 years. Under this agreement many of the retired employees were able to get their son/dependent employed in suitable position in the company.

UNION ANNUAL CONFERENCE ON 21.7.1951:

When discussions were taking place on the matters referred to above and before final agreement was drawn on all matters the Annual Conference of the Union was held on 21.7.1951 in the Royapettah Congress Grounds. Sri Jagjiwan Ram, the Indian Labour Minister inaugurated the same and Sri V.V. Giri presided. Sri K. Seetharama Reddy, State Labour Minister and Sri R. Venkataraman, the President of the Union, and on behalf of the Management, Sri S. Anantharama-krishnan participated.

The Union Labour Minister spoke about the various enactments that had been brought to the protection of the workers and he desired that the Trade Unions should closely follow the implementation of the law and make representation to the appropriate authority whenever there was breach of law.

Sri V.V. Giri commended the good relations between the management and the Union and declared that on no account the management and the union should resort to settlement of dispute by adjudication and that all disputes should be discussed and settled at Bipartite level and declared that "Adjudication is enemy No.1 of the working class".

Sri K. Seetha Rama Reddy mentioned about the good industrial relations existing in the Simpson Group and desired that the parties should continue to maintain the relationship for ever.

Sri R. Venkataraman, the President of the Union, thanked the management for their recognising the Union and coming forward to settle matters across the table and desired that the management should come forward to establish more industries in Tamil Nadu

in the larger interest of the country, State and the people. Sri S. Anantharamakrishnan in his speech guaranteed that he would on his part do all that was possible to maintain good industrial relationship and see that the workers were provided with good terms and conditions of employment. He also announced a donation of Rs.5,000/- for the Union Welfare Fund amidst cheers.

On behalf of the Management, Mr. W.W.Ladden sent a message - see Annexure (2)

UNION ANNUAL CONFERENCE ON 26.8.1952:

The annual conference was held on 26.8.1952 in Royapettah Congress Grounds.

Sri V.V. Giri the Labour Minister of India inaugurated the Conference. The President of the Union, Sri R. Venkataraman, presided over the meeting. Dr.P. Subbarayan inaugurated the unemployment benefit fund. Sri Giri paid a glowing tribute to the healthy manner in which the Unions were progressing and settling the grievances and disputes of the workers by direct negotiation with the management and warmly congratulated both the Unions and Mr.S. Anantharamakrishnan at the head of the Simpson and Group Companies for the very effective and able way in which the employer and the employees understood each other in several of their major and day-to-day problems. The Labour Minister expressed his fervent desire that the managements and the workers and their unions all over India should unhesitatingly follow the example given by Mr.Anantharamakrishnan of the Simpsons Group of firms and Mr.Venkataraman, the President of the Unions.

Speaking about labour's role in Industry, Sri Giri said that workers are the dominant partners in industry and without the support of disciplined workers no industry could thrive. It is, therefore, essential to build up strong, disciplined and democratic trade unions among workers.

Deploring the tendency of the political agitators, particularly the Communists in this country, to divide the trade

unions and create in them political and party strongholds, Mr.Giri said that until and unless all the trade unions united together with the only object of serving the working classes, there was no hope for a healthy trade union movement in India.

The Labour Minister offered ready and willing help from the Government for financing Industrial Housing Schemes for workers and appealed to Mr. Anantharamakrishnan to consider this worthy proposition and produce good schemes for housing of the Simpsons' Group of workers, in Madras.

In conclusion, Mr.Giri said, he was glad that the Unions were having many social benefit schemes such as the sickness and unemployment benefits and congratulated the members for running their unions on healthy and real democratic lines.

Delivering his presidential address, Mr.R. Venkataraman said that one of the conditions essential for creating confidence in the workers was for employers to recognise sound trade unions. Communists may say that recognised unions working in co-operation with the management are in the hands of the employers, but it is far better than being suspects all the time. Mr. Venkataraman proceeding said that, in his view, real trade unionism should develop in both employers and employees a keen desire to preserve peace in industry and the success of a trade union lies in the amount of social service it renders to its members.

The President also said that where bipartite agreements between employers and workers would be welcome, they were only possible if the managements recognised the right of workers to form unions and their right to strike as the last weapon to achieve their demands. Mr.Venkataraman appealed to employers to resort to retrenchment as the very last resort and only in cases where it was inevitable. He said retrenchment should carry compensation for the worker for the loss of his employment and the Central Government should bring forth statutory enactment urgently in this direction.

Dr .P. Subbarayan, inaugurating the Unemployment Benefit Fund, commended the noble objects of the scheme and wished it all success.

Mr. S. Anantharamakrishnan who then spoke expressed his surprise amidst loud cheers, at the delay in the remaining 250 employees of the Group Companies in becoming members. He agreed that the existence of a strong trade union is helpful to the workers and the management alike. He assured bipartite negotiation for settlement. He would not at any cost seek intervention by the third parties and that he was happy that the Union responded well to this policy.

Regarding establishment of New Industries and providing of additional employment opportunities that he would do his best to place Tamil Nadu in a high place in the Industrial Map of India and he will continue to follow the policy of ploughing back the profits into expansion of existing industries and for establishing New Industries even it came to reduction or no payment of dividends to shareholders.

He took the occasion to assure the Union that once a person got employment in the Companies he would see that he was not thrown out of employment. If one company had surplus labour, he would see that such surplus workers were absorbed in suitable positions in companies which need more workers and (2) he would follow the principle of giving opportunities to existing employees for promotion either in the Company where they were employed or in newly established companies; fresh recruitments to higher posts would be made only if the talents in the companies were explored and exhausted.

He further assured the workers of a fair deal and conditions of service and treatment and said that he would do all in his power to meet the reasonable demands of workers and requested the workers to keep production at good level. He then announced a donation of Rs.5,000/- for unemployment benefit fund amidst thundering applause. Sri C. Rajagopalachari, the Chief Minister of Madras, sent a message as

" You have excellent employers and advisers and you

are all working excellently Be pure in thought, work honestly and have faith in God."

EXTRACTS FROM THE JUDGMENT

OF

INDUSTRIAL TRIBUNAL MADRAS

1) Stoppage of increment to K.GURUMURTI Staff

...

.... Under the circumstances regard being had to the fact that W.W.3 (K. Gurumurti) is the Vice-President of both the Workers' and Staff union and is obviously one of the moving spirits in these two unions, the inference is a possible that the increment for whole year had been denied to this individual because of his union activities.

I.D.No.15/1949

2) Discharge of S. Ramchandran staff

.... The only charge against the employee viz. that he was absent without leave from his place of work, would come under rule 22(a)(4) which merely provides for the employee being fined or given a warning. There had not even been any other misconduct though the employee would appear to have been rude to an officer of the company and to have been working against the interest of the Management in actively engaging himself in furthering the boycott of the. Even if this misconduct was also taken into consideration, there was only a single instance of any such misconduct. That would not justify an immediate discharge either. I hold that the discharge of the employee was not justified In the result, therefore I pass an award directing the reinstatement of the employee, Sri S.Ramachandran.

I.D.No.5(b)/1950

3) Curtailment of Leave privileges to the staff

.... In accordance with the above findings, I pass an award directing the respondent management to restore the leave privileges under the original conditions of service to the members of the staff, with effect from the date on which they were altered. In the circumstances of the case, regard being particularly had to the fact the petitioners have not even asked for costs, I direct each party to bear its own costs.

I.A.No.2/1950

in

I.D.No.15/1949

4) Contribution of workers and staff to the profits is only to a small extent

..... In this view, it would be difficult to appreciate the various arguments advanced on the side of the management on this question. It has been urged that the considerable profits made by the three companies and particularly Simpson & Co. Ltd. are due to various factors connected only to a small extent with the work contributed by the members of the staff and the workers in these companies. It has, for instance, been stated that the imports business bringing in large profits is largely in the hands of a few higher-paid officers. It has also been urged that the profits made in these companies include various charges contributed by branch companies. But these arguments would overlook the intimate part played by the workers as a whole in the property of a concern. The imports business does not depend exclusively on the intelligence and initiative of a few important officers in the concern. It requires the assistance and efforts of the lower-paid clerks as also the lowest paid workmen. The charges contributed by the branches are again merely in the nature of charges for supervision, which again, is done by the company as a whole. If some particular individuals at the head of the companies have contributed to a greater extent than some others, it is clear that these individuals are getting a higher remuneration, proportionate to their efficiency. The overhead work cannot, however, minimise the part of the average worker in the companies.

I.D.No.15/1949

(5) Denial "on duty" to office bearers and others to attend to Court

.... The claim of the union in these applications is quite a simple one. It is merely that the presence of one or more representatives from each of the unions before this tribunal, as also the necessary witnesses, on the various dates of hearing, should be treated as on duty. It is not disputed that these representatives or witnesses were, in fact, present at the various hearings of the concerned disputes or applications. It is not disputed either that in most cases, their presence was materially, if not absolutely, necessary. Under these circumstances the various arguments put forward at present to resist the claim would appear to be misconceived. The representative for the management has strenuously argued against the "undesirable practice" of allowing the union representatives

to waste the "company's time" before the tribunal. According to him, the companies pay these employees to do the work of the companies and they cannot, therefore, be allowed to spend their time before the tribunal, to the prejudice of their work that they are paid to do and consequently to the prejudice of the companies.

I am afraid that these arguments disclose a lack of comprehension of the first principles involved. The industrial tribunals as contemplated by the legislature, form a necessary part of the industrial economy of the country. Constituted for the purpose of settlement of industrial disputes, whenever all efforts at conciliation have failed, they serve to ~~at~~ smoothen out the differences between capital and labour. If these tribunals are to be successfully worked, the case of the employees ^{has} to be as effectively represented before the tribunal as the case of the management itself. When this is so, it would follow that the presence of the accredited representatives of the concerned unions to the necessary extent is quite essential, the question of costs having no real bearing on this question.

The representative for the management has quite obviously failed to recognize that a company or a concern consists of two parts, viz. capital and labour, or the management and the employees. Undoubtedly, the representatives for the management in the various disputes and applications have been present before this tribunal on "company's time". While that is so, one fails to see how the same principle will not apply to the representatives of the employees. The suggestion of the representative for the management that the employees may utilize the services of an outsider or outsiders to represent their cause would be directly inconsistent with the policy behind the recent legislative enactments in this respect, contained, in particular, in the provisions relating to the appearance of legal practitioners before tribunals, introduced as section 36(4) in Industrial Disputes Act, Act XIV of 1947, by the Industrial Disputes (Appellate Tribunal) Act, Act LXVIII of 1950. It ~~is~~ cannot be denied that this present policy of encouraging the representatives of the management and the representatives of the employees themselves to meet before the various officers and bodies appointed or constituted for the conciliation or settlement of disputes is a wholesome one. I am ~~of the repr~~ very clear, on the whole, that the presence of the representatives of the union and the witnesses before the tribunal should be on companies' time, whenever the presence of such representatives and witnesses is necessary for the enquiry into a bona fide dispute or application.

Dear Mr. Government,

July 21, 1951.

ANNEXURE (2)

2 Pages

at 3.0 p.m. today you will be holding your Annual Conference and I am writing this note of congratulations, for although I shall not be present my thoughts and good wishes for the success of your deliberations will be with you.

Three weeks ago on June 30th, at the same time your President met my colleagues and me in a conference. The time was mutually agreed, mainly I think because your President had previously said that 3.0 p.m. seemed to be a lucky hour. From that series of meetings which we had, all of us emerged with a sense of having reached a new understanding of the various problems surrounding Industrial Relations generally and ours in particular. The meeting on the 30th June was not, in its first stages, by any means an easy meeting, for much of what had gone before especially one or two very recent incidents appeared to have made further negotiations practically impossible. I stress this point, because in Industrial Relations it is the small incidents and personal feelings that seem so very often to lead to disruption and disagreement. You are exceedingly fortunate in having as your President Mr. A. Venkataraman. Without his wide outlook I am afraid the agreement which has now been reached would not have been possible, for we would have found ourselves struggling with details, important as details no doubt, but unimportant as fundamentals. By the agreement we have set up a new standard for negotiation, wherein there is no room for arbitrary demands, but ample room for day-to-day discussion of mutual problems. We have now reached the stage when we can look at each problem as it presents itself as something to be solved and we have satisfied ourselves that we can solve such problems. All of us, and I use the word "us" deliberately as it means everyone in the organisation, have taken on new responsibilities to work and produce. It will take some of us longer than others to realise this, but let us not blame nature or others as we so often do when we wish to shift responsibility, for we have to accept responsibility for our own acts. My message to you today is this:

" We have started a new era, let each of us search our own hearts honestly at the end of each day and work hard for that day to come when we can all honestly say 'I have done a good day's work and have done nothing that I would not have had done to me.' That is the way progress is achieved, that is the way we can raise the standard of living generally in India, that is the way we can make our contribution to this great country of India, and that is the way to our own individual salvation.

I have been highly appreciative of your cordial invitation to attend your meeting today and would not like my absence to be construed as an indication that I am out of sympathy. Election time is however approaching fast and much of what is being said, done and written is being given a political importance which would not in more normal times be attached to either speeches or words or deeds. As a group we are entirely non-political and I hope we shall always remain so. I shall be glad if you will kindly present my apologies for non-attendance to your Chief Guests and to the meeting. Meantime I concentrate on the progress of the group and the welfare of the employees. With increased production we can make more progress and with increased progress we can manage increased welfare.

James Swinney

W. H. L. L. L.

II. LACK OF WORK - UNION'S EFFORTS:

1) Vehicle Body Building Section:

The lack of work in the vehicle body building section of Simpson & Co. caused considerable anxiety to the Union and the management. In mid 1952 the work in the Section dwindled and workers had to face Turn Duty and Lay off. The Union representatives did not hesitate to move the Central Government to see if the Industries and Commerce Department cannot confirm the tendered business for body building on Simpson & Co. Effective representations were made in this connection to Sri T.T. Krishnamachari the then Central Minister for Industries and Commerce. The Government of India was pleased to place their orders on Simpson & Co. An extract of a communication dated the 11th October 1952 received by the Union from the Ministry of Industries and Commerce from New Delhi read:-

"I am directed to advise you that Government has decided to place orders for 411 bodies for Dodge Trucks and 100 bodies for ^{Studebaker} ~~Studebaker~~ Trucks on Messrs.Simpson & Co. Ltd., Madras. These orders it is hoped will keep the body building section of Simpsons going for about ten months and will ease the situation considerably."

Not content with this the Union representatives met Dr.U. Krishna Rao the then State Minister for Industries, Transport and Labour represented to him that in view of lack of work in the Body Building Section of Simpson & Co. he should come forward to divert to Simpsons some of the passenger and goods vehicles for building of Bus and Lorry bodies and he agreed and arranged for the body building work for Company, refer Annexure I Series.

Later due to expansion of the machine shop the body building section was moved to Sembiam facilities on 6-9-1960 and later on 23-9-1960 the Light Engineering Section also was moved to Sembiam.

2) Engine Assembly Section:

In mid 1955, the Government of India made a cut in the Licence granted for Assembly of C.K.D. Diesel Engines imported from Perkins, U.K. for the reason amongst others that the firm had not, in the opinion of the Government, made any serious efforts to develop the manufacture of Perkins Engines and consumer had to pay relatively high prices for obtaining their requirements of the Engine. In view of this, there was lay-off of the workers of the Engine Assembly Section due to lack of work. The Union took up the matter with the Government of India and saw to it that the licences are issued. Thus, temporary closure of the Section was averted. The Union also took up the matter of price of Engine with the Management and succeeded in persuading the Management to reduce the price of Engine by Rs.500/-. The correspondence in this connection is in Annexure II series..

3) S.R.V.S. Limited - Railway contracts:

S.R.V.S. Ltd. had been collecting and forwarding contractors for the Southern Railway since 1951. Some difficulty was anticipated in renewing the contract for 1953. The matter was taken up by the then Union President, Sri R. Venkataraman, with the Railway Minister and thus helped the renewal of contract. In this connection a copy of letter dated 18-4-1952 by Sri R. Venkataraman addressed to Sri Lal Bahadur Sastri who was the then Railway Minister, is attached in Annexure III.

4) Wheel & Rim Co. of India Limited:

The Company which is one of the Simpsons Group of Companies, was producing Bicycle Rims in brand name "JUBILEE RUBY" and was facing difficulties late 1960 to market the rims although its quality was certified by the Tariff Commission as comparable to that of Dunlop products. There was, therefore, lay-off and retrenchment.

The Union took up the matter with the Government of India and succeeded in the fixation of a slab system for payment of Excise Duty, based on the production and ~~such of the unions;~~ resulting ⁱⁿ the higher payment for units which produce ~~the~~ higher and lesser payment in a slab system to other units. The correspondence in this connection is attached in Annexure IV Series.

Hon'ble Sri T.T.Krishnamachari,
Minister for Industries & Commerce,
Government of India,
New Delhi.

Dear Sir,

Tender for Construction of Truck Bodies
for Defence Vehicles -

TENDOR NOS:

Tender No.SV-1 93525(PL.2)/III for 100
G.S.Load Bodies on Sucoe Ghasses;
Tender No.SV-1/25221-B/III dated 29-3-52
for 400 Wooden Bodies and
Tender No.SV-1/25432/-C/III of 10-6-'52
for 50 Steel Bodies

--:--

Messrs.Simpson & Co. Ltd., Madras, have submitted their quotation for constructing and providing Steel and Wooden Bodies for trucks for the Defence Department of the Government of India in response to the Tender Notification referred to above.

Messrs. Simpson & Co. Ltd. have on many previous occasions undertook similar jobs and even last year have tendered and satisfactorily completed the construction of bodies for about 1000 vehicles for the Defence Department.

We are advised that although no final decision is yet taken regarding acceptance of tender quotations received, Messrs.Simpson & Co. Ltd., have been asked to keep the quotation open and effective upto the 30th Setpemoer 1952.

The Coach Building Department of Messrs.Simpson & Co. Ltd. employs about five hundred workers of different skilled ga grades and technicians all of whom are highly experienced in the construction of bodies.

The company has now commenced retrenching men in this department due to shortage of work. They have already effected a retrenchment of about 150 men. The position will worsen acutely if the Central Government either delay or do not accept the quotations submitted by M/s.Simpson & Co. Ltd. for the building of 550 Steel and Wooden Bodies.

The employees retrenched are facing starvation and many more are running the risk of immediate retrenchment. It is only the orders of the Central Government for the body building referred to above can save the situation.

We appeal to you to exercise your sympathy and authority to see that Messrs.Simpson & Co.Ltd., who stand a very right and fair chance of getting the orders do secure the tendered business so that the poor workers can continue in employment.

Thanking you,

Yours faithfully,

(sd.)

Vice-President.

Hon'ble Dr.U.Krishna Rao,
Minister for Industry, Transport & Labour,
Govt. of Madras,
MADRAS

Dear Sir:

CONSTRUCTION OF VANS FOR THE POLICE
DEPARTMENT OF THE GOVT. OF MADRAS.

We beg to represent the following for your kind consideration and favourable orders:-

The Asst. Inspector General of Police, Madras has issued a tender notice dated 19-6-1952 calling for quotation for the construction of Van bodies for 39 Chevrolet chassis for the use of the Police Department.

Messrs. Simpson & Co. Ltd., Madras have submitted their quotations against this tender under their reference No.F/ TRR/2 of the 15th July, 1952 for both all-metal bodies and for composite type of bodies.

We learn that the tender is still not decided. The Body Building Department of Simpson & Co.Ltd. employs more than 300 permanent skilled and experienced technicians. Unfortunately, during the past few months due to sudden slackness in trade quite a large number of them had been retrenched and many more are now being kept on turn of work for just two weeks in a month.

Messrs. Simpson & Co. Ltd., have some time ago tendered their quotation for building bodies for the Defence Department Lorries which was pending for a considerable time. We have recently represented to the Government of India the alarming situation and its adverse reactions on the men. The Hon'ble Sri T.T.Krishnamachari, the Industries Minister has been pleased to advise that the Central Government have in response to our representation placed orders on Messrs. Simpson & Co. Ltd., for building about 500 Lorry Bodies for the Defence Department. The receipt of Chassis and the commencement of work on this order will now take at least three more months due to scarcity of timber in India and various other like causes.

It is needless to speak about the comparatively good quality of work and output executed by the experienced technicians employed in Simpson & Co.Ltd., with the help of the well equipped and upto date machinery available in the workshops.

The quotation submitted by Messrs.Simpson & Co.Ltd., clearly explains the additional advantage of the all-metal bodies and the delivery programme prescribed by the Police Department can only be adhered to by this firm, as none others in Madras have adequate facilities.

Apart from the trade and commercial aspect of the question, the very employment and work for a large force of men is an even more vital proposition. With large scale retrenchment having been introduced and with the turn system for the existing men in the factory, large number of workers are in a state of semi-starvation and many more are actually starved.

contd..

We appeal to you to exercise your sympathy and authority to see that the quotations tendered by Messrs. Simpson & Co.Ltd. are accepted so that the poor workers can be saved from increasing hardships.

Thanking you,

We remain,
Dear Sir
Yours faithfully,

(sd.)

A.V.Srinivasan.

-/True copy/-

June 5, 55

Hon'ble Sri T.T.Krishnamachari,
Minister for Commerce & Industry,
Government of India,
New Delhi.

Dear Sir:

Sub: Messrs. Simpson & Co. Ltd -
Perkins Assembly Section

We beg to make the following representation
for your kind and sympathetic consideration.

Messrs. Simpson & Co. Ltd., have a very
limited stock of Perkins CKD Engines, the assembly of
which will be completed at the latest by the end of
this month. From the beginning of July 1955, i.e.: the
next month, there will be no CKD Engines for assembling.
The workers in the Perkins assembly Section of the
factory are now faced with a situation of being laid off
at the end of this month. The company is not able to
say when further stocks of CKD engines from U.K. will be
received, in the absence of the licence necessary for
the import of the engines.

We have made representations to the management,
who advised that they are awaiting receipt of licence
from the Government of India and that further stocks of
CKD engines can be imported only after receipt of the
licence.

As the workers in the Perkins Assembly Section
will be subject to much hardship in the event of a lay
off, we request your goodeself to give this matter your
kind consideration and order issue of the licence for
import of the CKD engines early.

Thanking you,

Yours faithfully,

(sd.)

A.V.Srinivasan,
General Secretary.

-/True copy/-

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY

Dated New Delhi, June 10, 1955

To

The General Secretary,
Simpson & Group Companies Workers' Union
Simpson & Group Companies Staff Union,
72, Harris Road, Pudupet,
Madras - 2.

Sir,

With reference to your letter dated the 5th June, 1955, to the Minister for Commerce & Industry, I am directed to inform you that the Government of India have already informed Messrs. Simpson & Co. Ltd., of the conditions under which they will be granted foreign exchange facilities for the import of component parts of Perkins diesel engines. As soon as their acceptance of these conditions is received, arrangements will be made for the grant of import licences subject to the prescribed conditions.

Yours faithfully,

(sd.)

(D.N.Krishnamurthy),

Under Secretary to the Govt. of India

-/True copy/-

Ref.J/ASK:1186

September 2, 1955.

The Secretary,
Ministry of Commerce & Industry,
Government of India,
New Delhi.

Dear Sir,

Sub: Manufacture of Perkins P6 Diesel Engines

We beg to enclose herewith import application form in duplicate covering the import of 800 engines in C.K.D. form, with deletions covered by Phase 1 as per the programme of manufacture submitted by us to the Development Wing. We request the application may be endorsed and forwarded to the Chief Controller of Imports for necessary issue.

Chalan for the payment of Rs.250/- into the Reserve Bank of India is also enclosed herewith.

Owing to lack of C.K.D. material stock, our Assembly Section had to be closed down as from the 20th June '55. The rated capacity of the plant is 25 engines per working day of 8.1/2 hours shift. Our actual production during the period 1st January to 20th June '55 averaged 22 engines per day. We have no C.K.D. material on hand at present, and as such we have been keeping our labour on idle time from the 20th June to-date. Though we are endeavouring to transfer the labour previously employed in this Section to other Sections of the Company, we are finding it difficult to find additional work for them. May we, therefore, request you to kindly give us this additional licence for the import of C.K.D. material.

Thanking you,

Yours faithfully,
For SIMPSON & CO. LTD.

(sd.)

(S. Anantharamakrishnan)
DIRECTOR

Encl: Application form in duplicate
Reserve Bank chalan.

3
September 8, 1955.

The Hon'ble Shri T.T. Krishnamachari,
Minister for Industry, Commerce & Steel,
Government of India,
NEW DELHI

Sir,

Sub: Simpson & Coy. Ltd., Madras-
Perkins Engine Assembly Work.

We thank you very much for the interview which you so kindly accorded to our Representatives on the 30th August 1955 at Madras, and are grateful for your sympathetic hearing of our representation.

The Perkins Engine Assembly Section consisting of about 200 specially trained and skilled workers remains closed due to non-availability of CKD Engines for Assembly for the last two months. The Machinshop, where even a greater number of workers are employed in the manufacture of the Engine components, has not been having work due to the suspension of the Assembly operations.

The Government of India on the strength of the applications made by the company have granted licences, the exchange value of which permit the import of about 1,300 Engines, for both the half years of the current year. The CKD consignments, which are shortly expected when taken on for assembly, will only last for about three months or so, even if assembled at the reduced rate of only ten Engines per day as against 25 done before, which was then possible as the company was allowed to import about 5,400 Engines during the year 1954.

Now, in view of the non-availability of work in the sections, workers though retained on rolls are being booked idle and such a situation causes deep concern and anxiety to the workers, who naturally fear that they may be retrenched or thrown out of employment. If the existing conditions of work in the Assembly Section and the Machinshop were to continue, even the company may resort to retrenchment and in the face of continuous paucity of work, the Union may not be in a position to resist reduction of personnel. Tribunals may also feel that in such a situation, the company is justified in retrenching the men.

The General Council and Executive Committee of the Union have met to consider this matter on the 2nd instant and expressed great concern at the uncertainty and the paucity of work now prevailing in the Perkins Assembly and Machinshop Sections. They also apprehended that this may lead to a large scale retrenchment in the workshop, if the situation should continue as at present.

They resolved to request and appeal to the Commerce & Industries Minister to view with sympathy the representations made to him earlier by the representatives of the Union on the problem of workers, which becomes essentially a problem of employment, and in the circumstances, the Government may be pleased to restore to the company the facilities for import of Perkins CKD Diesel Engines as in the past.

contd..

As far as the prices are concerned, the Union will negotiate with the Management and see that a fair price is charged and no undue profiteering is made.

The Company has submitted an application to The Secretary, Ministry of Commerce & Industry, Government of India, vide their letter J/ASK/1186 of 2-9-55 for grant of additional licence for import of CKD Engines.

We shall be grateful for any increased grant of exchange facilities to the Company for further import of Perkins Diesel Engines, only to save the Workers from hardship.

Thanking you,

Yours faithfully,

K.GURUMURTHY
Vice-President.

-/True copy/-

Express Delivery

No. Eng. Ind. 20(172)/55 22 Sep. 1955

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

Dated New Delhi, the 20th September 1955

To
Messrs Simpson & Group Companies
Workers' & Staff Union,
72, Harris Road, Pudupet,
MADRAS-6.

Subject:- Simpson & Co. Ltd., Madras - Perkins
Engine Assembly work

Dear Sirs,

I am directed to refer to your representation dated the 3rd September 1955, to the Minister of Commerce and Industry about the danger of fall in employment on account of the curtailment of import licences given to Simpson & Co. Ltd., for the import or components of Perkins engines for assembly and to observe as follows:-

The reason why the Government of India found it necessary to make this cut was that the firm had not, in the opinion of Government, made any serious efforts to develop the manufacture of the Perkins engines and consumers had to pay relatively high prices for obtaining their requirements of engines through this firm. Government have, however, given careful consideration to the points made in your letter and having regard to the recent improvement in the working of Simpson & Co. Ltd., and the unemployment that you suggest is inevitable if the quantum of work is not increased, they have decided to grant the following additional facilities to the firm:--

- (a) the value for which the firm will be given import licences for the current half year and for January-June 1956, will be 50% higher than was allowed to it in January-June 1955; and
- (b) firms, whether established importers or actual users, holding licences for the import of built up diesel engines will be given the option of obtaining their requirements in a c.k.d. condition through Messrs Simpson & Co. Ltd., to enable the latter to undertake the assembly in their factory.

With these additional facilities and the increasing pace at which the firm is required to manufacture components of the Perkins engines in the country, Government trust that the position of the workers will be more than amply safeguarded.

contd..

I am to request that you may convey this decision to the management of Messrs Simpson & Co. Ltd., and advise them to put in their applications for import licences to the appropriate authorities quoting this letter as their authority for doing so.

Yours faithfully,

(sd.)

(R. VENKATESWARAN)
Deputy Secretary to the Government of India

-/True copy/-

Hon'ble Sri T.T.Krishnamachari,
Minister for Industry & Commerce,
Government of India,
New Delhi.

Sir,

Sub: Simpson & Co. Ltd. -
Perkins Engine Assembly work

We have received a communication from the Ministry of Commerce & Industry, Ref.No.Eng.Ind.20/1721/55 dated 20-9-'55, a copy of which is enclosed for your ready reference, in reply to our representation to your goodself made in our letter dated 3-9-'55, regarding the above subject.

We are informed that the Government have decided to grant for the period July-December 1955 and January-June 1956, additional Import Licence to the company to the extent of 50% of what was imported by them during January-June 1955.

We are extremely thankful to your goodself for your sympathetic consideration of our representation. We do hope that this increased quantum of import of C.K.D. Engines would, to a certain extent, reduce the problem of the workers.

However, we have to bring to your kind attention that this 50% additional Licence would not in itself ease the position completely. The strength of the workers in the Perkins Assembly Section and the Machine Shop which manufactures the components for the engines has been progressively enhanced during the last few years with the result that the Company carries on its rolls sufficient labour force to assemble 25 engines per day. The Company was granted facilities to import about 5400 C.K.D.engines during the year 1954 and the assembly of 25 engines per day was possible in the Factory and on that basis the company built up their labour force.

Now even though the engine assembly operations had to remain suspended for a few months and even after arrival of shipments, the company could only assemble 10 engines per day due to the reduced exchange facilities granted to them, the entire labour force in these departments are retained on the rolls and for some of them alternative employment have been provided temporarily at our request. We advised the Management that it was only a temporary phase and that all the workers may be retained in the rolls and that we would make representation to the Government of India and to your goodself and seek relief.

However, we are afraid that the Management may retrench a substantial number of men, as the original Licence as well as the additional Licences which the Government of India have been pleased to grant would only provide for the assembly of nearly 12 engines per day and it may not be possible for the Management to engage the remaining men in alternative employment throughout.

pto..

The situation was fully discussed again at a meeting of the General Council of the Union and the workers are all of the opinion that your goodself should once again come forward to save them from unemployment and attendant hardship and misery. We feel that the grant of additional import licence to the value of 300 engines as originally requested by the management for the current half year and the same quantity for January-June 1956 would save the situation and the workers might not face any retrenchment.

We also wish to submit that the company had made good progress in the manufacturing programme of Perkins engines and it is hoped that they would keep up to the schedule submitted to the Government. We are able to notice this progress; number of fresh machines have arrived and they have been put into operation with the help of technical personnel from Perkins factory.

As far as the prices are concerned, as already represented to your goodself in our letter dated 3-9-'55, we took up the matter with the management and negotiated with them and as a result of which the price of assembled engine has been reduced by Rs.500/- from 15th September 1955.

In the circumstances, we request that your goodself might be pleased to grant further import licences to the value of 300 engines for the current half year and for January-June 1956. The company had already submitted their application on 2-9-1955 covering the import of additional 300 engines in C.K.D. form with deletions covered by Phase I as per the Programme of Manufacture submitted by them.

We thank you once again for the sympathy and consideration which you have so kindly shown to the workers.

Yours faithfully,

(sd.)
(K. Gurusurthi)
Vice- resident

Encl: 1

-/True copy/-

No. Eng. Ind. 20(172)/55
 Government of India
 Ministry of Commerce and Industry

New Delhi, the 1st December, 1955

From

Shri K.N. Shenoy,
 Deputy Secretary to the Government of India.

To

Messrs. Simpson & Group Companies Workers' &
 Staff Union,
 72, Harris Road, Pudupet,
 MADRAS-2.

Subject: Simpson & Co. Ltd., Madras Perkins
 Engine Assembly work

--:--

Dear Sirs,

I am directed to refer to the correspondence resting with your letter dated the 6th October 1955, to the Minister for Commerce and Industry regarding grant of licence to Messrs. Simpson & Co. Ltd. for the import of components of Perkins engines for assembly and to say that after careful consideration of the points made in your letter, the Government of India have decided that the firm will be allowed to import a total of 3,000 engines during the July to December 1955 and January to June 1956 periods. Based on the licences issued already for the July/December 1955 period, it has been observed that they would be entitled for a further 600 engines for this period and I am to request you to convey this decision to the management of Messrs. Simpson & Co. Ltd. and also inform them that the Chief Controller of Imports & Exports has been requested to issue them a licence against their application for Rs. 8,51,500/- (Rupees eight lakhs fiftyone thousand five hundred only) forwarded with their letter No. C&I/55:89 dated the 31st October 1955.

(sd.)

(K.N. Shenoy)

Deputy Secretary to the Government of India

-/True copy/-

December 5, 1955.

Honble' Shri T.T.Krishnamachari,
Minister for Commerce & Industry,
Government of India,
New Delhi.

Dear Sir,

Sub:- Simpson & Co.Ltd., Madras -
Perkins Engines Assembly work

Ref: Communication No.Eng.Ind.20
(172)/55 dated 1-12-1955 from the
Deputy Secretary.

- - -

We are in receipt of the communication referred to above from the Deputy Secretary to the Government of India in the Ministry of Commerce and Industry.

We are immensely grateful to your goodself for the sympathetic consideration which you have so kindly given to our representation regarding grant of adequate exchange facilities to Messrs.Simpson & Co.Ltd., for import of Perkins CKD Engines. With the import of 3,000 Engines during the July-December 1955 and January-June 1956 periods, there will be substantial improvement in the position in so far as the availability of the work is concerned.

We convey our deep appreciation of your efforts in this behalf which made it possible for the workers to look forward to the future with good hope.

We thank you once again for your sympathetic consideration of our representation.

Yours faithfully,

(K.Gurumurti)
Vice-President.

SIMPSON & GROUP COMPANIES WORKERS UNION.

SIMPSON & GROUP COMPANIES STAFF UNION.

8. Narasingapuram, Street,
Madras-2.
August 18, 1952.

The Hon'ble Sri Lal Bahadur Sastrī,
Minister for Railways & Transport,
Government of India,
New Delhi.

My dear Sastrīji,

I am making the following representation as President of the Simpson & Group Companies Workers Union, which comprises the employees of Sri Rama Vilas Service Limited among others. I trust that this matter may be given your personal attention.

I write to confirm the telegram sent to-day as hereunder:-

"FOURHUNDRED WORKMEN OF SRI RAMA VILAS SERVICE ARE THREATENED WITH DISCHARGE- STOP SRI RAMA VILAS SERVICE HAVE BEEN RAILWAY COLLECTION AND FORWARDING CONTRACTORS OF THE EX MSM RAILWAY FOR OVER TEN YEARS STOP GENERAL MANAGER SOUTHERN RAILWAY HAS RENEWED THE CONTRACT IN FAVOUR OF SRVS AND RIVALS ARE TRYING TO UPSET IT BY INCORRECT - REPRESENTATIONS STOP PRAY PERSONALLY LOOK INTO THE MATTER AND DECIDE ON MERITS."

Messrs. Sri Rama Vilas Service Limited have been Railway Collection and Forwarding Contractors for the Ex. M & S.M. Railway since 1941. There are about 400 employees in the Sri Rama Vilas Service Limited.

It is represented to me that on the 1st August, the General Manager of the Southern Railway has renewed the contract on merits after considering the several tenders.

I understand that rival tenderers are seeking to upset the contract by appeal to you or to the Railway Board and the Sri Rama Vilas Service Limited threatens to discharge the work people, if the contract is cancelled.

Considering that the work people have been in the employ of Sri Rama Vilas Service Limited, doing the same collection and forwarding work for the past ten years, I would request you to kindly look into the matter yourself and dispose of the same - according to merits.

Yours faithfully,

(Sd.) XXXXX
R. VENKATARAMAN.
PRESIDENT.

25th Sept.1960.

Sri B.Gopala Reddy,
Minister for Revenue,
Government of India,
NEW DELHI

Dear Sir:

Sub: Central Excise - Duty on bicycle rims -
Effect of.

We wish to bring to your kind notice the following:-

We are a Trade Union Organisation solely representing the 7,000 employees of Simpson Group of Industries at Madras.

The Wheel & Rim Co. of India, which is one of the Simpson Group of Industries and whose workers we represent, is engaged mainly in the manufacture of cycle rims. Ever since the imposition of excise duty at Rs.4/- per rim, which incidentally works out to 70 to 80% over the price of rims, the sales dropped down considerably in the post excise period. As against the sale of nearly 65,000 rims produced by the Company in the month of May 1960, the sales in June dropped down to 35,000 rims approximately. In July 1960, the sales went down still further by 5000 rims, and in August the sales further deteriorated and only 2,000 rims could be sold. All the while the rated output was produced resulting in a huge accumulation of stock.

In view of this, the Factory has been closed down ever since 1-9-60 and the workers laid off indefinitely. The 300 workers and their families have been reduced to misery and starvation.

In this connection we submit that the only hope to save the workers and their families is the reduction in the rate of excise duty for manufacturers of bicycle rims like the Wheel & Rim Co. A kind of slab system in the rate of excise duty based upon the total production of each of the different units of the Industry will have to be imposed. The unit which has the highest production capacity can continue to pay this duty, while the others may be asked to pay a lesser duty on a slab based upon the production.

We are advised that when a similar situation arose in the Paint industry and the Soap industry, the Government introduced a slab system of excise duty based upon the production of the different units of the industry and thus gave relief to those two industries.

In the same manner, in view of this unfortunate situation, we request the Government to step in and have a crisis that has now developed.

We hope that the Hon'ble Minister would look into the matter urgently and take suitable action.

Yours faithfully,

(sd.)

K.GURUMURTI
President.

-/True copy/-

November 10, 1960.

Shri M. Bakthavatsalam,
Minister for Industries,
Government of Madras,
MADRAS.

Dear Sir,

Sub: Messrs. Wheel & Rim Co. -
Bicycle Rims - Accumulation
of stock

The Wheel & Rim Co. is one of the Simpson & Group Companies, mainly engaged in the manufacture of bicycle rims.

The factory began its production early in 1956 and they have now a production capacity of nearly 70,000 rims per month and they are employing 300 workers and staff.

The rims manufactured by this company are of "Jubilee-Ruby" brand and their quality has been accepted as equal to the best as was stated in the report of the Tariff Commission on the continuance of protection to the Bicycle Industry in 1957:

"It was stated at the Public Enquiry that a bicycle fitted with Dunlop rims commanded premium (sometimes amount to Rs. 8/-) as against one fitted with a "Jubilee" rim, although, as was admitted then (and further corroborated in the evidence received by us), the quality of the "Jubilee-Ruby" rim was comparable to that of the Dunlop product".

In spite of the quality, the consumer has developed preference for rims manufactured by Dunlop Rubber Co. of India Ltd., Calcutta, because of their long association for several decades. All large manufacturers of bicycles excepting the Hind Cycles Ltd., Bombay, who produce their own rims, receive their entire needs from Dunlops, Calcutta, and this supply works out to nearly 70% of the total of the country's bicycle production.

The "Wheel & Rim Co." in the circumstances, could only depend on the replacement market and on medium and small-scale manufacturers of bicycles for the selling of their rims. Until the introduction of excise duty they were in a position to market their production of 70,000 rims a month. However, the extremely high excise duty of Rs. 4/- per rim greatly affected the sale of bicycle rims. Since this duty works out to nearly 80% of the price of rim in the pre-excise period, there is considerable resistance in the replacement market for the sale of rims and this has resulted in the accumulation of huge stocks.

The excise duty, however, has not affected the Dunlops, as their sales are mainly to the original equipment manufacturers of bicycles and even in the replacement market, in view of the consumer preference for Dunlop brand of rims, the sales has not been affected to a large extent. Further, the Dunlops has

contd..

a greater advantage, in that, they were the first to produce rims in this country. Their production capacity is 2.2 millions yearly and their production cost is therefore very much lower. Again, apart from the bicycle rims the Dunlops are manufacturing bicycle tyres and tubes and their overhead is, therefore, spread on different items of manufacture.

The situation is, however, different in the case of Manufacturers like Wheel & Rim Co. Thus, a critical situation developed sometime in May 1960 and due to paucity of sales there was a large accumulation of stock in the company. As a first step, the Management closed down the second shift and effected retrenchment of the workers manning that shift. The Union could not but agree to this and as a result about 125 workers were retrenched. In spite of reducing the production to one shift there was no improvement in the sales and the stock accumulated to nearly 1,20,000 rims by August 1960. The Management, therefore, decided to close down the factory temporarily and as a result there was no production throughout September and for first 15 days in October '60. Even then, the accumulated stocks could not be sold and the Management has advised us that if this situation continues they will have to retrench the workers and close down the factory permanently. The same situation arose with reference to Nundy & Co., Calcutta, who were manufacturing bicycle rims and they have now permanently closed down the factory.

In this connection, we wish to point out to you that the T.I. Cycles of India Ltd., Madras, who are manufacturing nearly 2,00,000 bicycles yearly are buying their requirements of rims wholly from the Dunlops at Calcutta. It should be appreciated that in Madras, in one place there is large accumulation of stocks of cycle rims and in another, cycle rims are brought in from Calcutta. If only T.I. Cycles make up their mind to buy atleast a portion of their requirements of rims from the Wheel & Rim Co. a grave situation could be averted. We understand that recently T.I. cycles have introduced in the market 'PHILIPS' bicycles in addition to the "Hercules" and it should not be difficult for them to come forward to fit the rims manufactured by Wheel & Rim Co. atleast on the "PHILIPS" cycles.

As regards the quality, we have already pointed out to you that the "Jubilee-Ruby" rim is comparable to that of Dunlop rims and in the circumstances, T.I. cycles could have no difficulty in fitting the rims manufactured by the Wheel & Rim Co. on their bicycles. As far as the price is concerned there could be no difficulty, as a reasonable figure could always be arrived at by discussions between the parties. As a matter of fact by purchasing these rims the T.I. cycles could save not only the transport charges from Calcutta to Madras and also the time taken for transporting from a distant place to Madras.

We would, therefore, request the Hon'ble Minister to persuade the T.I.Cycles India Ltd., to buy the rims manufactured by the Wheel & Rim Co. atleast to cover up a portion of their production and thus avert the closure of a Madras factory which is providing employment for 300 workers. It will be an irony of fate if a factory in Madras closes (depriving employment for 300 workers and making them face starvation and misery along with the members of their family) for the reason that they could not sell their product while under their very nose the self same product is being brought in large quantities by another factory from a manufacturer (a British Concern) far off at Calcutta.

Yours faithfully,

(K.Gurumurti),
PRESIDENT.

-/True copy/-

GOVERNMENT OF MADRAS
INDUSTRIES LABOUR AND COOPERATION DEPARTMENT
LETTER NO.96115 H.II./60-10

From

Sri T.K.Palaniappan, I.A.S.,
Secretary to Government.

To

Sri K.Gurumurthi, B.A.,
President, Simpson & Group Companies Workers Union
and Simpson & Group Companies', Staff Union,
No.72, Harris Road, MADRAS-7.

Sir,

Fort St.George, Madras-9, dated 3-1-61

Sub: Industries - Bicycle Industry - manufacture of rims -
wheel & Rim Company, Accumulation of stock- T.I.
Cycles to buy the Madras rims - Request.

Ref: Your letter dated 10.11.60.

--:--

With reference to the request contained in your letter cited,
I am directed to communicate for your information a copy of the letter
No.BAF/LD dated 22.12.60 from the T.I.Cycles of India Limited, on the
above subject.

Yours faithfully,

(sd.)

For Secretary to Government.

-/True copy/-

Copy of letter No.BAF:LD, dated 22nd December, 1960 from Tube Investments of India Limited, P.B.No.1357, Madras-1 addressed to the Secretary, to Government, Industries, Labour and Cooperation Department, Fort St. George, Madras-9.

...

Further to your letter No.96115-H2/60-6 dated 18th November, 1960 regarding the letter from the President, Simpson Group Companies dated 10th November, 1960 in respect of the Wheel and Rim Company, Madras.

We would like to point out that the subject matter of this letter of the Union has already been dealt with by the Development Council for Bicycles and the Tariff Enquiry Commission which recently met in Bombay, and whilst we fully appreciate and sympathise with the statements made by the Simpson and Group Companies' Union, we feel that this a matter that can only be dealt with on a commercial basis.

-/True copy/-

GOVERNMENT OF MADRAS
Industries Labour and Cooperation Department.
Memorandum No.96115 H2/60-15, dated 5th May 1961

**SUB: Industries - Revision of excise duty on bicycle rims -
Notification of the Government of India - Republished**

...

The Controller of Stationery and Printing is requested to republish in the Fort. St. George Gazette the appended ~~int~~ notification on the revision of excise duty on bicycle rims, published in the Gazette of India Extraordinary dt.1-3.61 as GSR No.305 at p.65 of Part II sec.3 sub section (1).

T.V.ANTONY,
Deputy Secretary to Government

To
The Controller of Stationery and Printing, (w.e.)
Copy to Wheel and Rim Company of India Private Limited
"Guzur Gardens",
Sembium, Madras.11 (w.e.)
Copy to Sri K.Gurumurthi, B.A.,
President, Simpson and Group Companies Workers' Union,
72, Harris Road, Madras.2 (w.e.)
Copy to the Director of Industries and Commerce (W.E.).
Copy to Home Department.

APPENDIX

NOTIFICATION

CENTRAL EXCISE

In exercise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944, as in force in India and as applied to the State of Mad Pondicherry, the Central Government hereby exempts, with effect from the 1st day of April 1961 parts of cycles, other than motor cycles namely, rims specified in column (1) of the Table hereto annexed cleared for home consumption by any manufacturer on or after the first day of April in any financial year, as so much of the duty leviable thereon as is in excess of the amount specified in the corresponding entry in column(2) of the said Table.

Provided that where a factory producing parts of cycles, other than motor cycles namely rims, is run at different times of financial year by different manufacturers, the quantity of rims cleared for home consumption from such factory in any such year at concessional rate of duty shall not exceed the limits specified in column (1) of the said Table:

Provided further that the exemption shall not apply to any manufacturer whose production in any of the immediately preceding three financial years had exceeded 10 lakhs rims.

TABLE

Quantity	Amount
On the first 25,000 rims.	Rs.2.00 per rim.
On the next 1,75,000 rims	Rs.3.00 per rim.

pto..

Quantity

Amount

On the next 3,00,000 rims.

Rs.3.50 per rim.

(42/61)

SD.L.M.Kaul,
Deputy Secretary to Government of India.

-/Truecopy/forwarded/by order/-

(sd.)
Superintendent

-/True copy/-

II(A) - CHANGE FROM TRADING TO MANUFACTURING ACTIVITIES:

On the eve of independence the Interim Government formed at the Centre in 1946 considered the Industrial Policy for Independent India and took a decision to ban the importing into India the consumer and other products from various countries in the world. They wanted to protect the Indian Industries and encourage them to manufacture the various requirements of the country in a phased manner with foreign collaboration on the basis of felt need.

Simpson & Co. for hundred years and more was mainly a trading Company, selling mostly the products made in U.K. and the only manufacturing activity was, building of palanquin, horse drawn coaches and automobile bodies. In the late 40s and early fifties in addition to their handling of passenger cars and light vehicles as distributors of original equipment manufacturers mostly in U.K., took up the distribution of Diesel Engines made by Perkins Limited, U.K. This led to a change in the traditional activity. The building of palanquin and horse-drawn coaches were no longer in demand, but the building of automobile bodies continued. In addition during the time of Second World War, gas plant was manufactured to operate commercial vehicle on charcoal gas in the place of petrol which was very scarce at that time and small tools, wheel burrows, trolley truck and other products were manufactured.

In view of the declared policy of the Government the management had to take a hard decision whether they should continue to be in trading activity for which the future was bleak or come forward to launch a manufacturing programme. Mr.W.W. Ladden, a Senior Director felt that quite a lot of finance would have to be invested for manufacturing activities and when there was no possibility of generating funds within the Company it would be of great risk to borrow huge money from the Banks. Sri Anantharamakrishnan felt instead of risking the Company and the employees in the dwindling trading activities, based on

the declared policy of the Government it would be wise to risk the borrowed capital in manufacturing and face bold challenge and strive to come out successfully. He also felt the manufacturing activity would also provide an achievement consciousness to the management and the workers and the success would be of great service to the Company, the employees and ultimately to the country and the people.

This approach was finally decided and the Company got a programme of manufacturing Diesel Engine, in collaboration with Perkins, U.K. (in a phased manner with deletions of import component within specified period) approved by the Government who granted necessary licences for the Company to import completely knocked down component packages from Perkins, U.K. with specified deletions as per list submitted by the Company. The Company started working on the manufacturing project but upto 1952 much progress was not made for phased manufacture of the engines. As per the opinion of the Union Leader, Sri Gurusurti the Company did not have the required management leadership with initiative and capability to fulfil the objective of manufacturing the Engines within the specified time. Therefore, the manufacturing process got delayed and the Government of India became very sore and disappointed. It was at that time, in August 1953, Mr.A.J. Lund, who was working in Cooper Engineering Company, Satara, near Pune which was also engaged in manufacturing of engines was drafted to the Company as the Chief Executive (and subsequently on 15-12-1953 he was made Director & General Manager), in order to quickly complete the project of manufacture within the specified time. He started the work in right earnest and in this task, unfortunately, without engaging the existing senior staff and workers, he brought men who worked with him in Cooper Engineering Company, Satara, and placed them in several senior positions in the Company. This created disappointment and frustration among the senior staff and workers and the Union had no other go but to launch an agitation against their appointments. However, the Union leader SriGurusurti felt that in view of the fact that implemeting the manufacturing project was much more important and as Mr.Lund exhibited capability of achieving results, he struck on a compromise by which the affected senior staff and workers were given important

positions by the management and the grievances of other employees were satisfactorily redressed.

While this project was on, the Government of India formed an opinion that the Company was not seriously taking steps for manufacture and started cutting the import licences resulting in frequent suspension of operations and lay off in the Assembly Section of the Factory.

The Union took up the matter with Sri T.T. Krishnamachari, the then Minister of Commerce and Industry by their letter dated 3-9-1955 and the Government responded by their letter of 20-9-1955 for increasing import licence by 50%. In the said letter the Government gave the following reasons for not granting the full licence so far:

" The reason why the Government of India found it necessary to make this cut was, the firm had not, in the opinion of the Government, made any serious efforts to develop the manufacture of Perkins Engines and consumers had to pay relatively high prices for obtaining their requirements of Engines through this firm"

However, the Union persistently pursued the matter with the Government and finally was able to get the required licences to the Company for regular operation of the Assembly Section and thus the crisis of temporary closure of the Section was overcome.

The Government at that time also raised another point that the price of the Engine would have to be brought down. The Management and the Union discussed the question and as a result the price of the assembled engine was reduced by Rs.500/- from 15-9-1955.

The correspondence in this connection is marked as Annexure I series.

It will be relevant to point out here that because of the efforts taken by Mr.A.J. Lund who gave his brawn and brain to complete the task assigned to him, the manufacturing of Perkins Engine in the Company became a reality. The Company and the employees are greatly indebted to Mr.A.J. Lund.

June 5, 55

Hon'ble Sri T. T. Krishnamachari,
Minister for Commerce & Industry,
Government of India,
New Delhi.

Dear Sir:

Sub: Messrs. Simpson & Co. Ltd -
Perkins Assembly Section

We beg to make the following representation
for your kind and sympathetic consideration.

Messrs. Simpson & Co. Ltd., have a very limited stock of Perkins CKD Engines, the assembly of which will be completed at the latest by the end of this month. From the beginning of July 1955, i.e.: the next month, there will be no CKD Engines for assembling. The workers in the Perkins assembly Section of the factory are now faced with a situation of being laid off at the end of this month. The company is not able to say when further stocks of CKD engines from U.K. will be received, in the absence of the licence necessary for the import of the engines.

We have made representations to the management, who advised that they are awaiting receipt of licence from the Government of India and that further stocks of CKD engines can be imported only after receipt of the licence.

As the workers in the Perkins Assembly Section will be subject to much hardship in the event of a lay off, we request your goodself to give this matter your kind consideration and order issue of the licence for import of the CKD engines early.

Thanking you,

Yours faithfully,

(sd.)

A. V. Srinivasan,
General Secretary.

-/True copy/-

No.Eng.Ind.20(51)/55

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY

Dated New Delhi, June 10, 1955

To

The General Secretary,
Simpson & Group Companies Workers' Union
Simpson & Group Companies Staff Union,
72, Harris Road, Pudupet,
Madras - 2.

Sir,

With reference to your letter dated the 5th June, 1955, to the Minister for Commerce & Industry, I am directed to inform you that the Government of India have already informed Messrs. Simpson & Co. Ltd., of the conditions under which they will be granted foreign exchange facilities for the import of component parts of Perkins diesel engines. As soon as their acceptance of these conditions is received, arrangements will be made for the grant of import licences subject to the prescribed conditions.

Yours faithfully,

(sd.)

(D.N. Krishnamurthy),

Under Secretary to the Govt. of India

-/True copy/-

Ref.J/ASK:1186

September 2, 1955.

The Secretary,
Ministry of Commerce & Industry,
Government of India,
New Delhi.

Dear Sir,

Sub: Manufacture of Perkins P6 Diesel Engines

We beg to enclose herewith import application form in duplicate covering the import of 800 engines in C.K.D. form, with deletions covered by Phase 1 as per the programme of manufacture submitted by us to the Development Wing. We request the application may be endorsed and forwarded to the Chief Controller of Imports for necessary issue.

Chalan for the payment of Rs.250/- into the Reserve Bank of India is also enclosed herewith.

Owing to lack of C.K.D. material stock, our Assembly Section had to be closed down as from the 20th June '55. The rated capacity of the plant is 25 engines per working day of 8.1/2 hours shift. Our actual production during the period 1st January to 20th June '55 averaged 22 engines per day. We have no C.K.D. material on hand at present, and as such we have been keeping our labour on idle time from the 20th June to-date. Though we are endeavouring to transfer the labour previously employed in this Section to other Sections of the Company, we are finding it difficult to find additional work for them. May we, therefore, request you to kindly give us this additional licence for the import of C.K.D. material.

Thanking you,

Yours faithfully,
For SIMPSON & CO. LTD.

(sd.)

(S. Anantharamakrishnan)
DIRECTOR

Encl: Application form in duplicate
Reserve Bank chalan.

September 8, '55.

The Hon'ble Shri T.T. Krishnamachari,
Minister for Industry, Commerce & Steel,
Government of India,
NEW DELHI

Sir,

Sub: Simpson & Coy. Ltd., Madras-
Perkins Engine Assembly Work.

We thank you very much for the interview which you so kindly accorded to our Representatives on the 30th August 1955 at Madras, and are grateful for your sympathetic hearing of our representation.

The Perkins Engine Assembly Section consisting of about 200 specially trained and skilled workers remains closed due to non-availability of CKD Engines for Assembly for the last two months. The Machinshop, where even a greater number of workers are employed in the manufacture of the Engine components, has not been having work due to the suspension of the Assembly operations.

The Government of India on the strength of the applications made by the company have granted licences, the exchange value of which permit the import of about 1,300 Engines, for both the half years of the current year. The CKD consignments, which are shortly expected when taken on for assembly, will only last for about three months or so, even if assembled at the reduced rate of only ten Engines per day as against 25 done before, which was then possible as the company was allowed to import about 5,400 Engines during the year 1954.

Now, in view of the non-availability of work in the sections, workers though retained on rolls are being booked idle and such a situation causes deep concern and anxiety to the workers, who naturally fear that they may be retrenched or thrown out of employment. If the existing conditions of work in the Assembly Section and the Machinshop were to continue, even the company may resort to retrenchment and in the face of continuous paucity of work, the Union may not be in a position to resist reduction of personnel. Tribunals may also feel that in such a situation, the company is justified in retrenching the men.

The General Council and Executive Committee of the Union have met to consider this matter on the 2nd instant and expressed great concern at the uncertainty and the paucity of work now prevailing in the Perkins Assembly and Machinshop Sections. They also apprehended that this may lead to a large scale retrenchment in the workshop, if the situation should continue as at present.

They resolved to request and appeal to the Commerce & Industries Minister to view with sympathy the representations made to him earlier by the representatives of the Union on the problem of workers, which becomes essentially a problem of employment, and in the circumstances, the Government may be pleased to restore to the company the facilities for import of Perkins CKD Diesel Engines as in the past.

contd..

As far as the prices are concerned, the Union will negotiate with the Management and see that a fair price is charged and no undue profiteering is made.

The Company has submitted an application to The Secretary, Ministry of Commerce & Industry, Government of India, vide their letter J/ASK/1186 of 2-9-55 for grant of additional licence for import of CKB Engines.

We shall be grateful for any increased grant of exchange facilities to the Company for further import of Perkins Diesel Engines, only to save the Workers from hardship.

Thanking you,

Yours faithfully,

K.GURUMURTHY
Vice-President.

-/True copy/-

Express Delivery

No. Eng. Ind. 20(172)/55 22 Sep. 1955

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

Dated New Delhi, the 20th September 1955

To
Messrs Simpson & Group Companies
Workers' & Staff Union,
72, Harris Road, Pudupet,
MADRAS-6.

Subject:- Simpson & Co. Ltd., Madras - Perkins
Engine Assembly work

Dear Sirs,

I am directed to refer to your representation dated the 3rd September 1955, to the Minister of Commerce and Industry about the danger of fall in employment on account of the curtailment of import licences given to Simpson & Co. Ltd., for the import or components of Perkins engines for assembly and to observe as follows:-

The reason why the Government of India found it necessary to make this cut was that the firm had not, in the opinion of Government, made any serious efforts to develop the manufacture of the Perkins engines and consumers had to pay relatively high prices for obtaining their requirements of engines through this firm. Government have, however, given careful consideration to the points made in your letter and having regard to the recent improvement in the working of Simpson & Co. Ltd., and the unemployment that you suggest is inevitable if the quantum of work is not increased, they have decided to grant the following additional facilities to the firm:--

- (a) the value for which the firm will be given import licences for the current half year and for January-June 1956, will be 50% higher than was allowed to it in January-June 1955; and
- (b) firms, whether established importers or actual users, holding licences for the import of built up diesel engines will be given the option of obtaining their requirements in a c.k.d. condition through Messrs Simpson & Co. Ltd., to enable the latter to undertake the assembly in their factory.

With these additional facilities and the increasing pace at which the firm is required to manufacture components of the Perkins engines in the country, Government trust that the position of the workers will be more than amply safeguarded.

contd..

I am to request that you may convey this decision to the management of Messrs Simpson & Co. Ltd., and advise them to put in their applications for import licences to the appropriate authorities quoting this letter as their authority for doing so.

Yours faithfully,

(sd.)

(R. VENKATESWARAN)
Deputy Secretary to the Government of India

-/True copy/-

6th October 55

Hon'ble Sri T.T.Krishnamachari,
Minister for Industry & Commerce,
Government of India,
New Delhi.

Sir,

Sub: Simpson & Co. Ltd. -
Perkins Engine Assembly work

We have received a communication from the Ministry of Commerce & Industry, Ref.No.Eng.Ind.20/1721/55 dated 20-9-'55, a copy of which is enclosed for your ready reference, in reply to our representation to your goodself made in our letter dated 3-9-'55, regarding the above subject.

We are informed that the Government have decided to grant for the period July-December 1955 and January-June 1956, additional Import Licence to the company to the extent of 50% of what was imported by them during January-June 1955.

We are extremely thankful to your goodself for your sympathetic consideration of our representation. We do hope that this increased quantum of import of C.K.D. Engines would, to a certain extent, reduce the problem of the workers.

However, we have to bring to your kind attention that this 50% additional Licence would not in itself ease the position completely. The strength of the workers in the Perkins Assembly Section and the Machine Shop which manufactures the components for the engines has been progressively enhanced during the last few years with the result that the Company carries on its rolls sufficient labour force to assemble 25 engines per day. The Company was granted facilities to import about 5400 C.K.D.engines during the year 1954 and the assembly of 25 engines per day was possible in the Factory and on that basis the company built up their labour force.

Now even though the engine assembly operations had to remain suspended for a few months and even after arrival of shipments, the company could only assemble 10 engines per day due to the reduced exchange facilities granted to them, the entire labour force in these departments are retained on the rolls and for some of them alternative employment have been provided temporarily at our request. We advised the Management that it was only a temporary phase and that all the workers may be retained in the rolls and that we would make representation to the Government of India and to your goodself and seek relief.

However, we are afraid that the Management may retrench a substantial number of men, as the original Licence as well as the additional Licences which the Government of India have been pleased to grant would only provide for the assembly of nearly 12 engines per day and it may not be possible for the Management to engage the remaining men in alternative employment throughout.

pto..

The situation was fully discussed again at a meeting of the General Council of the Union and the workers are all of the opinion that your goodself should once again come forward to save them from unemployment and attendant hardship and misery. We feel that the grant of additional import licence to the value of 800 engines as originally requested by the management for the current half year and the same quantity for January-June 1956 would save the situation and the workers might not face any retrenchment.

We also wish to submit that the company had made good progress in the manufacturing programme of Perkins engines and it is hoped that they would keep up to the schedule submitted to the Government. We are able to notice this progress; number of fresh machines have arrived and they have been put into operation with the help of technical personnel from Perkins factory.

As far as the prices are concerned, as already represented to your goodself in our letter dated 3-9-'55, we took up the matter with the management and negotiated with them and as a result of which the price of assembled engine has been reduced by Rs.500/- from 15th September 1955.

In the circumstances, we request that your goodself might be pleased to grant further import licences to the value of 800 engines for the current half year and for January-June 1956. The company had already submitted their application on 2-9-1955 covering the import of additional 800 engines in C.K.D. form with deletions covered by Phase I as per the Programme of Manufacture submitted by them.

We thank you once again for the sympathy and consideration which you have so kindly shown to the workers.

Yours faithfully,

(sd.)
(K. Gurumurthi)
Vice-resident

Encl: 1

-/True copy/-

December 5, 1955.

Honble' Shri T.T.Krishnamachari,
Minister for Commerce & Industry,
Government of India,
New Delhi.

Dear Sir,

Sub:- Simpson & Co.Ltd., Madras -
Perkins Engines Assembly work

Ref: Communication No.Eng.Ind.20
(172)/55 dated 1-12-1955 from the
Deputy Secretary.

- - -

We are in receipt of the communication referred to above from the Deputy Secretary to the Government of India in the Ministry of Commerce and Industry.

We are immensely grateful to your goodself for the sympathetic consideration which you have so kindly given to our representation regarding grant of adequate exchange facilities to Messrs.Simpson & Co.Ltd., for import of Perkins CKD Engines. With the import of 3,000 Engines during the July-December 1955 and January-June 1956 periods, there will be substantial improvement in the position in so far as the availability of the work is concerned.

We convey our deep appreciation of your efforts in this behalf which made it possible for the workers to look forward to the future with good hope.

We thank you once again for your sympathetic consideration of our representation.

Yours faithfully,

(K.Gurumurti)
Vice-President.

No. Eng. Ind. 20(172)/55
 Government of India
 Ministry of Commerce and Industry

New Delhi, the 1st December, 1955

From

Shri K.N. Shenoy,
 Deputy Secretary to the Government of India.

To

Messrs. Simpson & Group Companies Workers' &
 Staff Union,
 72, Harris Road, Pudupet,
 MADRAS-2.

Subject: Simpson & Co. Ltd., Madras Perkins
 Engine Assembly Work

--:--

Dear Sirs,

I am directed to refer to the correspondence resting with your letter dated the 6th October 1955, to the Minister for Commerce and Industry regarding grant of licence to Messrs. Simpson & Co. Ltd. for the import of components of Perkins engines for assembly and to say that after careful consideration of the points made in your letter, the Government of India have decided that the firm will be allowed to import a total of 3,000 engines during the July to December 1955 and January to June 1956 periods. Based on the licences issued already for the July/December 1955 period, it has been observed that they would be entitled for a further 600 engines for this period and I am to request you to convey this decision to the management of Messrs. Simpson & Co. Ltd. and also inform them that the Chief Controller of Imports & Exports has been requested to issue them a licence against their application for Rs. 8,51,500/- (Rupees eight lakhs fiftyone thousand five hundred only) forwarded with their letter No. C&I/55:89 dated the 31st October 1955.

(sd.)

(K.N. Shenoy)

Deputy Secretary to the Government of India

-/True copy/-

The Workers and the Staff Unions from the inception were affiliated to the Tamil Nadu Congress Labour Section. In May 1948, Indian National Trade Union Congress was formed as an National Federation of Workers by the leaders of the Congress Party.

The question whether Unions organised by the Congress leaders should merge their Unions with I.N.T.U.C. arose and it became particularly important in Tamil Nadu as Labour Section did not function in other States. The President of the Tamil Nadu Congress Committee, Kamaraj-ji, took up the stand that the existing Unions affiliated to the T.N.C.C. Labour Section could function as usual and the INTUC could start new Unions as there was ample scope for such a step as there were many workers still remaining unorganised. However, this view did not find favour with the INTUC as a result of which a compromise formula was thought of by Sri Sardar Vallabhai Patel under which the President of the Tamil Nadu Congress Committee would become the President of the Tamil Nadu Wing of the INTUC. This was agreed to and Kamaraj was elected as the President of the Tamil Nadu INTUC and all the Unions of the TNCC Labour Section were affiliated with INTUC. The first Working Committee Meeting with Sri K. Kamaraj as President was held on 28-4-1949 at Palani.

However, this compromise did not work well. The State President was kept only as a figurehead and nothing was referred to him. While the situation was such, a Conference of the INTUC was held on 12th January 1951 at Coimbatore. Leaders after leaders belonging to the INTUC spoke very disparagingly of the State Present of the INTUC, Sri Kamaraj, in the presence of Sri R. Venkataraman. This was protested very vehemently by the leaders of the Unions who were with the TNCC, Labour Section and a commotion ensued resulting in a walk out of Sri R. Venkataraman and others from the meeting. Later on, it was learnt that at that meeting Sri Kamaraj was removed from the State Presidentship of the Organisation and it was decided that INTUC in future would not have a State President.

The situation that arose on account of this INTUC action was discussed by the leaders of the Unions with TNCC, Labour Section at a meeting held on 19-11-1952 presided over by Sri R. Venkataraman and a decision was taken to withdraw the affiliations from the INTUC. Soon thereafter all the Unions came out of the INTUC affiliation and continued as before the affiliates of the TNCC Labour Section.

After Sri R. Venkataraman gave up his position in the Labour Section when he became the State Minister in April 1957, the Labour Section became ineffective and hence some Unions took up affiliations with various National Federations and others like our Unions remained independent without affiliating with any National Federation.

The idea of remaining independent of the National Federations which functioned more or less as a Unit of the varying political parties helped to build unity and solidarity of the working class as it is well-known that political affiliations have split unions and broken the unity of the workers, which again was the cause of weakening of the Indian Unions. Our Union followed a policy that the leaders of the Union and the workers were free to join any party and work for the party. But when it comes to the matters relating to the workers' problems the political ideology should not be the guiding factor in solving the problems and the only consideration is the best solution that could be found for the satisfaction of both the parties. This policy was strictly observed and it operated very successfully in preserving the Union in tact and avoiding the formation of rival unions.

The Leader of the Union in order to give a dignity and status to the Union sought affiliation of the Union by their letter dated 4-10-1969 with the International Metal Workers' Federation with Headquarters at Geneva, Switzerland.

When the application came up for consideration in the Governing Body of the I.M.F., out of the two Indian National Federations (INTUC and HMS) affiliates only one recommended the affiliation and the other opposed the affiliation. The Governing Body, however, decided to affiliate the Union on its merit

for which Mr. Alfred Dannen Berg, an Assistant General Secretary in-charge of East Asian countries came over to India and studied the working of the Union, its independence, strength, etc. and recommended its affiliation.

Based on this recommendation and purely on its merit the Union was affiliated with IMF in 1971 as per letter dated 22-3-1971 quoted below:

INTERNATIONAL METALWORKERS FEDERATION

CH-1227 GENEVA (Switzerland)
tt Bia, route des Acacias

Mr. K. Gurumurti, B.A.,
President
SIMPSON & GROUP COMPANIES
STAFF & WORKERS UNIONS
72, Harris Road,
Madras-2/India

Your ref. our ref. DA/1w Date: March 22, 1971.

Dear Brother Gurumurthi,

I have now the pleasant obligation to inform you that the IMF Executive Committee - authorized at an earlier meeting by the IMF Central Committee to take the final decision - has at its meeting on the 18th to the 19th March 1971 in Geneva, decided to grant affiliation to the Simpson & Group Companies Staff and Workers Unions, as requested on October 4th, 1969.

We regret very much the long delay, but nevertheless welcome you as a member in this international organisation. We very much hope for a mutually beneficial cooperation.

We are aware that Indian trade unions and its officials are fulfilling their task under very adverse conditions. This certainly deserves special recognition as well as consideration and an obligation to help to ease your work.

As a member of the IMF we would ask you to turn to us and let us know in any cases where you feel this international can be of assistance in your attempts to better the lot of your membership.

With our best greetings,

Yours sincerely,
ALFRED DANNENBERG
Assistant General Secretary.

In the year 1947 the Bangalore Automobile Employees Association was organised and lead by Sri R. Narayanappa, an Advocate and others in Bangalore. The Association was not able to attract larger number of workers. They approached Sri N.R. Viswanathan, an employee of Simpson & Co. and with his help workers in the Branches of the Simpson Group of Companies were enrolled. Considering the achievements of the Union at the Head Office, Madras, they decided to approach the leaders of the Madras Union and Messrs. Narayanappa, Viswanathan and others visited Madras and invited Gurusurti for a visit to Bangalore. A huge rally of the workers in Bangalore was held on 21-10-1951 at Bangalore. The address by Gurusurti, Vice-President served as a morale booster to the workers and it helped them to build their unity and solidarity. The Union in course of time were able to enlist larger number of workers and the Union also elected Sri K. Gurusurti as the Vice-President.

In the next year the workers of the Simpson Group Companies who were in the Union expressed desire to merge the Union with the Head Office Union. With this in view a conference of the employees was held on 1-10-1952 at Bangalore which was inaugurated by the President of the H.O. Union Sri R. Venkataraman. Messrs. R. Narayanappa, K. Gurusurti, N.R. Viswanathan participated in the meeting. It was at this Conference a decision was taken to merge the Automobile Association with the Madras Union and the actual merger took place on 1-11-1952. In view of the different State Law and procedure Simpson Group Companies Staff Union Bangalore and Simpson Group Companies Workers' Union Bangalore were registered in Bangalore and Certificates obtained from the Registrar of Trade Unions, Bangalore. It was thus the Simpson Group Companies employees at Bangalore Branch obtained representation by the Madras Union.

1. COMPANY'S BALANCE SHEET TO THE UNION.

In the dispute relating to Bonus - I.D.15 of 1949, the Management was not willing to produce the official Balance Sheet of Simpson & Co. Ltd. The Union was able to produce a typed copy of the Balance Sheet and after verification by the Management they certified that the typed copy is a true reflection of the official Balance Sheet.

As soon as this was known to Sri S.Anantharamakrishnan, he sent for Mr.K. Gurumurti and told him that the production of the Balance Sheet was unethical and he, as a leader of the Union and an employee of the Company, should not have taken steps to produce a typed Balance Sheet. Sri K. Gurumurti said that since the Management was not willing to produce the Balance Sheet and the awarding of Bonus solely depends upon the profitability figures he had no other go, but to bring in a typed Balance Sheet. Mr.Anantharamakrishnan replied that the Union need not worry, in future, about the Balance Sheet as he has nothing to hide from the workers and that every year when the Balance Sheets were released, he would ask for an additional copy and see that it was handed over to Mr.Gurumurti for his confidential use. Accordingly, from the year 1950 onwards till the year ended 31-5-1963 he used to initial and hand over a Balance Sheet personally to Mr.Gurumurti. It is a great gesture which no employer, at any time had come forward to hand over the Company's Balance Sheet to the Union in this manner.

The primitive and outmoded notions and attitudes, hostility and vindictiveness towards Trade Union and its representatives was found favour with one of the top executives, an Englishman, attached to one of the Companies of the Group.

In October and November 1952, there were many instances to bear out such undesirable indulgences by the Executive. An innocent worker was kicked by booted leg while on duty; the representatives of the Union were on many occasions spoken to in indecent and unparliamentary language, another worker was about to be beaten by the Officer who was well-known for his inveterate temper. The ill-treatment, teasing and harrassment of the Union representatives and the workers became almost a daily feature.

One such instance which took a serious turn in October 1952 was when the Officer concerned deliberately beat a Gurkha Watchman for no provocation or fault of his. The Union Leaders rushed to the place and pacified the workers. However, the Executive refused to discuss the matter. As the Union was always keen in avoiding stoppage of production, decided to file a private complaint before the Presidency Magistrate under the Criminal Procedure Code. When the trial was on, the matter came up for discussion before Mr.Ladden during February 1953. Mr.Ladden pointed out to Mr.Gurumurti that continuing the criminal proceedings against a senior officer of the company may perhaps create a setback in the industrial relations and that he had obtained an apology to the Union from the officer for his conduct and that the Union need not proceed with the case any further and so saying he handed over the apology to Gurumurti. In view of this gesture the case was compounded.

VII. THE CONFLICT - 1953-55 AND RESTORATION OF CORDIALITY

Strangely after the Union Conference in August 1952, many matters of dispute remained unsettled. No chance was made available for negotiation between Gurumurthi and Mr.Ladden/Mr.Anantharamakrishnan. The workers were much agitated and the matter was referred to Sri R. Venkataraman and his efforts also failed. A General Body Meeting of the Unions was held on 31-12-1952 and the situation assessed. Sri R. Venkataraman gave a graphic description of the position and explained to the members the two alternatives, namely, determination of the disputes by direct action or a reference of the matters to the conciliation machinery by arbitration and settlement.

The proceedings of the meeting was conveyed to the management and they remained not only silent but notified a lay off in the Body Building Section which was settled to the satisfaction of the parties only a week ago. This sudden notification by the Management caused intense agitation amongst the workers in the Group and they were egging for a strike action by the Union. In this context the Executive decided to stage a token strike on 5-1-1953 to demonstrate their resentment to the Management.

However, this was averted by the President and Vice-President who stated that they would take a final step to bring to the notice of the management the gravity of the situation. Urgent steps were taken by the Office Bearers of the Union in this direction and post to the Management of the implications of the situation and the need for expeditious settlement of the unresolved issues. Unfortunately, no action was taken and the Union decided to go on strike on 8-1-1953.

A meeting of the workers was held on the evening of 7-1-1953 to discuss the steps to be taken for the peaceful and successful conduct of the strike.

In the midst of the meeting held at "Mahajana Saba Hall" Mount Road, a letter was sent by Sri Anantharamakrishnan to both the President and the Union his reply to our various letters expressing

the willingness of the management to reopen the negotiations on all matters of dispute with a view to settle them amicably and in view of this the Union need not stage the token strike.

In view of the letter from the Management, the Union took a bold decision to keep the doors open from their side for the negotiations and settlement and get an opportunity to promote a settlement in a peaceful manner and the Office Bearers immediately appealed to the workers not to stage the strike on the next day (8-1-1953).

In view of the eleventh hour decision, communication to the workers became a difficult task. Throughout the night the Executives with activist of the Union were engaged in conveying the decisions to the workers and in the early hours of the morning the Office Bearers went to the Companies' gates and explained the decision to go in for work. With all the strain and suffering the the Union saw to it that the attendance is normal in all factories.

Although the negotiations began it was very delayed and no quick decisions came in and the workers were agitated. While the agitation continued the management informed the Union that they had decided to close the Assembly Section of Addison & Co. Ltd. The Company was assembling Morris Car with a tie up with a British Company.

The Union protested against the decision for closure. The management's contention was that the C.K.D. Stocks of cars were exhausted and they did not expect that they can renew the Licence in view of the uncertainties of the policy of the Government of India. The Union did not accept the contention of the management and pointed out that the C.K.D. Stocks were on hand and that the Government of India had decided to permit import of C.K.D. materials by the existing assemblers for the Second Half of 1952, even though the report of the Tariff Commission had not been submitted to the Government. The Management stated that they could not change their decision for closure and the C.K.D. materials now available and those which have been shipped and on the sea would be contracted out to outside sources for assembling.

There was at that time another dispute for non-payment of compensation to the Assembly workers for a previous closure for August/September/October 1952, was pending settlement.

It was the apprehension of the Union that the management in order to deny lay-off compensation due to the workers under the I.D. Act had chosen to call this denial of work as "closure". However, the closure was made effective by the management from 1-5-1953. At the same time the management denied payment at 50% of wages to the workers of Simpson & Co. Ltd. who were given "Turn Duty".

The management finally advised that direct negotiation had failed in respect of the matters at the higher level and as per the settlement the Union was free to take action as they were advised.

The Union decided to refer the matter of dispute for conciliation by the Commissioner of Labour.

The issues referred were:-

- 1) Payment of 50% wages for the workers of Simpson & Co. Ltd. who were on "Turn Duty".
- 2) Payment of 50% wages to the workers of Addison & Co. Ltd. who were laid off during August--Oct.1952.
- 3) The closure of Assembly Section of Addison & Co.Ltd.
pending

While the dispute was thus / another serious issue cropped up. All are aware of the management's declaration that they were interested only in dealing with Simpson & Group Companies' Workers & Staff Unions and desired all the employees of the Group Companies and other branches should join the Union and in accordance with this policy, directions were issued to the Companies and the branches to give facilities to the Union Office Bearers to enroll the membership. On this basis the following companies with their branches all over the country became members of the Union:

1. Simpson & Co. Ltd.
2. Sri Rama Vilas Service Ltd.
3. Associated Printers (Madras) Ltd.
4. Higginbothams Limited
5. Associated Publishers (Madras) Ltd. - The Mail.
6. Addison & Co. Ltd.

7. George Oakes Limited
8. Speed-A-Way Limited
9. Addisons Paints & Chemicals Ltd.
10. India Pistons Limited
11. Sembiam Saw Mills Limited.

When all the branches of the Companies have joined the Union, the Kumbakonam Branch of S.R.V.S. Ltd. was not permitted by the Branch Manager to join the Union. His argument was that the workers have a "Welfare Union" for a long time and that the said Union will take care of the workers. The workers did not accept this position as they found that the said welfare union was not an independent one and was a stooge of the Branch Manager. On this view several workers joined in the Head Office Union and the Manager caught hold of one Natesa Pillai, a Driver and dismissed him from service on 29-4-1953 obviously for his joining the Union. The Management refused to consider the case as they expressed the view that without their permission and consent, the Union should not have approached the Kumbakonam workers to join the Union. They stated that their appeal to the Branch employees to join the Union will not apply to Kumbakonam workers and therefore, they refused to intervene in the matter. The Union was surprised at the attitude of the management since the records speak otherwise. The Union in its letter of 3-6-1953 addressed to Sri Anantharamakrishnan gave complete details of the various acts of violence that took place when the Office-bearers visited the Union on 28-5-1953 and sought his intervention. Sri Anantharamakrishnan in his reply, Ret:J:ASK:9 dated 4-6-1953 stated that "The letter in original has been sent to Mr. Arogyaswami, and I have called from him a full report about the various incidents and allegations mentioned. I shall revert to the subject as soon as I receive his report."

Not even a mention had been found in the letter to the effect the Union was advised not to enroll in their Union the workers of S.R.V.S.Ltd., Kumbakonam. In the circumstances the Union had no other go but to resort statutory remedy to find a

solution to the issue. The matter was, therefore, referred to conciliation authority at Madras for finding a solution to this issue. While the conciliation was to be held on 30-5-1953 Natesa Pillai was assaulted by the agents set by the Branch Manager and he was injured. The Office Bearers visited Kumbakonam on 28-5-1953, after seeking adequate security from the Police officials at Kumbakonam. The office bearers could not establish any contact with the workers as they along with Natesa Pillai were kept locked in the Factory. Therefore, they left for Madras on 29-5-1953 considering discretion is better part of valour. The conciliation failed and the matter was before the Government for necessary action under the Industrial Disputes Act.

In the meanwhile message was received at the Union from the workers of the Kumbakonam Branch that Natesa Pillai was once again assaulted by thugs employed by the Branch Manager on 22-6-1953. Gurumurti along with another Office Bearer, Devotta left for Tanjore along with Sri Kamaraj for attending a marriage on 26-6-1953 at Tanjore. Gurumurti spoke to Sri Kamaraj about the Kumbakonam affairs who in turn spoke to the District Superintendent of Police to look into the matter. While Gurumurti was in Tanjore arranging to go over to Kumbakonam he was followed by some doubtful characters. Gurumurti went to Trichy and in the evening went to a Hotel opposite to Trichy Junction for his food and when he was returning he was severely assaulted by an unknown person wearing a brass knuckle-duster causing injury to his left eye, resulting in permanent loss of vision in the eye. In spite of this condition, Gurumurti got hold of the man who stated that he had been hired by the Kumbakonam Manager of S.R.V.S. for assaulting him and if he did not leave him free he would stab him and Gurumurti left him free.

The assault of Gurumurti spread like wild fire in the Factories, and the employees because of the shock they received, stopped work in all the Companies for about fifteen minutes to thirty minutes on 27-6-1953.

Events then moved very rapidly. The Unions demanded an enquiry by Amalgamations Limited into the assault of Gurumurti. The Management began to tighten up their reins rather suddenly in all directions. On 1-7-1953 the Secretary of the Staff Union, A.V. Srinivasan was issued a new list of duties to check stocks in the Stores and on his refusal he was dismissed on 24-7-1953.

On 1-7-1953, Sembiam Saw Mills was notified for a closure with effect from 31-7-1953. On 3-7-1953, F.X. DeVotta, the Assistant Secretary of the Staff Union was suspended. On 7-7-1953, the Union gave a notice of strike. The management answered with the dismissal on 23-7-1953 of G.B. Sastri, the Assistant Secretary of the Workers Union. The strike broke out on 27-7-1953.

Though there was peaceful picketing in front of The Mail Building, criminal proceedings were initiated in the Court of the Presidency Magistrate.

The strike on 27-7-1953 preceded by 14 days notice and Sri R. Venkataraman had met the management representatives on 3 days, i.e., 30-6-1953, 11-7-1953 and 27-7-1953 even when the strike was on in an endeavour to diffuse the tension and provide a congenial atmosphere for the discussions. But even he, well known for his power of persuasion failed. He was told by one of the Senior Directors that "let us part as friends, we had two years of peace, let us have another two years of fight."

IN the meanwhile the Government under G.O.Ms.No. 1886 dated 13-7-1954 referred the dismissal of Natesa Pillai of S.R.V.S., Kumbakonam to the Industrial Tribunal at Madurai and the case was numbered I.D.42/54. The Management immediately rushed to the High Court with a writ petition 503/504.

Seeing the situation and sensing trouble the Government moved in the matter and referred the matter to adjudication before a Special Industrial Tribunal, Justice E.E.Mack, I.C.S., a Judge of the Madras High Court under G.O.Ms.No.4016 of 4-9-1953 and in view of this action of the Government and at the request of the Chief Minister, Sri C. Rajagopalachari the strike had to be withdrawn on 29-7-1953.

When the case I.D. No.1 to 11/1953 was before the Court, several applications were made under Section 33 of the Industrial Disputes Act seeking permission for lay off, retrenchment, dismissal, suspension, etc. of a large number of employees.

The most serious and disturbing matter was a petition by which the management sought permission of the Court to discharge the office bearers of the Union, employed in the workshop of Simpson & Co. and lay off about 33 workers on a serious allegation of sabotage in the Factory of Simpsons.

The Tribunal took this seriously and directed the management to file a petition before the Chief Presidency Magistrate for enquiry under Section 202 of the Indian Penal Code and did not pass any order on the application. The petition was filed by the management and the enquiry proceeded before the Magistrate.

On 10-11-1953, an order was issued to Gurumurti deputationing him to be on full-time duty in the Diesel Assembly Section and making him responsible for any future acts of sabotage. This was objected to by Gurumurti and an application was filed before the Tribunal. His contention was while he had no objection to work in the Section, he cannot accept the order making him wholly responsible for acts of sabotage. The Tribunal accepted the objection and modified the order.

The extent of antagonism the management had with the employee office bearers of the Union especially the Vice-President and the General Secretary was fully reflected in the evidence given by Sri S. Anantharamakrishnan before the Tribunal - Refer Annexure (1)

In the meanwhile the Tribunal was pressing both the sides to come forward to discuss amongst themselves the matters of dispute and arrive at a settlement and if there were difficulties his help can be sought. The management refused to discuss the matter with the office bearers, but expressed their willingness to discuss it with the Union President, Sri R.Venkataraman. Sri Anantharamakrishnan returned from abroad in November 1953 and Sri R.Venkataraman returned to Madras from U.K. in the last week of December 1953. Discussions

took place on 11-1-1954 in the presence of the Tribunal between Management represented by W.W.Ladden and S. Anantharamakrishnan and Union represented by R. Venkataraman. Subsequently the parties discussed the matter amongst themselves and an agreement was reached in 19-1-1954.

In terms of the Agreement, the Vice-President Gurumurti and Secretary A.V.Srinivasan will not be involved in any of the discussions between the Management and the Union. They will attend to co-ordination and vast field of social and administrative work for improvement of the workers.

The Group Leaders in each Unit Company constituted themselves as the Branch Executive of that Unit with one of them appointed by Sri R. Venkataraman for the time being as the Section Secretary for settlement of all internal disputes arising in the first instance by negotiation between the management and the representatives in which the top officials of the Union would not be allowed to take part.

All disputes unresolved at that stage would be referred to R. Venkataraman who would take them up with the management representatives for finding out an agreed solution.

In the case of reinstatement and retrenchment, the parties agreed to abide by the decision of the Tribunal based on the understanding between the parties that no employee during the period of trouble, stress and strain should be permitted to be dismissed from service except in cases of proved misconduct or offence involving moral turpitude.

The Tribunal decided that the retrenched employees should be taken back and in the case of individual dismissal from service the tribunal ordered reinstatement holding that in no case their misconduct was proved and none was involved or had committed an offence involving moral turpitude.

The Agreement did not work for a long. No Union can function by shutting out the leaders from the negotiations. It is only the leaders who can take decisions and arrive at settlements and hold themselves responsible to implement the settlement.

Several disputes in all the Companies remained unsettled by the Section Secretaries and the Group Leaders were not capable of taking decisions and committing the workers. The stalemate made it impossible for the various managements to get on with their normal work. This resulted in the management inviting Sri R. Venkataraman the President of the Union for a discussion. Sri R. Venkataraman informed them that he could not devote much of his time in discussing the problems of individual companies and that the matter should be taken up for negotiation with the Vice-President of the Unions as they were the only persons who were capable of taking decisions and resolve normalcy. The correspondence reveals the stand taken by the parties. Even when the agreement was signed on 19-1-1954 Sri R. Venkataraman and Mr.W.W. Ladden apprehended that keeping away the office bearers from the bipartite discussions and negotiations would not produce result and in their discussion itself both Mr.Venkataraman and Mr.Ladden realised that their preoccupation in other walks of life would give them very little time to attend to the various issues which might come up for discussion under Clause 2(E) of the said Agreement. In view, however, of the tension in the Industrial Relationship that was then prevailing, it appears to have been mutually agreed between them that until the tension eased "and a measure of responsible co-operation" could be reasonably expected, the responsibility to carry a frank discussion under clause 2(E) of the said agreement should continue to rest on Mr.R. Venkataraman and Mr.W.W.Ladden.

In this view, in his letter to Mr.Ladden dated 16-2-1954 Mr.Venkataraman has suggested that since he would be absent from Madras for over a month, Mr.Ladden might try the experiment of having discussion with Mr.M.V. Venkatraman, a Director of Simpson Group of Companies, and Mr.Gurumurti, Vice-President of the Union, before the matters were put up to Mr.Venkataraman and Mr.Ladden for discussion. In his reply dated 22-2-1954

Mr.Ladden stated: "I think as far as possible we should be the only two persons who should communicate with each other in the first instance, however serious the matter may be, and wherever we may happen to be. If we then both consider that the best course will be for Mr.M.V. Venkatraman and Gurusurti to start preliminary discussions, we can write and tell them so. After the last year's episode, I am not prepared at present to delegate any powers beyond the preliminary discussion, and in any case, the Agreement does not permit any more than that to be done." Mr.Venkataraman, however, persisted in the suggestion and in his letter dated 1-3-1954 supported the same on the ground that his preoccupations in other walks of life may take him away quite suddenly from this field. On 20-4-1954, Mr.Ladden wrote to Mr.Venkataraman stating that in the circumstances "the management will find it difficult to accept that Sri Gurusurti is in a position to undertake discussion on your behalf either with me or with Mr.M.V. Venkataraman."

By his letter to Mr.Ladden dated 12-5-1954, Mr.R. Venkataraman insisted "that unless discussions take place between a representative of the Union and a Director at a level prior to our discussions with a view to sift and narrow down the points and differences, the Agreement cannot work", and ended up stating that in view of these circumstances,"I regret that the negotiating machinery between the Company and the Union has failed and I am advising the Union to take up all the grievances to the Conciliation machinery of the Government." In reply, Mr.Ladden wrote on 13-5-1954, "As far as I am concerned, the negotiating machinery has not broken down and cannot break down until you and I have had discussions." In reply, Sri R. Venkataraman wrote "As you have failed and neglected to honour the understanding, namely that one of the Directors and Mr. Gurusurti should discuss the problem with a view to relieve the pressure on my time, I wrote to you that direct negotiation has failed." He added "Actually on the date of your letter, proceedings were going on before the Labour Commissioner. In spite of this you presume things, you may please yourself."

Even now, it is not too late to mend. If you will only drop your legalistic assumption and have matters discussed between your nominee and mine and thus narrow down the differences to a minimum, so that my time may not be taxed with trivialities, problems may be solved and settlement reached. Instead, if you evade settlement of problems, bitterness will only increase." Mr. Ladden continued to insist his point in his letters 17-8-1954 and 10-9-1954 and finally Sri R. Venkataraman closed the correspondence with his letter dated 21-9-1954 in which he said "I told you both at the time of the agreement and subsequently that I shall not be able to spend much time, owing to my pre-occupation elsewhere. You agreed that after some time when the relationship improves you would carry on the negotiation with the Vice-President of the Union. In pursuance thereof you actually wrote to me that you will commence such discussions with the Vice-President several months ago The correspondence will now cease."

Even after Sri R. Venkataraman pointing out to the management the pragmatic approach the office bearers were not invited for the discussions with the result the agitation continued and caused anxiety to both sides.

At that time the bonus for Deepavali 1954 became due for all companies in October 1954. The management unilaterally declared for the first time in the history of Simpsons a bonus of 3 months basic wages to the employees of Simpson & Co. alone. There was no indication of what was offered (even unilaterally) for the employees of the other companies of the Group. This caused intense agitation as the workers apprehended this was an attempt on the part of the management to break the strength of the Union and split the workers. In this view a decision was taken by the Union that the bonus offered by Simpson & Co. employees alone would not be received by them until the bonus issue of all the companies was settled. The management made all attempts to break the decision including offering the bonus to the individual workers at their residences. But none of the workers fell a prey to this attraction. The failure of

the management in this attempt caused further set back in the already strained relationship between the Union and the Management.

All matters of disputes that remained unsettled including payment of bonus for Deepavali 1954 were taken up for conciliation by the Commissioner of Labour and several meetings were held by him in an endeavour to bring about a settlement without success. Thereafter the Labour Minister himself had meeting with the parties on two occasions, but could not bring about a settlement.

In view of this situation, the Government referred all matters of dispute to a Special Industrial Tribunal Sri E. Krishnamurthi under G.O.Ms.No.3052 dated 1-11-1954.

It was then the management chargesheeted Gurumurti for having stabbed a workers of the Assembly Section at the Wicket Gate with a knife on 10-11-1954 and he was aided and abetted by the Office Bearers working in Simpson & Co. Ltd. and on the ground that the alleged offence was a grave one Gurumurti and the other six office bearers were suspended from 12-11-1954. This aggravated further tension amongst the workers and almost a strike was about to be staged in all the Companies. Gurumurti pacified the workers and told them that he and the other office bearers would fight the charge and suspension which according to them was concocted and that as per the accepted policy of the Union nothing should be done to cause any harm to the normal production in the factories.

The complaint given to the police by the management was investigated by them and was rejected as baseless. Thereupon the management filed a private complaint before the Presidency Magistrate. Examination of witness was in progress in the Court proceedings. The Doctor who attended on the worker deposed that the injury on the neck of the worker was just a scratch and it could never be caused by stabbing by a knife and that it could only be a self inflicted injury by a blade. The case was poised for dismissal at the preliminary stage itself, before charges were framed.

The Management took the strange step of refusing to deduct from the wages of the workers their dues to the co-operative Society. It should be pointed out here that one of the conditions for registering the Co-operative Society is an undertaking by the management that they would deduct the workers' dues to the Co-operative Society every month and remit it to the Society.

It was at that time the State Government arranged a meeting of the parties before the Union Minister of Industries and Commerce, Sri T.T. Krishnamachari on 29-12-1954.

The Management was represented by Messrs.S. Anantharamakrishnan and M.V. Venkatraman and the Union was represented by Messrs.R. Venkatraman, K. Gurumurthi and the other office bearers. The State Government was represented by Messrs.C. Subramaniam, Minister for Finance and M. Bakthavatsalam, Minister of Labour and the Officers of Labour and Co-operation Departments. All differences were thrashed at the meeting and finally Sri T.T. Krishnamachari advised both sides to forget the past and start discussions and negotiations with a view to resolve the disputes in an amicable manner and establish once again an era of understanding and co-operation.

The discussion and advice by Sri T.T. Krishnamachari really provided for the good relationship that emanated later.

The charges against the office bearers were withdrawn and the suspension cancelled on the ground that the charges were not proved and they were directed to join duty on 30-12-1954 and their wages were paid in full for the period of suspension. The management also compounded the case before the Presidency Magistrate.

Thereafter Sri Anantharamakrishnan invited the Vice-President, General Secretary and other Office Bearers for discussions which were started in an atmosphere of goodwill, based on the principle of forget and forgive the incidents of past and take steps to establish a good and everlasting industrial relations.

At an earlier meeting for which Gurumurti alone was invited, Gurumurti started his discussions with Mr. Anantharamakrishnan as usual, standing. Mr. Anantharamakrishnan asked him to take the chair and Gurumurti refused saying that he is comfortable only when he discusses matters by standing as in the past. Mr. Anantharamakrishnan also got up and stated that he will also stand and discuss. This act of his eased the tension and Gurumurti placed in such a situation that he had no other go but to take the seat as he did not want Mr. Anantharamakrishnan to stand. This indicates the mutual respect they had for each other.

The discussions took place almost everyday and for all issues a mutually satisfactory settlement was arrived at on 13-1-1955 to be in force for two years.

The Management agreed to continue the deduction from the wages of the workers the amount due by them to the Co-operative Society.

Sri Anantharamakrishnan being a very shrewd businessman opened his heart to the Union office bearers and stated that the perpetuation of differences with the Union and accumulation of unsolved problems had really resulted in stopping the growth of the companies and that he had now decided to seek their co-operation and goodwill for the growth of the organisation, to the good of the companies and the workers.

The Union office bearers also fully reciprocated this sentiment and said that they had realised that the workers destiny is tied with the companies where they work and that they sail or sink with the companies and that moto would be inculcated to all the workers.

Both the Union and the management kept alive their spirit and put into action resulting in growth of the companies and adding of quite a number of new companies, providing employment to large number of workers. The proceedings of the two Annual Conferences one on 5-7-1955 and the other on 13-4-1961 would reveal the extent of understanding, co-operation and cordiality between the Union and the Management.

ANNUAL CONFERENCE 5.7.1955 AND THE OPENING OF THE UNION BUILDING:

On the morning of 5.7.1955, the Union building at Harris Road purchased by the workers' contribution, was declared open by Sri V.V. Giri, the former Union Minister for Labour.

Sri V.V. Giri congratulated the workers for their contribution to buy a building for themselves and praised their determination not to receive any donation from the management or others and solely pay the cost of the building from their own money.

He stated that under the leadership of Gurumurti who is a man of great talent and high integrity, the Union is bound to achieve many more landmarks in the Indian Trade Union movement.

Sri R.Venkataraman, the President of the Union, who presided, spelt many social services the Union can sponsor to help the workers in their difficulties.

Sri Anantharamakrishnan congratulated the workers in their efforts in owning a good building and in a fine locality and appreciated the determination of the Union leaders not to receive any donation from the management. He, however, announced amidst cheers Rs.5,000/- as a donation to the Union Welfare Fund.

In the evening, the Union Annual Conference was held at the Royapettah Congress Grounds. The Conference was inaugurated by Sri T.T. Krishnamachari, Union Minister for Industries and Commerce and Sri R. Venkataraman the President of the Union presided.

Sri T.T. Krishnamachari in his speech expressed happiness at both the Union and the management listening to the advice he gave to the parties at a meeting on 29.12.1954 held at Madras and establishing cordial and good relations between themselves.

He stated that the best method of resolving the disputes and differences between the workers and management is direct discussion and negotiation between the parties. He hoped that the management and the Union would continue to follow this method and achieve good results for the benefit of the workers and the Company.

Sri R. Venkataraman spoke about the efforts taken by Sri T.T. Krishnamachari for resolving the longstanding disputes in the Simpson & Group Companies and with his blessing the good relationship exists between the management and the Union. He thanked Sri Anantharamakrishnan for providing the required environment for beginning an era of goodwill and understanding between the management and the Union and hoped that this situation would be a permanent feature.

Sri Anantharamakrishnan in his speech thanked the efforts of Sri T.T.Krishnamachari in providing the necessary motivation for direct discussion and settlement of workers problems with the Union. He assured that he is fully aware of the advantage of direct negotiation and settlement of labour problems and he would desire industrial peace for the growth and development of the industries. He said he was happy the Union was also in agreement with this view and with the co-operation of the Union he hopes to expand the existing industries and start new ones. He announced among loud cheers a donation of Rs.5,000/- for the Union Welfare Fund.

ANNUAL CONFERENCE 13.4.1961 AND THE OPENING OF THE UNION BUILDING EXPANSION:

The Annual Conference of the Union and the opening of the Union Building expansion was held on 13.4.1961 at Teynampet Congress Grounds.

Sri R. Venkataraman, the State Minister for Industries and Labour presided over the meeting. Sri T.T. Krishnamachari, former Union Finance Minister inaugurated the Annual Conference and opened the extension of the Union building at Harris Road. Sri T.T. Krishnamachari said that generally the Trade Unions in India did not own such a big building like yours. The workers deserve congratulations for coming forward to donate from their wages to extend their Union building. He said that he was told the Union had built the expansion with the efforts of their members and no contractor was involved. This shows how self help had made it possible to put up extension of your building at low cost. He stated that your Unions were functioning in an excellent manner, due to your unity and solidarity; capable and efficient leadership and good and cordial relationship between the Union and the management. He wished the Unions all success.

Sri R. Venkataraman stated that bipartite negotiation is the best. He stated that out of 8000 disputes in the State 7200 were settled by direct negotiation. Both the employer and employees had realised that the best solution to their problems is direct negotiation and settlement. He paid tribute to the employers and the Unions for this approach of settlement by bipartite negotiations.

He stated that salvation to the starving millions in the country lies only in industrialising the country. In this national task both the employers and the employees had a role to play. If the employer expands existing industries and comes forward to start new industries and the workers work with zeal and enthusiasm and perform in an efficient manner to increase productivity, both would be doing a great service to the Nation.

He stated that only 8000 workers are employed in Simpson Group and he had confidence that in the near future by the

co-operation between the management and the Unions the workers strength of the Group would go upto 12,000. He wished for the continuance of the well established good relationship between the parties.

When Sri S. Anantharamakrishnan spoke he referred to the conditions of the workers 30 years ago and now and stated that the Government had enacted several laws to protect them and it seems the employers should now agitate for enactment of laws for their protection.

He stated that the industrial growth should be stepped up in Tamil Nadu and added that Sri T.T. Krishnamachari rendered excellent service when he was Union Minister for the growth of industries in the country and lamented the growth of industry and agriculture in Southern India was very insignificant.

He stated that the multiplicity of Unions cause many difficulties for the management. The Government should think of bringing in legislation to restrict single Union in the industries.

He further stated that if both the industries and the workers had to progress the workers should help the industries to increase their productivity and to reduce the waste. This would really help the workers to demand more wages and they would succeed. Sri Anantharamakrishnan announced amid loud cheers a donation of Rs.25,000/- for the Union Welfare Fund.

Sri K. Kamaraj, Chief Minister stated that steps are to be taken for bringing the cost of essential commodities of life within reach of the poor people. According to him an effective control measure may help. But in a democratic country bringing in control might be difficult, but it should be examined in the proper perspective.

He stated that the Simpson Group Union is the best organised not only in Tamil Nadu but in the entire country. He further stated that he knew the President of the Union Gurumurti closely and intimately as he was in jail with him in the freedom struggle and under his leadership the Union was run very efficiently and that he would ask the workers to keep up their unity and thus build the Union wholeheartedly.

When Sri Anantharamakrishnan took Gurusurti with him to greet Sri R. Venkataraman when he became the State Minister in ~~June~~^{April} 1957 and reminded Sri R. Venkataraman about his request in one of the Union Annual Meetings for the expansion and growth of the Companies and establishing new Companies and mentioned to the Minister that he had fulfilled in a way his request and that in the near future with his help he would start new Companies and provide employment atleast for 18000 workers.

True to what he said it was during the period of understanding and co-operation with the Union several new companies were formed and they are:

1. Wheel & Rim Co. of India Ltd.
2. Reichhold Chemicals India Limited
3. Tractors and Farm Equipment Limited
4. Shardlow India Limited
5. Bimetal Bearings Limited
6. Indiapistons-Repco Limited
7. L.M. Van Moppes Diamond Tools India Ltd.
8. Amco Batteries Limited
9. T. Stanes & Co. Ltd. with their subsidiaries

and with these 9 new companies the total companies which came under Simpson Group became 20. This does not include some of the subsidiaries and the total strength of employees exceeded his limit of 18000 and along with him we were all justly proud of the same.

The industrial peace provided during the period 1955 to 1968 was responsible for the growth of the companies and the starting of the new companies by the management and in view of quick and mutually satisfactory settlement of all issues the Union was able to concentrate on the welfare and social activities of the workers.

This example was quoted throughout the country as a model for the employers and the Unions to follow.

It was, however, the misfortune of Simpson Group, its workers and the industrial world that Sri Anantharamakrishnan passed away at the age of 59 on 18-4-1964 and it was indeed a sad day for all. The entire workers of the Group with tears participated in the funeral procession and Gurumurti's speech at the burial ghat is given in the **Annexure (2)**

The successor Chairman, Sri M.V. Venkataraman followed the footsteps of Sri Anantharamakrishnan in his approach to labour problems and the direct negotiations and settlement continued as before. It should not be forgotten that the industrial relations is a perennial problem and the success in maintaining cordiality between Labour and Management solely rests on mutual understanding and co-operation which depends on the efforts taken by the parties to understand each other's point of view. This perception dominated the industrial relations policy of the Simpson group which enabled for the building of the organisations to great heights. There has certainly been conflicts but the parties took sincere efforts for quick restoration of normalcy and thus avoided major shocks and jolts. The experience gained by the parties during long period of Union / Management relationship from 1943 to 1968 was responsible to contain labour problems within the industry and seldom third parties were approached for the solutions. The basic structure of industrial relationship built by the founding fathers of the Union namely, Messrs.R. Venkataraman and K. Gurumurti that whatever may be the differences, disputes, conflict in relationships between parties, nothing should be done to break the continuity of activities relating to production as such action would be suicidal and the greater sufferers in the bargain would be the workers and their families and formulated a code for adoption by the management and the union as per **Annexure (3)**

Fortunately, the changes in the leadership, after a period of teething trouble, did not upset the policy pursued over the years and the relationship continues to be based on bipartite discussions, negotiations and settlement contributing to the growth of the Companies.

Annexure (1)

The Deposition of Mr. Anantharamakrishnan
Given before the Industrial Tribunal, Madras,
Hon'ble Mr. Justice Mack on 9th and 10th
November, 1953.

From the management's point of view we want a well organised trade union who will work on trade union lines for the benefit of the workers and who will not make use of the union for political purposes or personal aggrandisement of the office bearers. All the trouble between the management and the labour started from the office bearers of the Union desiring to use the Union as a stepping stone for their own advancement, for instance, Mr. Gurumurthi started as a clerk in the S.R.V.B. He is making use of the Union as a stepping stone to become an M.L.A. He did propaganda work for Mr. Venkataraman in his M.P. election in Tanjore. It is due to his efforts that Mr. Venkataraman got elected. 100 workers from Simpson & Co., went to Tanjore with Mr. Gurumurthi and canvassed for support for Mr. Venkataraman. This was stated at a public meeting at which Mr. Venkataraman was present. What we want is a trade union dissociated from political adventurers. The Union as at present constituted has got the upper hand over the management. The management had been helpless. We have appealed to the Government several times. I have personally appealed to the Chief Minister to rectify the situation and to see that the Union officials do not mis-use the Union for political purposes or for purposes other than bonafide trade Union activities. I have appealed in vain to successive Labour Ministers. Everybody expressed their helplessness to do anything in the matter. Cabinet Ministers were reluctant to take any strong action lest they estrange a large body of voters though they agreed with me that I was right and that the industry should be protected.

By Tribunal: Q: Do you think it possible or practicable for one trade union to function satisfactorily for all concerns employing workers in different types of work?

A: It is not impracticable. It all depends upon the Office-bearers of the Union.

We will have the same trouble if we have all different unions with the wrong type of office-bearers. In the United Kingdom Unions are formed craft-wide and occupation wise. In South India we only hear of strikes in half a dozen well organised companies, such as the Kolar Gold Fields, Madura Mills, B & C Mills and Tramways.

By Tribunal: Q: How do you account for the fact that the workers in concerns who pay their workers on a higher scale than the general body of workers outside the industry strike more often?

A: Politicians pick their targets first and then form a union out of the workers of a well organised company with capacity to pay. They do not worry about workers in ill-organised concerns. As an industrialist I have tried personally to avoid politics of any kind. We have tried to run our industry without political support or political interference. There are other industries who have political support. I can give several instances of businesses which have political support who pay miserably low salaries and Dearness Allowance of only Rs.20 a month who have no labour trouble at all.

By Tribunal: Q: What exactly do you mean by political support?

A: By political support I mean a prominent congressman giving the industry his blessing. This ensures no trouble to the business from adventurous politicians interfering in labour questions. I will supply a whole list of industries paying dearness allowance of only Rs.20/- who have no labour trouble at all.

By Tribunal: Q: Why did you not obtain political support?

A: I value my conscience a little more than other persons do. Mr. Venketeraman is a comparatively good man. He would be very much better than outside Presidents who are not actual workers.

திரு அனந்த ராமகிருஷ்ணன் மகநடி 18.04.1964 அக்டு

தலைவர் குரூர்தீதி (இடுகாட்டில் நிகழ்த்திய உரை)

பதினாட்டாயிரம் தொழிலாளர்களை கொட்ட யிக பெரிய தொழில் நூலகங்களைக் கட்டிக் காத்த வளர்த்த தென்னகத்தில் தொழில் மேலத ிகழ மறைந்தவிட்டார்கள். அவர்கள் தம் குடும்பத்திற்கு மாத்திரம் தந்தையாக விளங்கவில்லை. நம் எல்லோருக்கும் தந்தையாக விளங்கினார்கள். சில அவர் பூதஉடல் மறைந்த விட்டாலும், அவர் வளர்த்த பெரும் தொழில்தாபனங்கள் இனி அவருடைய அழியா நிலைவுச் சித்திரங்களாக எங்கும் இருக்கும்.

தலை அமராயந்சயினால், தலை வாழ்க்கையையும், சிந்தனை குடும்ப கம்பெனிகளையும் ஒரு உட்கை நிலைக்கு உயர்த்திய உத்தமர். சாதாரண குறையிலே சிந்தனை கம்பெனியிலே பயிற்ற வந்த அப் பெரியவர் தலை உறைப்புகாபம், சீரிய அறிவாற்றலினால் முன்னேறி சிந்தனை குடும்ப கம்பெனிகளில் அழியராகார். பாரட்டாவை உலகயுத்தத்தில் பதி செல்வையை அனைத்துக் கொட்ட போடும் தொழில் சாலையை குடாமல் யுத்த நளவாட்களை உற்பத்தி செய்து நாட்டிலை காப்பாற்றும் பொறுப்பினை ஏற்ற, அதனை செவ்வனே செய்று முடித்த செம்மல். சென்னை மாநகரம், தொழில் நகரமாகி, நாட்டின் தென் பகுதி பொருளாதார நிலையை முன்னேற்ற வேக்கும் எஃற மக்க்கோள்கொட்டு பல தொழிற் சாலையை ிய்கு றேற்ற வித்த, தென்னகத்திற்கு மட்டுமல்லாமல் நமது தாய் நாட்டிற்கே பெருமை தேடித்தந்தார். இவ் நம் நாட்டில் விரல் விட்டு எண்ணக்கடிய தொழில் அதிபர்களில் ஒருவராக விளங்கினார்.

" தொழில் நிர்வாகத்தில் தொழிலாளர் பங்கு" எஃற ஒரு உட்கை உட்கமையை பல முதலாளிகளுக்கு, கையதாக, ஏட்டுச் சுவரக்காயாக இருக்கின்ற நேரத்தில் அதனை நடைமுறைக்கு நமது கம்பெனிகளில் கொட்டிவந்தார்கள். நமது தொழிற்சங்கம் சரியான பாதையில் செலும் நல்ல குறையில் வளர்ச்சி அடைந்த, தொழிலாளர்க்கு நகீமைகள் செய்கின்ற தன்மையைக் கட்டு மனமார பாராட்டியவர்.

தொழில் பறையின் தென்கைம் சிறந்த விளங்க தலை உடல், பொருள், சூவி அவைத்தையும் கொடுத்த ஒரு உதாரண தொழில் அதிபராக திகழ்ந்தவர், நம்சம விட்டு தலை 59-வது வயதிலேயே பிரிந்து விட்டார். பெரிய செல்வந்தராக உள்ள தொழில் அதிபர்கள் எந்தவித படாடோபமும் இல்லாமல் எளிய வாழ்க்கை வாழ வேண்டும் என்பதற்கு உதாரண புருஷராக வாழ்ந்த காட்டினார்.

அவருடைய மறைவு ஒரு பெரிய ஈடு செய்த முடியாத இழப்பாகும். பல நல்ல திட்டங்களையும், எண்ணங்களையும் கொண்டு நம்மிடையே வாழ்ந்த அவர்களின் சூதீமா சாந்தி அடைய இறைவனை பிரார்த்திப்போமாக.

BASIC STRUCTURE FOR GOOD EMPLOYER--EMPLOYEE
RELATIONSHIP

(Code of Conduct)

- 1) Management must accept the Trade Union and consider it as having a positive value and recognise it as a democratic institution answerable to its members.
- 2) Management should give important consideration to human relations and for its achievement should provide a very efficient Personnel Department.
- 3) The Union should accept unreservedly the necessity for the Company to operate at profit and its membership has a responsible role to play to achieve this justified objective of the Company.
- 4) The Union co-operates with the management to run the business in an efficient manner and on this task the Union should give up their role as a mere protest organisation.
- 5) The Union and Management should not compete for mere raw power and search for a way to accommodate each other's view point and settle their differences. There cannot be a victor or vanquished in this area.
- 6) Both Union and Management keep communication lines open, willing to discuss nearly any matter at any time, any where.
- 7) Both Union and Management use the "Problem-solving Approach" rather than the "Legalistic Approach".

Adaptation of this Code will not result at perpetual peace, but provides the way for "working harmony" and provide an atmosphere where management and union respect each other and get on to play their respective role and responsibility towards progress of the industry and the country.

VIII. DISCIPLINARY ACTION - CONSULTATION WITH THE UNION.

Several disputes relating to dismissal of workmen and other punishments for misconduct were the subject of adjudication by the Tribunal during 1948 to 1955. In almost all cases the workers were reinstated by the Tribunals with full back wages and other punishments were quashed. While the enquiry was found to be in order and no principle of natural justice had been violated in view of the unduly harsh and excessive punishment given by the Management to the workers, the reinstatement of the dismissed workers and cancellation of other punishments became possible.

The Union and the management wanted to avert this situation. When in the discussions Mr. Anantharamakrishnan posed the question whether the management was so inhuman in their conduct in punishing the workers, the Union replied it seems to be so and added in a few cases the punishment smacked of victimisation and handed over the files of some of the workers who were punished and the orders set aside by the Tribunal and requested Mr. Anantharamakrishnan to go through same and when he was ready we could discuss the matter. At the next meeting Mr. Anantharamakrishnan agreed that in those cases, he considered that such punishment should not have been ordered. The Union stated if this is to be avoided a prior discussion should take place between the Union and the General Managers of the Company before the punishment was given. The Union stated that if once a General Manager passes an order of punishment, getting it rescinded even at his level would become a prestige issue and this could be avoided by prior discussion.

Based on these views a subsidiary settlement for the main one dated 13-1-1955 was made in the matter of punishment of workers as under:

- (1) A fair and proper enquiry will be conducted.
- (2) Instead of a co-worker being present at the enquiry, the delinquent would have a right of defence by an Office Bearer of the Union of his choice.
- (3) Before awarding punishment the Union Office Bearers would be consulted by the Unit Management and with their concurrence punishment would be awarded.

- (4) In case there is no agreement at that level, the matter would be discussed between Sri S. Anantharamakrishnan on behalf of the Management and Mr. Gurumurthi on behalf of the Union. If no settlement could be arrived at even at that level, the Union would be free to take statutory or other actions as they desire.
- (5) The agreement would not cover punishment of dismissal for proved misconduct in respect of:
- a) Theft of Company's property
 - b) Dishonesty in connection with Company's business.
 - c) Assault causing bleeding injuries within the Factory premises.

This settlement was hailed by the Indian Unions and employers and also the Unions in other countries as a unique landmark in the maintenance of good industrial relations.

The settlement worked smoothly. The Union in many cases agreed to the punishment meted out by the management. Many of the cases were settled at the unit level. Only rarely the matter was referred to Mr. Anantharamakrishnan and at that level settlement became possible and not a single case went for third party decision. The absolute confidence the workers reposed on the Union leadership was mainly responsible for the successful working of the agreement. The management also found that the Union was as keen as themselves in the maintenance of discipline and the office bearers were bold enough to accept the punishments awarded. Both the parties were keen that the punishments are ~~retributive~~ and not ~~vindictive~~.

reformative *retributive*

IX. UNION SPONSORED SOCIAL SERVICE TO WORKERS.

The workers of Simpson Group were in great distress by borrowing from usurious money lenders for meeting their needs. On the pay day the workers were virtually mobbed by the money lenders at the Gate with the result the workers had nothing to take home and had no option but to continue borrowing.

The Union leaders decided to get the workers out of this situation by starting a co-operative credit society. Thus, the Simpson Group Companies Employees Co-operative Credit Society was born on 26-1-1952, inaugurated by Sri R. Venkataraman, the President of the Union. The management helped the Society by giving a place to operate and also by granting of Rs.25,000/- as interest free loan repayable in three yearly instalments.

The Union rented a building in 1952 at Harris Road, Madras and the same building was purchased by the Union in 1954.

It was in June 1953, the management gave notice to the Union to shift the Co-operative Society from its premises and accordingly the Co-operative Society was shifted to the Union Building. Considering the needs for supplying essential commodities of life for the workers, a consumer section was organised in 1954 and all consumer commodities were sold at prices below the market rate. In 1966, the management was kind enough to permit us to operate our co-operative society from the Mail Building, Mount Road. Accordingly, the Society moved from Harris Road to the building in Mount Road where the consumers activities were expanded. A textile section was opened on 14-4-1966 and Sri M. Bakthavatsalam, the Chief Minister of Madras opened it and Sri M.V. Venkatraman represented the management.

It was at this time apart from cycles which were given to the workers for a long time now under hire purchase scheme, other items of family needs of the workers, such as Electric Fans, Godrej Almirahs, Radios, etc. were also added.

The Society got recognised by the Government as one of the fair price shop and ration cards of the locality was allotted to the Society and all the scarce consumer products, children food, etc. were allotted to the Society. The Society was also recognised as one of the centrally sponsored co-operative society.

The Society was also helped by the management by relieving two of their staff members as on duty to attend to the work of the Society.

The Union then decided to start Housing Scheme to the workers and the Building Society was opened on 18-9-1958. This Society acquired lands and started building houses. The first colony of about 15 houses was established in Pammal, Pallavaram.

An Industrial Housing Society under the Government of India subsidised Industrial Housing Scheme was started on 17-12-1960. Sixteen acres of lands in Kodangayoor near Moolakadai, Sembiam was purchased at a cost of Rs.25,000/- and a layout for 242 two roomed tenements was approved by the Government. The foundation for these houses were laid on 26-10-1961 and the first 45 houses were built and occupied by the workers from 30-9-1963.

The management for their part released two of the workers, one Mannar, a mason, another A.V. Krishnamurthi, a staff, as on duty and they greatly contributed to the building of the colony. The management also gave Rs.22,500/- as their initial donation to cover expenses for common facilities such as building of water tanks, laying of roads for the first 45 houses, etc.

The colony was named as "R.V. Nagar" to express the workers love and affection to Sri R. Venkataraman, the former President of the Union. The colony was opened on 20-1-1964 by Sri K. Kamaraj and Sri R. Venkataraman participated.

At the time of the building of the colony a separate building was put up to house the branch of the co-operative society and it started functioning from September 1963.

Later, a Residents' Association was formed, a School, Vinayaka and Navagraha temple were built.

The providing of houses of their own to the workers had many advantages, the most important being that their absenteeism rate got reduced and this helped the productions. A study made by the Union indicated that the residents of R.V.Nagar who in general were living in rented houses had an absenteeism record varying 10% to 15% and when the same workers occupied their own house in R.V. Nagar, their absenteeism got reduced significantly to 3% to 5%.

The Union started a Labour Welfare Fund for providing sickness benefit, unemployment benefit, death benefit, Union gratuity, free medical treatment, family planning, adult education, library and reading room, savings scheme and insurance scheme for the workers, the details are given in the Annexure- (I).

All these schemes providing benefits including the facilities provided in the credit, consumer and housing societies, were made applicable only to the members of the Union, the membership was almost 100% and the subscription of Rupee one per month from 17,000 members were regular and therefore, there was adequate resources for the implementation of the schemes. Further, the Union established regular contact with the workers and it greatly helped the successful conduct of the schemes. There was regular and effective communication with the workers through monthly magazines of the Union. In May Day 1948, the first English monthly magazine named "Gumastha" came out and later the name was changed as News Bulletin and the publication continued upto 31st May 1953. After that period, as per the wishes of the workers, a Tamil monthly journal covering a wider range of information useful to working class was published and it came out from May Day 1953, which journal still continues to be the Union Organ.

such good unions in India. We wish you all further success and progress:

Long live the friendship between India and China
With best wishes from the workers of China.

4) Mr. Johan Dillon, AFL-CIO 10-12-1958:

Fraternal greetings to the Officers and members of Simpson & Group Companies Workers' Union, Simpson & Group Companies Staff Union. Much impressed by the dedication, leadership of your President K. Gurumurti and the fine headquarters of your Union. In addition I have been greatly impressed by the many outstanding services to the members rendered by the Union. I wish you continued success and prosperity.

5) Mr. Joseph D. Keenan, Internal Secretary of the International Brotherhood of Electrical Workers--AFL-CIO - 10-1-1959:

I wish to extend to the Simpson & Group Companies (Union) the very best wishes of the American Federation of Labour-Congress of Industrial Organization and that the future well being of this Union continued success and also that it will play a great part in consolidation of all the trade unions in India so together they can develop a better life for all its citizens.

6) Mr. Victor Feather, T.U.C. London 24-2-1959:

This Union is an indication of the practical kind of trade unionism which the workers will always support as it meets their needs. Good wishes for a successful future.

7) Sri R. Venkataraman, State Minister for Industries & Labour: 1-6-1960:

I congratulate the Simpson & Group Companies Employees Co-operative Society on their phenomenal progress during the recent years. The service rendered by the Society is of immense value to the members and is ever growing. I wish the Society all success.

8) Mrs. Tarakeshwari Sinha, Central Dy. Minister for Finance: 18-9-1960

I visited the Simpson & Group Companies (Union) and was very much impressed by the receptiveness of the workers as a whole. They seem to take pride in their co-operative activities and looking to the balance sheet of their co-operative credit society. I felt that they run it extremely well. The service rendered by the Society is of immense value to the members.

9) Sri S. Anantharamakrishnan:

9-1-1961

The achievement of Simpsons Union are stupendous and have become legendary. I am proud of our Union and their President Gurumurti.

10) Mr.T.N. Lakshminarayanan, Commissioner of Labour, Madras:25-2-61:

I am indeed very delighted to visit the headquarters of the Simpsons' Group Companies Employees Union this evening. This is the premier workers' organisation in the metropolitan city of Madras and their organization and activities mark them out as successful pioneers, in many ways, in working schemes of workers' welfare. All this has no doubt been possible due to the selfless devotion of the leadership thrown up from among the members themselves. I wish them all success in their laudable efforts.

11) Mr.Claus Weiss, W.Germany - 27-4-1961 to 30-4-1961:

It is always enlightening to see workers unite in a Union, it is more enlightening to see this union to be active in so many fields.

I owe many thanks to the Simpson Group Union and I wish all best success in your future activities.

12) Mr.W.W. Ladden dated 27-3-1962.

I am very pleased to have had an opportunity of seeing how well your Union is doing.

13) Mr.Bertram N.McNamara, U.S.W of America - AFL-C:10--29-5-1962 and 12-3-1969:

This was a most enjoyable visit because it is my impression that this is one of the most outstanding trade unions in India. It could well serve as a model for many of the others.

This is my third visit to the Simpson Workers Union and each visit is more enjoyable than the last.

14) Sri V.V. Giri, Governor of Kerala - 7-8-1963:

I am delighted to visit the great institution built by the sweat of the workers under the distinguished leadership of Sri Gurumurti, one of the great genuine and talented leaders of the trade union movement in this country. It is nearly six years ago I visited this institution and it has made tremendous

progress. It has a grand co-operative society which supplies all materials for workers at no profit and no loss basis. It has established a housing society. It is doing excellent work and I wish the efforts of Mr.Gurumurti and others every success.

15) Mr.Morris Weisz, Counselor for Labour Affairs, American Embassy: 27-11-1965.

Many thanks for the opportunity to visit this excellent example of a broad effort to help workers to gain a better livelihood and a better life. Best wishes for future success in maintaining a strong, democratic and beneficial organisation.

16) Mr.Herbert R. Habig, Vice-President, International Division, R.C.L., White Plain, New York 9-4-1966:

I have enjoyed very much the opportunity to renew our personal acquaintance with your President. It is a pleasure to be able to visit Madras and your activities as shown to me. Once more, thanks.

17) Mr.Jatin Chakroborty, Minister for Parliamentary Affairs, West Bengal: 23-9-1969

I visited the Workers' Colony, the Co-operatives, the Union Office and the building - these were all a revelation to me. Such achievements are the result of dedicated service to the cause of workers, sustained work without the glamour of publicity. I know comrade Gurumurti for a number of years and today I met his band of lieutenants along with whom he has built up the Union through long and sustained work and service rendered with missionary zeal. As a trade unionist I take pride in the fact that a Union can do what has been achieved by this Union. I offer on behalf of the U.T.U.C. my fraternal greetings and best compliments to the members of the Union and its officials.

Union sponsored social services to the workers in branches:

The social benefit, the credit and consumer and building activities were all extended to all the branches (10) of Simpson Group Companies spread over Tamil Nadu, Andhra, Kerala, Calcutta, Bombay and Delhi. For the employees of Bangalore Branches a separate co-operative society was organised.

The Bangalore Co-operative Credit and Consumer Society and Building Society were all organised in September 1955.

Sri S. Anantharamakrishnan opened the Credit Society at Bangalore on 8-10-1955 and he paid a glowing tribute to the President and other Office bearers of the Union for their excellent efforts for the uplift of the workers both in Madras, Bangalore and other places wherein Simpson Group branches were located.

A Janatha Bazaar was established on 15-1-1967 (Kalpatharu) at Cavalry Road and was opened by Sri V.V. Giri, Governor of Karnataka in the presence of Sri Nijalingappa, Chief Minister. The Janatha Bazaar then moved into its own building with four floors at 'Gurumurti Bhavan', Infantry Road, Bangalore, the foundation for which was laid by Sri V.V. Giri, Vice-President of India on 22-10-1967 in the presence of Sri Nijalingappa, Chief Minister of Karnataka and the building got completed by 20th September 1968 in 11 months time and it was opened on 6-10-1968 by Sri V.V. Giri, the Vice-President of India in the presence of Sri Nijalingappa, the Chief Minister of Karnataka State.

This was the first Janatha Bazaar in the country which was sponsored by an employee co-operative society. The Janatha Bazaar functioned very efficiently under the Presidentship of Sri N.R. Viswanathan, a Vice-President of Simpsons' Union and was a favourite of the consumers in Bangalore. The management released a staff member "as on duty" to work in the Society.

The Kalpatharu had many sections selling consumer products and for the first time they opened in the country a self service centre in the selling of food products, provisions, etc. and this was very successful. Through the building society, loans were given to the workers for building their own houses and in small way the Society contributed for few of the workers to own their own house.

Sri V.V. Giri, opening the Janatha Bazaar stated that "consumer co-operatives" have been playing a significant role in the distribution trade in all the advanced countries of the world. In Sweden where the consumer co-operative movement is very strong 26% of the food stuff and 17% of the overall trade is handled by it. In Denmark the co-operatives handle 17% of the trade, in Britain the consumer co-operative movements handle 15% of the trade in food and 9% of the overall trade. A healthy impact on the retail distribution trade in respect of prices quality and service has been made by the consumer co-operatives in both capitalist and socialist countries. If such experiments could succeed in other countries why not they do so in India.

Referring to the naming of the Building Sri Giri said that it is quite in the fitness of things that it has been decided to name the building as "GURUMURTI BHAVAN". This shows two things, first the love and respect which the workers of the Simpson Group have for their leader, secondly, the dedication and dynamism of Sri Gurumurti, who has been greatly responsible for organising the workers on proper democratic lines. In fact he possesses that qualities that go to make a leader, unimpeachable integrity, sound judgment, ability to take decision and bear responsibility and to lead his followers on proper and rightful lines. Equally, I must refer about Viswanathan, live-force behind this co-operative project. He has made great sacrifices along with a band of sincere colleagues in getting this huge venture in the shortest possible time. This building and his efforts do not merely signify the success of an individual or a group of men but is a living testimony of what workers unitedly can achieve and contribute towards national reconstruction.

UNION SPONSORED SOCIAL SERVICE TO WORKERS - DETAILS

1) Sickness Benefit Scheme:

The Union subscription in 1952 was annas eight per month. In the case of those who pay an additional payment of annas eight per month would be covered under the Scheme and thus the Scheme was made voluntary. Under the scheme, the workers who were on loss of wages on account of sickness were paid 25% of the total emoluments they would have normally earned while on duty. Mostly the payment covered only basic salary and dearness allowance. In the case of those workers who suffer from serious diseases like T.B., Leprosy, etc. the payment would be 50% of the amount they would have earned if on duty. This Scheme was brought into force on May Day 1952. Later, realising the benefit under the scheme most of the employees desired to join the scheme and in view of this a decision was taken to raise the subscription to Re.1/- per month from May Day 1955 and the Scheme was made applicable to all members and this scheme also continued without any modification even after ESIS came into force.

2) Union Library and Reading Room.

The Union built a very good library at its headquarters in Harris Road for the use of the workers. A large number of good books, both in English and Tamil, were made available in the Library. The Management, through one of its units, Higginbothams which is a book-selling company, regularly gifted books. Facilities were also provided for borrowing of the books. There was also a well equipped "Reading Room" with several magazines and Newspapers. The scheme was introduced from May Day of 1952. A part time librarian was in-charge of the Library and Reading Room.

3) Insurance Scheme:

The Union took efforts to provide insurance coverage for the workers under the group insurance scheme. The Union made arrangement both with the management and insurance companies for covering the employees in a scheme which was advantage to them and to their choice. The Scheme came into force from May Day 1953. The salient features of the scheme were as under:-

- 1) The premium for the policy taken would be paid out of the members own contribution to the provident fund.
- 2) In view of the arrangement was on the basis of group insurance, the premium was much less than that of the normal policy.
- 3) Since the premium was yearly payable in advance a rebate was allowed on the premium rate.
- 4) The policies would be in the name of the persons insured but were assigned to the Trustees of the Provident Fund.
- 5) Life was covered for a fixed period as desired by the worker concerned. The longer the period lesser is the premium.
- 6) If the policy matures when the member is in employment, the policy amount will be added to the Provident Fund and kept in the member's account including the periodical interest and bonus declared. The amount which forms part of the Provident Fund would be paid to the worker at the time he leaves employment and thus the Provident Fund Account would get closed.
- 7) When the services of the member got terminated, then the assignment of the Policy to the P.F. Trustees would be cancelled and the premiums paid would be deducted from his contribution to the Provident Fund and the member would now either continue

or obtain surrender value or convert it a paid-up policy.

- 8) The Union would be getting a Chief Agent Commission and the individual agents who were members of the Union, nominated with the consent of the workers, would also get Agent Commission and the entire amount would be credited to the Union Welfare Fund. The individual agents would give a letter in advance to the Insurance Company authorising them to send the amount directly to the Union.

4) Unemployment Benefit:

This benefit was applicable to lay-off and retrenchment of the workers. For temporary lay-off the workers were paid 25% of the Basic Wages and D.A. which they would have earned if in employment. In the case of retrenchment the workers were paid 25% of the Basic Wages and D.A. for every year of their membership in the Union.

5) Death Benefit:

In the case of death of the worker, due to legal difficulties, the worker's family could not get any money due to the worker from the Company. The Union, thereupon introduced a scheme under which a donation of Rs.1,000/- was paid by the Union to a family member of the deceased to enable them to make arrangements for cremation or burial. The scheme was brought into force from May Day 1956.

In May 1968 a Death Benefit Scheme was introduced. According to the Scheme the member who contributes Rs.12/- per year will be eligible for payment of Rs.5,000/- in the event of death while in service to his nominee. However, if he retires he will be paid back 50% of the contribution he had made to the Fund.

6) Union Gratuity:

When a member of the Union leaves the services of the Company for any reason whatsoever he would be paid a

Union Gratuity of Rs.10/- (out of Rs.12/- he had paid as subscription in a year) for each year of his membership in the Union. -This payment would not take into consideration any other Union benefit received by the worker. This Scheme came into force from May Day 1955.

This was the basis on which Rs.18,00,000/- of the Union Fund was disbursed to the members during May 1971, when the President of the Union, Sri K.Gurumurti, left his leadership and his employment in Simpson & Co. Ltd.

7) Adult Education:

Mainly in order to educate the workers who could not even sign their name in Tamil, the Union started, on May Day 1955, conducting of classes to the workers. The Management was kind enough to allot a place at their Medical Centre for this purpose. A few staff members spared their time for providing the education. The classes were run for 6 days in a week by shifts, so that no one person attends more than 3 classes in a week.

8) Medical Facilities:

The Union appointed a Medical Practitioner to attend the workers and their family. The Doctor would be present in the evening for 3 days at the Union headquarters and on another 3 days at the Branch Union at R.V. Nagar, Sembiam. The treatment was given free to the workers and their family; only when costly medicines were prescribed, payments would have to be made by the patients. The Scheme was brought into force on May Day 1960.

9) Family Planning:

The Union took very keen interest in Family Planning. A para-medical counsellor was made available in the Union Headquarters as well as at the Union Branch at R.V. Nagar, Sembiam, every evening. He would advise the workers about the various methods of Family Planning and distribute free to them the

condoms. Several seminars and educational programmes were conducted by the Union both at the headquarters and at the Branch in R.V. Nagar and other places. Specialists spoke to the workers and thus the knowledge was disseminated. The Scheme came into practice from May Day 1960. At R.V. Nagar the ladies showed great interest in the Scheme and they were able to cover all the women folk in the colony as well as in the neighbourhood.

The Management came forward to grant seven days of special leave with wages for the workers who underwent vasectomy surgery.

The issue of Bonus after the 1951 agreement covering the period 1948-1951 was settled for the later years by Bipartite negotiation. In the years 1960--1968, Bonus was settled for 50% to 58% of basic salary or 28% to 35% of the basic salary and D.A. The Agreement always covered a period of three years.

The business and profits of the Company were taken into consideration at the time of negotiation. The Bonus was always related to the production/productivity achieved in the Factories. A target of production in terms of quantity in the case of manufacturing companies and the turnover (after adjusting the increased sales price) in the trading companies would be agreed between the parties and the bonus quantum would depend upon the achievement of the targets. The Union took effective steps to achieve the agreed targets and they succeeded in their efforts. For example for a particular three years 6 months bonus was agreed to in Simpson & Co. subject to achieving a turnover of more than Rupees one crore value converted in terms of the quantity of production. However, for the last year there was a doubt whether that target could be reached and hence the agreement provided for that year 5 months bonus if the quantity of production converted in terms of value did not exceed Rs.75/- lakhs. This was taken as a challenge by the Union and for the particular year the value of production went beyond one crore. The targets were always discussed with the workers and the management representatives at the factories and an agreed figure arrived at. In one particular company, the management considered that the target which the workers promised to achieve was illusory and wanted it to be fixed within the possibility. The workers were not willing and to the surprise of the management the workers not only reached the target that was fixed and produced 10% higher.

It is in the context of fixation of targets for the settlement of bonus the idea of payment of incentives for production beyond the norm was born. Simpson & Co. in the South was the first Company to start an incentive scheme based on production in the year 1959. This scheme in Simpson was successful and a similar scheme was worked out between the Union and the Management for all the manufacturing companies. The scheme served as a tool for achieving high production

for which payment of compensation was agreed to between the Management and the Union.

However, the incentive targets had to be fixed depending upon the market needs every month which resulted in varying earnings month to month. In companies where needs of the market was uniform the optimum target under the incentive schemes was achieved. In companies where the targets for production had to be based on the market requirements as otherwise the accumulation of finished and semi-finished product would involve locking of huge investment, the production for incentive could not be fixed at the optimum level. No doubt in order not to reduce the enthusiasm of the workers a fixed amount was paid every month towards payment of incentive to maintain consistency in payment subject to recovery if no adjustment could be made in the future payments.

In a Company the management challenged whether the workers of that Company would be in a position to produce the same quantity on a machine operated by a British worker, conditions of the machine and other facilities remaining same, the workers accepted the challenge on condition if they achieve the targets they should be paid an amount equivalent to the British workers. The management agreed and the targets were reached in the very first month itself. While management appreciated the efforts they found that they could not market such a volume of production. Naturally the production had to be adjusted to the requirement of the market.

However, the Union demanded the honouring of the commitment and in the discussion a lump sum amount was agreed and paid to the concerned workers. This shows how in an environment of good relations, the workers are capable of achieving high production. The effort of the workers could not be cashed in as the production wholly depended on the needs of the market.

In order that the production activities and the incentive scheme operates successfully, varying percentage of the incentive paid to the Direct workers, were given to Indirect labour, staff, etc. This resulted in harmonious working by the employee to achieve the fixed targets.

XI. FORMATION OF JOINT COUNCIL OF MANAGEMENT.

In view of the continued good relationship between the Management and Union, the Simpson and Group Companies were chosen by Central Government for experimentation of participatory management on the basis of which a Joint Management Council consisting of equal representatives of workers and management was established in all the Companies. The Joint Council was inaugurated on 10-10-1957 by Sri K. Kamaraj, State Chief Minister and Sri R. Venkataraman, the Industries and Labour Minister presided. Sri S. Anantharamakrishnan participated in the meeting and assured that the scheme of participatory management would be implemented in proper spirit and success achieved.

Many good results came out of these Joint Council in all these Companies and in Simpson & Co. Ltd. the Union came forward to give the total production in the machine shop in two shifts as against the three shifts then operating. This was given effect to and the Union kept up their word and saw to it that the production target was achieved. The surplus workers due to abolition of the III Shift were employed in various other sections which needed more workers. This was one of the significant achievement of the Joint Council.

XII. DINNER AT THE UNION BUILDING TO CELEBRATE THE
COMPLETION OF THE EXTENSION OF THE BUILDING
ON 9-1-1961.

The Union Headquarters at Harris Road was extended. It had only a down-stairs when it was purchased in 1955. Three stories were added. The first story was to accommodate the office, the second story was a large meeting hall with a library and reading room. The third story contained a delux Airconditioned Guest Suite with an open place for the roof garden. The work was completed in January 1961 and to celebrate this the Union arranged a Dinner at the Union premises on 9-1-1961. Sri K. Kamaraj, Chief Minister, Sri R. Venkataraman, Industries and Labour Minister, Sri C. Subramaniam, Finance Minister and other cabinet Ministers attended the Dinner. Officers belonging to Labour Department, Co-operation Dept. Police Dept., etc. came to the Dinner. All the top management representatives, headed by Sri S. Anantharamakrishnan and Sri M.V. Venkatraman came to the Dinner. They were shown round the building and all of them were happy at the efforts taken by the Union for putting up such a big building from the funds contributed by the workers. Significantly the workers decided not to accept donation from the management or other sources as they rightly felt that their building should come up from their own fund and when it was completed they were justly proud of. The extension was officially opened on 13-1-1961 by Sri T.T. Krishnamachari.

The 41st Birth Day of Gurumurti was celebrated on 9-3-1962 at the N.K.T. Kalamandapam, Triplicane. Sri R. Venkataraman, the State Minister for Industries and Labour and Mrs. Jothi Venkatachalam, the State Minister for Health and Sri T.T. Krishnamachari participated in the meeting. Several Trade Union Leaders also participated in the meeting. In their speech all of them paid glowing tributes to the services rendered by Gurumurti. Sri S. Anantharamakrishnan who could not participate sent a message as per copy enclosed - **Annexure (1)**.

The 50th Birthday of Gurumurti was celebrated by bringing in a Special Issue of the Unions monthly journal "Sanganatham" and Sri A. Sivasailam, Chairman, Amalgamations Limited sent a message as per copy enclosed - **Annexure (2)**.

DIRECTORS OFFICE
AMALGAMATIONS PRIVATE LIMITED
203, MOUNT ROAD
MADRAS - 2

Ref: J/CD/389.

March 9, 1962.

Sri R. Venkataraman,
Minister for Industries and Labour,
Government of Madras,
Fort St. George,
MADRAS.

Dear Sri Venkataraman,

I am happy to know that you are presiding
at a function this evening to celebrate the 1st Birthday of
Sri G. Gurumurthi.


I had intended to come to the meeting, but,
unfortunately, I have some other work which I am committed to
attend.

Having worked closely with Gurumurthi all
these years, I am convinced that he is carrying out the good
traditions set by you. He has given a new meaning and dignity
to labour leadership. While he has obtained for the labour
good emoluments, working conditions and several marginal benefits,
he has, at the same time, helped the Management to consolidate
their position in the industry.

I shall be glad if you will kindly convey to
Gurumurthi my blessings and good wishes that he should be spared
for a long time to come, to continue to do the good work that he
has been doing in the past.

Kindest regards.

Yours sincerely,


S. Anantharamakrishnan.

A MOST OUTSTANDING ROLE.

I am glad to know that "Simpson Group Sangathanam" is bringing out a special issue on the occasion of the 50th Birthday of Mr.K. Gurumurthi. Over the last two decades Mr.Gurumurthi has played a most outstanding role in the growth of Simpson & Group Companies Workers' and Staff Unions. Under his Presidentship the Unions have not only grown in enormous strength but have also recorded a phenomenal increase in the scope of activities for the benefit of workers. He has devoted his entire life to the well-being of workers and staff in the Group, thereby making a most significant contribution to the trade union movement in our country, which is widely acknowledged. His single minded dedication, high sense of responsibility and a remarkably constructive approach have earned him the esteem of the management.

The concept of growth with social justice is today accepted without question. In the post-election years a further shift towards egalitarianism is inevitable. In the circumstances far greater emphasis needs to be placed on rapid growth of the country's wealth. Mr.K. Gurumurthi, as President of Madras Productivity Council, has shown a remarkable awareness of these problems and has often pointed attention to the need for creation of wealth before it is shared.

I send my sincere greetings to Mr.Gurumurthi on his 50th Birthday and wish him many more years of useful service to the cause of labour.

A. SIVASAILAM

24-3-71

XIV. FELICITATION TO SHRI K. GURUMURTI ON THE EVE OF HIS VISIT TO FOREIGN COUNTRIES.

The Union held a function to felicitate Shri K. Gurumurti on 15th August 1964 on his impending visit to U.S.A. and Japan on the invitation of the respective Governments to study Industrial Relations and Productivity. Shri R. Venkataraman, the then State Minister presided over the function. Shri M.V. Venkatraman represented the Management. Messrs. T.S. Ramanujam and S.C.C. Anthony Pillai, veteran Trade Unionists participated in the function and felicitated Mr. K. Gurumurti. Shri R. Venkataraman in his speech said that he was very happy on the visit of Mr. Gurumurti to foreign countries and stated that with his intelligence and capacity to grasp matters relating to Industrial Relations and Productivity his visit would be very useful for the growth of good relationship between Labour and Management and also for improving the productivity of the industries in this country. Mr. R. Venkataraman wanted Mr. Gurumurti to write a book about his experience in the foreign countries.

Mr. T.S. Ramanujam stated that it is a happy augury that his function had been fixed on the Independence Day. "Mr. Gurumurti is a true nationalist, a hard working, devoted and sincere leader of the working class and this tour will only help him to build the Union with great strength for serving the workers more effectively and I wish him all success."

Mr. S.C.C. Anthony Pillai stated that it is possible to run Trade Union but Mr. Gurumurti being an employee has not only built a very strong and powerful union but also built a well conducted co-operative society for helping the workers. I am sure that his foreign tour will benefit him to a great extent and "I wish him all success."

Sri M.V. Venkatraman, on behalf of the Management, wished Mr. Gurumurti a happy journey and stated that he is sure that the knowledge he acquires in the foreign countries would be used by him for improving the Industrial Relations and Productivity in this country.

Sri V.V. Giri sent a message dated 13th August 1964 on this occasion as per the Annexure (1).



RAJ BHAVAN
TRIVANDRUM

15th August 1964.

My dear Sri. Seethapathy,

I am delighted to receive your invitation to Tea for honouring my esteemed friend Sri. Gurusurti on the 15th August. It is appropriate that Sri.R.V. Venkataraman is presiding and Sri. M. Bhakthavatsalam is gracing the occasion with his presence.

Gurusurti by sheer dint of integrity, sincerity of purpose, hard work and industry, has earned a name and fame as one of the leaders of the labour movement. He had the inspirational training under my esteemed friend Sri M. Venkataraman and no wonder that Gurusurti is now a perfect master, as a negotiator of eminence and as one who could by virtue of his knowledge and experience give a real lead when big labour issues arise.

Gurusurti was good enough to meet me and tell me about this intended visit. This tour would enrich him with further knowledge and he will come into contact with continental and American trade-unionists. I wish him the best of luck, long life, happiness and prosperity and a bon voyage and safe return to our country.

Yours sincerely,

(V. V. Giri)

Sri. K. Seethapathy,
General Secretary,
Simpson & Group Companies Workers' Union,
72, Harris Road, Madras-2.

v. UNION ACTIVITIES FOR THE CAUSE OF LABOUR AND NATION.

Matters of importance to the working class were discussed with all the Union leaders at the Union Office and a solution was found. For several years **MAY DAY** was celebrated by the workers belonging to several Unions in the city, with procession starting from various places converging at the Marina Beach and all arrangements were made by the Union.

In the matter of various amendments to the Industrial Disputes Act, efforts were mainly taken by the Union and approached Sri R. Venkataraman and Mr.V.V. Giri and got the amendments made.

Under Section 33 of the I.D. Act before changing the service conditions of the workers to their prejudice or dismiss or otherwise punish a worker for any misconduct when an industrial dispute is pending before the conciliation machinery or Tribunal the management should seek their permission. If they did not seek their permission the Government can prosecute the management and or refer the matter to adjudication.

Since this was a cumbersome procedure and the considerable delay did not help to find a quick solution to the problem the Union agitated for an amendment to the I.D. Act to provide for direct approach to the Tribunal for getting a quick solution. This was accepted by the Government and Section 33(A) under Act 48/1950 was introduced, facilitating the aggrieved worker to approach the Tribunal directly and seek justice and the Tribunal considering same as if it is a dispute referred to it by the Government under Section 10(C) of the I.D. Act can hold the proceedings. The amendment gave a great relief to the workers so affected. The amendment was hailed by all the Trade Unions in the country.

The I.D. Act permitted the parties to present the case before the Labour Court through the Councils. This lead to lot of technical and hypertechnical stance by the lawyers, resulting in a litigating culture in a matter which should be settled

by the parties with the good offices of the Court.

The Union agitated against this provision in the Act and wanted an amendment to the I.D. Act for permitting lawyers appearing before the Tribunal only with the permission of the other party. This was effectively supported by Sri R. Venkataraman and Sri V.V. Giri and the Union Minister for Labour concurred with the view and Section 36(4) of the Act was amended by Act 48/1950. According to which no legal practitioner can appear on behalf of any party to the dispute before the Tribunal without the consent of the other party. Although the legal profession agitated against the amendment stating that the two lawyers, Sri R. Venkataraman and Sri V.V. Giri have let down their profession, they replied that no lawyer 'suo motò' can appear for any client unless a Vakalat is filed by the client and the amendment is nothing new and would not affect the lawyers' profession.

However, although the amendment helped for some time to settle disputes by direct discussions between the parties and provided for continued good relationship between employer and employee, it was not allowed to work by the employers. Lawyers who appeared only before the Tribunal and defended the action of the management got a berth as law officers in the Companies and they started their technical stance at the floor of the Factory and the position became worse and every management and Union became a virtual litigant and industrial relationship became a legal relationship and it did nothing good to the management, workers and the country. The situation still continues, although many employers have learnt by experience that litigation cannot build good relationship most needed for the growth of their industry and have come forward to settle matters at bipartite level.

In the early fifties, many employers resorted to temporary closure of factories due to non-availability of raw materials, inability to market their finished products and several

others due to slump in the market. This became life and death question to the workers in the country. Under the leadership of the Union, leaders of many other unions met and decided to take out a procession and hold meetings and request the Government to stop this and wherever genuine atleast payment of compensation should be paid to the affected workers.

Accordingly, on 2-8-1952 a huge procession of all the workers were taken from Napier Park to Madras Beach sands where a public meeting was held. Sri K. Gurumurthi presided and several trade union leaders spoke at the meeting, demanding justice for the workers. Messrs.M.P. Sivagnana Gramani, T. Chengalvarayan and Chinna Annamalai participated. Resolutions passed at the meeting was sent to the Government and to Sri R. Venkataraman requesting him as an M.P. and Labour Leader to take up the matter with Sri V.V. Giri the then Union Minister for Labour. As a result an Ordinance was issued in October 1953 and was followed by Act 43/53 made effective from 24-10-1953. Under this clause definition for Lay-off [Sec.2 (KKK) and for retrenchment (Sec.2(00)] were introduced followed by the introduction of New Chapter, V(A) under which compensation was provided for Lay-off and retrenchment with other conditions precedent. Again, the employers were arbitrarily effecting changes on the conditions of service applicable to workmen which was the cause of several disputes greatly affecting the production. The Union held a meeting of all the heads of the Unions and agitated the issue and prevailed upon the Union Government to introduce an amendment to the I.D. Act providing protection against sudden and unilateral changes of conditions of employment. The Government accepting this suggestion introduced an amendment to I.D. Act 36/1956 under which a New Section 9A was introduced wherein it was prescribed, that changes in conditions of service in respect of matters specified in the fourth Schedule should be made only after giving notice of 21 days to the workmen affected or likely to be affected.

In order to serve the cause of workers in their civic needs, the Union taking advantage of the reserved seat for Councillor in the Corporation of Madras nominated Sri P.N. Lakshmi pathi, a welder in Simpson & Co. Ltd. as a Congress

candidate to contest the Corporation Council election from the South Madras Labour Constituency held on 29-9-1952. The Union Office-Bearers and other workers vigorously canvassed for Sri Lakshmipathi and he was elected with a thumping majority defeating a Communist worker. He did a good work in South Madras Labour Constituency. The Management greatly appreciated the very effective role Lakshmipathi played in providing the civic rights to the resident workers in the Constituency and they came forward to give him the facility of taking time 'on duty' for meetings and other work connected with the Corporation and his constituency.

In the matter of National cause during the Chinese aggression a huge procession of the city workers was organised by the Union which culminated with a public meeting at the Madras Beach sands on 13-11-1962. Sri K. Kamaraj, the Chief Minister lead the procession and walked the distance from Napier Park to the venue of the meeting and presided over the meeting. Many Trade Union and Political leaders participated in the meeting and condemned the act of aggression by China.

At the meeting the workers solemnly took a vow to increase the productivity in their factories and do all that was necessary to fight the enemy. They also decided to contribute a day's wages to the National Defence Fund. Our Union, however, had already collected one day's wages from all the workers and had paid on 25-10-1962 itself an amount of Rs.1,00,036.36 as our first instalment and at this meeting the Union contributed the second ^{instalment} settlement of Rs.31,675/- from the workers. The Hindu in its issue on 27-10-1962 reported that of the funds donated by South India to the National Defence Fund "chief among the donation was from the employees of the Simpson Group Companies." Later, the entire Group Companies worked on a Sunday and paid the entire overtime wages of two days to the National Defence Fund and the management also contributed an equal amount for this fund, refer Annexure I Series.

At the time of Pakistan aggression as of the Chinese aggression, a huge procession of workers was organised on 27-9-1965 by the Union. Procession from various factories

culminated at Nehru Stadium where a public meeting was held. Sri K. Kakkan, a State Minister, presided over the meeting. He said even when the Chinese war had ceased the aggression by Pakistan was continuing and he vehemently condemned this. Several Trade Union leaders, apart from Sri K. Gurumurti participated; the Senior leaders were Messrs. T.S. Ramanujam, A.S.K. Iyengar, S.C.C. Anthoni Pillai and K.M. Sundaram. The Simpsons Union contributed Rupees one lakh to the National Defence Fund and one Simpson Group worker contributed his gold ring and another a Transistor Radio. Sri Anthony Pillai, on behalf of the Unions he represented, contributed Rs.91,000/- to the National Defence Fund. The workers took the vow to increase the productivity and to make any sacrifice to defend the Nation.

The Union also extended to the general public in the area where the Union Headquarters and the R.V. Nagar Branch were located the following:

- 1) In the Union Co-operative Society and Branches all essential commodities of life and other requirements including Textiles were sold in cash. The Ration Cards of the general public were also registered by the Society and the commodities issued.
- 2) The Union Adult Education classes were made open to the general public.
- 3) The Union medical facilities were extended to the general public.
- 4) The Union family planning activities were also made available to the general public.

In all the above schemes the benefits extended to the general public were the same as in the case of the members of the Union.

- 5) The Union liberally contributed to the people who suffered due to cyclone, floods, earth quakes, etc.

D.O.No.LM/7175/62

MINISTER OF LABOUR &
EMPLOYMENT AND PLANNING
NEW DELHI

20th November, 1962

My dear Shri Gurumurti,

I was glad to know from your letter of the 8th November, 1962 that the workers of the Simpson Group Unions have collected and remitted Rs.65,000 towards the National Defence Fund. This is a very commendable achievement and I hope that their contribution will receive the widest publicity. Kindly convey my personal thanks to the members of the Unions who contributed towards the National Defence Fund.

I also enclose a copy of my radio talk addressed to the industrial workers and which indicates their role in the present emergency. I am sure there will be a positive response everywhere to maximise production. I will also like to suggest that efforts should be made to organize consumer cooperative stores for the workers. In this connection, I enclose a copy of a scheme which was approved in the last Indian Labour Conference and has been circulated.

Kind regards,

Yours sincerely,

(sd.)

(G.L.NANDA)

Shri K.Gurumurti,
President,
Simpson Group Unions,
72, Harris Road,
Madras-2.

Encls.

-/True copy/-

SIMPSON & GROUP COMPANIES WORKERS' UNION
SIMPSON & GROUP COMPANIES STAFF UNION
MADRAS-2.

25.11.1962

My dear Nandaji,

I am thankful to your letter of 20th November together with the enclosures.

As on date, the workers in the Simpson Group have contributed a sum of Rs.1,00,036.36 nP to the National Defence Fund. Further collections are also being made every month.

I have already communicated the contents of your radio talk to the workers. It is really inspiring and a source of encouragement to the working class and also a clear indication of the role they will have to play in the present national emergency.

As regards consumer co-operative society, we are already running such stores for the benefit of the Simpson Group employees. I have offered to the State Government to expand the activities of this consumer stores and if necessary make it open to the public like Fair Price shop.

With kind regards,

Yours sincerely,

(sd.)

(K.Gurumurti)

Shri G.L.Nanda,
Union Minister of Labour,
Employment & Planning,
Government of India,
New Delhi

-/True copy/-

XVI. **FARE WELL PARTY GIVEN BY THE UNION TO
SRI M.V. VENKATRAMAN, CHAIRMAN
ON HIS RETIREMENT.**

The Union gave a Tea Party on 15-8-1968 at Abbotsbury to Sri M.V. Venkatraman on his retirement as the Chairman of Amalgamations. Large number of workers attended the function. The management was represented by Sri A. Krishnamoorthy.

Sri K. Gurumurti who presided over the function stated that Sri M.V. Venkatraman joined Simpson & Co. Ltd. in 1931 as a Staff Member and by dint of his dedication, hard work, high accounting talent, great integrity, sincerity and loyalty to the organisation, rose to the position of the Chairman of the Group in which position he performed to his best ability during a period of five years.

Sri Gurumurti in adding stated that Sri Venkatraman's simplicity and eagerness to acquire knowledge from others and his great humanism struck everybody. As far as his treatment of his men are concerned his hissing would be more powerful than his biting. He was social in his movement and was always fair to people. Sri Gurumurti further added that although he decided to retire he would request him to continue to advise the Management of the Group and prayed for his long life and good health. On behalf of the workers and the Union Sri Gurumurti presented a memento to Sri Venkatraman, a silver moulded pen and spanner crossed, signifying the union logo of "unity of pen and spanner."

Sri M.V. Venkatraman gave a fitting reply and wanted the workers to listen to the leaders and do their optimum work for the prosperity of the Companies and for themselves.

Sri A. Krishnamoorthy stated that he would communicate to his brother and Chairman, Sri A. Sivasailam the proceedings of the meeting and convey the wishes of the workers and their leaders. The function ended with a carnatic music concert by Sri T.V. Sankaranarayanan and party.

XVII. SRI S. ANANTHARAMAKRISHNAN'S CONTRIBUTION TO PRODUCTIVITY MOVEMENT.

The Government of India which was very keen in rapid growth of Indian Industries wanted the introduction of management sciences for higher productivity in our industries. The Government, therefore, in collaboration with the International Labour Organisation invited the experts in the field to visit India and guide the industrial organisation for the introduction of scientific management for increased productivity and directed Dr.P.S. Lokanathan, Director-General, National Council of Applied Economic Research to be the co-ordinator.

The team with the guidance of Dr.P.S. Lokanathan toured extensively in the country meeting several employers and Trade Union Organisations and sold the idea of increasing efficiency of Industries through practice of management sciences and methods of increasing productivity.

The idea first took concrete shape early in 1958 by the formation of National Productivity Council with its headquarters at Delhi and Dr.P.S. Lokanathan took charge as the Chairman of the Council. Under his able inspiration and guidance local productivity councils were organised.

The decision to set up this Council was taken at a meeting of the representatives of employers, workers convened by the Commissioner of Labour, Sri V. Balasundaram on 26-5-1958. All agreed that an organisation was necessary to stimulate productivity consciousness, making conditions congenial to the concept of productivity and encouraging application of productivity method for increasing the efficiency of the Industries. Sri K. Gurumurti, one of the participants was entrusted with the task of persuading Sri S. Anantharamakrishnan to take up the responsibility of the Council as its President. Gurumurti was also asked to contact the Trade Union Leaders and request them to take office bearer-ships/governing body memberships of the Council.

Sri S. Anantharamakrishnan, although first hesitated, Gurumurti with his power of persuasion, made him accept the Presidentship. He also persuaded Sri S. Guruswami, President, All India Railwaymen's Federation, to accept the Vice-Presidentship. He also brought into the movement other trade union leaders, namely, Messrs.T.S. Ramanujam, President, All India Postmen and Class IV Workers' Union, N. Thiagarajan, General Secretary, Burmah-Shell Employees' Union and K.S. Janakiraman, Vice-President, Petroleum Workers' Union.

The Council was registered under the Societies Act XXI of 1860 and the following twelve persons signed for the registration:

- 1) Sri S. Antharamakrishnan, Chairman, Simpson ' & Co. Ltd.
- 2) Sri A.M.M. Arunachalam, Managing Director, Tube Investments of India Ltd.
- 3) Sri S. Guruswami, President, All India Railwaymen's Federation.
- 4) Sri K. Gurumurti, President, Simpson & Group Cos. Workers' and Staff Union.
- 5) Mr.S.L.T. White, Staff & Industrial Relations Manager, Burmah-Shell.
- 6) Mr.J.P. Sanghrajka, Manager, Jeewanlal (1929)Ltd.
- 7) Sri S. Pakkiriswami Pillai, General Secretary, Madras Labour Union.
- 8) Sri T.R. Kailasam, President, Imperial Tobacco Employees' Union.
- 9) Sri K.V. Srinivasan, Director, Standard Motor Products of India Ltd.
- 10) Sri V. Ramachandran, Hon. Secretary, Madras Institute of Management.
- 11) Sri K.S. Janakiraman, Vice-President, Petroleum Workers' Union.
- 12) Sri M.A.Natarajan, Inspector of Factories, Government of Madras.

The Council is a tripartite organisation of employers, workers and the Government with equal representations of employers, workers in the Governing Body.

At the request of Sri S. Anantharamakrishnan, the President of the Council, the Government of Madras placed at the disposal of the Council Sri M.A. Natarajan, Inspector of Factories, to serve as its Honorary Secretary. The Office was located in Simpson & Co. Ltd. and the work began with a membership of 170 at the end of March 1960 and it went upto 352 at the end of March 1962 and grew to a strength of 450 in March 1964.

The solid foundation laid by Sri S. Anantharamakrishnan, as a Founder President of the Council was responsible for the Council even in its initial stages to become one of the leading local productivity councils operating in the major cities of the country.

In the initial stages Sri S. Anantharamakrishnan deputed Sri A.V. Srinivasan, one of the employees of Simpson & Co. Ltd. to help the Honorary Secretary of the Council in the day-to-day work and actually Sri A.V.Srinivasan was released as on duty by Simpson & Co. Ltd. for carrying out the work of the Madras Productivity Council. This kind gesture of Sri Anantharamakrishnan was acknowledged by all the members of the Council. When the Governing Body decided to appoint Sri A.V. Srinivasan as the Executive Secretary of the Council he readily released him from the services of Simpson & Co. Limited.

On 13-10-1959 Sri Anantharamakrishnan initiated the discussion at the Symposium on sharing benefits of productivity at which eminent Industrialists and Trade Union leaders were the speakers.

On 16-4-1959 a Programme on Personnel Management was inaugurated by Sri R. Venkataraman, the then Industries Minister, presided over by Sri S. Anantharamakrishnan.

At the first Southern Regional Productivity Conference which was organised on 28-6-1960 at which more than 500 delegates were present, Sri S. Anantharamakrishnan presented a paper. This Conference was inaugurated by Sri V.V. the then Governor of Kerala presided over by Sri R. Venkataraman, State Industries Minister. Major expenses of this Conference were met by Sri S. Anantharamakrishnan. He hosted a Dinner on the night of the Conference at his residence at which he invited all the members of the Council apart from the Delegates of the Conference and other dignitaries.

The Second Southern Regional Productivity Conference for technicians was held for two days in 1961 at which there were 81 delegates from all the four Southern States. This Conference was inaugurated by the then Union Minister for Commerce and Industry, Sri K.C. Reddy, presided over by Sri S. Anantharamakrishnan. Just as in the previous year on the night of the Conference Sri Anantharamakrishnan hosted a Dinner for the delegates and the members of the Council at his residence.

At a local Productivity Council's Conference held under the auspices of National Productivity Council at which Sri Anantharamakrishnan presented a paper on Management responsibilities.

He presided over the Seminar on Road Transport Industry which was held on 25-11-1960. This was inaugurated by Sri C. Subramaniam, the then Minister for Finance, Government of Madras.

He presided over the inaugural function of the Seminar on Human Relations in Industry on 11-1-1961 which was inaugurated by Sri R. Venkataraman, the State Minister for Industries.

A Building Committee with Sri S. Anantharamakrishnan as its Chairman was constituted for acquiring a building for the Council. If he would have lived for some more years he would have seen that the Council would have been located in its own building.

A course on Industrial Safety and Accidents for Trade Union and Workers' Representatives was inaugurated by Sri M. Bhakthavatsalam, the State Home Minister presided over by Sri S. Anantharamakrishnan.

On 25th August 1962 a two-day Seminar on Foundry Industry was organised by MPC. This Seminar was inaugurated by Sri M. Bhathavatsalam, the State Minister for Home, presided over by Sri S. Anantharamakrishnan.

During the year 1962-63 when the Council experienced cash flow problem, Sri S. Anantharamakrishnan donated to the Council a sum of Rs.5,000/- from his personal funds, which shows his magnanimity and the love towards productivity movement. This sum has been earmarked as Reserve Fund as per his wish.

Sri Anantharamakrishnan was always punctual in his engagements. Nobody can excel in the manner at which he conducted the Governing Body Meetings, Annual Meetings, etc.

One of the employees of the Council who has been in the services of the Council from its inception acknowledges that because of the magnanimity of Sri S. Anantharamakrishnan, the employees of the Council are even now enjoying the benefit of receiving the exgratia payment during the time of Deepavali each year. During the initial stages when the employees asked for festival advance at the time of Deepavali, Sri Anantharamakrishnan moved a resolution in the meeting of the Governing Body that instead of giving advance the Council can give to its employees one month's pay as ex-gratia. This ex-gratia payment is being continued even now.

The Council further enjoyed the able services of the members of the Group Companies in Sri K. Gurusurthi and Sri M.K. Raju as the former as its President/Governing Body Member and the latter as its Vice-President/Governing Body Member. Sri Gurusurthi was continued as President for two terms of four years, 1965-1969, as the Governing Body appreciated the very good work done by him in the first term and the employers gave up their chance for him to continue.

During the period of Sri Anantharamakrishnan's Presidentship several programmes were conducted such as Work Study, Executive Development, Production and Planning Control, Employee Selection and Placement, Quality Control, Management Accountancy, etc. These Courses were conducted by experts drafted by National Productivity Council.

A novel programme named "**Circuits**" was introduced at the time and it was very popular. Circuits in the U.K. formed the main artillery for promotion of ideas for efficient performance and technical exchange between industries, situated in the area. Following the U.K. pattern the Council organised several circuits such as study of selection, training and placement of industrial workers and employees, safety measures technique, to evaluate work study and industrial engineering operations in industries, materials handling, grievance procedure and incentives, etc. The reports of the Circuits circulated to the industries and labour unions were appreciated and it helped in the dissemination of useful knowledge and experience to the concerned.

The foundation laid by Sri S. Anantharamakrishnan for impartial approach to problems of production/productivity and rendering of justice without bias, fear or favour was responsible for the employer-employees accepting the decision of the Madras Productivity Council in matters of determination of work norms, work study, job evaluation, etc. The parties (Employers--Employees) also accepted the Council as assessors in the matter of disputes before the Industrial Tribunal to determine matters relating to fixation of work norm, etc. during the adjudication proceedings.

It was Mr.S. Anantharamakrishnan who prevailed on the National Productivity Council to send for foreign training in management sciences and productivity the representatives of industries and labour. In the first year itself three representatives sponsored by this Council was chosen for training abroad under T.C.M. and French Fellowship.