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Cable: "AITUCONG" Telephone: 57787

अखिल भारतीय ट्रेड यूनियन कांग्रेस
ALL-INDIA TRADE UNION CONGRESS

Rani Jhansi Road, New Delhi 1

President: S. S. MIRAJKAR
General Secretary: S. A. DANGE

20 Feb 63

To

All Unions in Cement Industry

Dear Comrade,

We enclose copy of letter No.22/15/62-LRII dated 12 Feb 63 from the Union Labour Ministry in respect of the change of jurisdiction of Central Conciliation Officers with regard to intervention in disputes relating to quarries attached to cement factories.

According to this change, the State Government Officers in Andhra Pradesh, Bihar, Punjab, Uttar Pradesh, Rajasthan, M.P., Orissa, Mysore, Gujarat and Himachal Pradesh would act as Central Conciliation Officers in respect of quarries attached to cement factories.

With greetings,

Yours fraternally,

(K.G. Sriwastava)
Secretary

Encl:

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'Grams: AITUCONG
'Phone: 57787

ALL-INDIA TRADE UNION CONGRESS

5-E Jhandewalan, Rani Jhansi Road, New Delhi

To All Unions in the
Coal Mining Industry

10 July 1963

Sub: ORAL EVIDENCE BEFORE COAL WAGE BOARD
- Calcutta, 6 & 7 August 1963

Dear Comrades,

As you will find from the enclosed programme of the Coal Wage Board, the AITUC and its affiliates have been called for oral evidence at Calcutta on 6 and 7 August 1963 (Committee Rooms of Bengal Chamber of Commerce and Industry, 6 Netaji Subhas Road, Calcutta 1). Each union may depute one comrade who can go to Calcutta to tender evidence on particular questions affecting it, if any. The coordination in this respect would be done by the Indian Mine Workers Federation and unions are advised to keep in touch with the Federation and do the needful.

With greetings,

Yours fraternally,

(K.G.Sriwastava)
Secretary

Copy to: IMWF

ENCL: Wage Board's
Programme

Cable: "AITUCONG"

Telephone: 57787

अखिल भारतीय ट्रेड यूनियन कांग्रेस

ALL-INDIA TRADE UNION CONGRESS

Rani Jhansi Road, New Delhi 1

President: S. S. MIRAJKAR
General Secretary: S. A. DANGE

Trade Circul r No.M/2/63 January 8, 1963.

Sub: Abolition of contract labour in non-coal mines.

Dear Comrades,

The Union Labour Ministry has suggested that possibilities for reaching bipartite agreements in non-coal mines on the lines of the agreement reached in the coalmining industry on the abolition of contract labour in non-coal mines.

We enclose for your immediate reference, the Report of the Central Government Court of Inquiry (Coal Mining Industry) on the question of abolition of contract labour, which contains the bipartite agreement reached between employers' and Workers' organisations.

Your union is requested to give this matter your immediate attention and send us a report on the actual possibilities in this regard.

With greetings,

Yours fraternally,

(K.G.Sriwastava)
Secretary

96.2.2

'Phone: 57787

A L L - I N D I A T R A D E U N I O N C O N G R E S S

5 Jhandewalan, Rani Jhansi Road, New Delhi

URGENT
TRADE CIRCULAR No.M/4/63 20 Feb 63

To All Unions in
Coalmining Industry

Sub: INTERIM RELIEF - WAGE BOARD RECOMMENDATION ACCEPTED BY GOVERNMENT

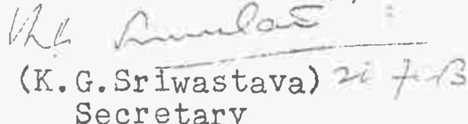
Dear Comrade,

It was announced in Parliament yesterday that the Government of India have accepted the recommendations of the Wage Board for Coalmining Industry on the question of interim wage increase. The increase recommended is at the rate of 37 nP per day for daily rated workmen and Rs.9.75 per month for monthly paid workmen. The text of the Government's resolution and the recommendations of the Wage Board is reproduced below.

The interim wage increase is to take effect from 1st March 1963. Although the Government have accepted the Wage Board's recommendation, as usual, the employers will try to delay payment as much as possible. It is therefore necessary that the unions take immediate steps to mobilise the workers for demanding that the Wage Board's recommendation be implemented without any delay.

With greetings,

Yours fraternally,



(K.G.Sriwastava) 21.7.63
Secretary

Text of Government's Resolution

(TO BE PUBLISHED IN THE GAZETTE OF INDIA, PART I, SECTION I)

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
Dated, New Delhi, the 16.2.63

RESOLUTION

No.WB-16(30)/62: The Central Wage Board for the coal mining industry, set up by the Government of India by their Resolution No.WB-16(1)/62 dated the 10th August 1962, has considered the question of interim wage increase for workmen, as required by Para 3(c) of the resolution, and has made recommendations as shown in the Schedule attached.

2. The Government of India have decided to accept these recommendations of the Wage Board and to request the concerned employers to implement the same as early as possible.

(Sd.) P.M.Menon,
Secretary to the Government of India

No.WB-16(30)/62

ORDER

Ordered that a copy of the Resolution be communicated to all the interests concerned.

Ordered also that the Resolution be published in the Gazette of India for general information.

P.M.Menon,
Secretary to the Government of Indi

SCHEDULE

RECOMMENDATIONS OF THE CENTRAL WAGE BOARD FOR COALMINING INDUSTRY

(i) An interim wage increase, over the existing wages, of 37 nP per day's attendance to the daily rated (time-rated and piece-rated) workmen (including miners' sirdars and other working sirdars) and of Rs.9.75 per month to the monthly paid workmen in the collieries and in their following ancillary undertakings, departments, offices and establishments.

(a) Byproduct coke plants
(b) Beehive and country ovens/Bhattas
(c) The manufacture of soft coke
(d) Captive power stations, i.e., those run by collieries themselves for their own use.
(e) Central or Regional shops belonging to collieries or groups of companies, i.e. those owned by coal companies
(f) Washeries belonging to individual coal companies.
(g) Stowing, i.e. sand-gathering plants situated at sources of sand supply.
(h) Central and other ropeways, tramways and private railways belonging to coal companies
(i) Central stores which are owned by coal companies
(j) Watch and Ward and/or Security Departments
(k) Zemandary offices
(l) Central hospitals and medical establishments belonging to coal companies
(m) The offices and establishments of Chief Mining Engineers, Colliery Superintendents and other officers situated in the coalfields
(n) Canteens
(o) Educational institutions, including teachers directly employed or paid by colliery managements
(p) C.R.O. Establishments

This interim wage increase shall also apply to all workers and staff engaged through or by contractors in all processes directly connected with the raising and despatch of coal and manufacture and despatch of coke.

(ii) This interim wage increase shall be granted with effect from 1st March 1963.

(iii) Those monthly-rated workers of the National Coal Development Corporation who have opted for the Central Pay Commission scales of pay will not be entitled to the benefit of this interim wage increase.

(iv) The recommended interim wage increase will also count for the purposes of the following benefits only:

(a) Contributions to provident fund.
(b) Workmen's Compensation or Insurance
(c) Overtime
(d) Leave with pay
(e) Paid festival holidays
(f) Maternity leave and sick khoraki/leave
(g) Lay-off and retrenchment compensation payments
(h) Gratuity, pension and other retirement benefits, wherever they exist, and which may be paid on or after 1-3-1963.

(v) The interim wage increase will not count for calculation of dearness allowance or bonus under the Coal Mines Bonus Scheme.

Contd. . . . .

(vi) The interim wage increase shall be without prejudice to any subsequent increases in the quantum of Dearness Allowance to which the workmen may become entitled under the scheme of variable dearness allowance awarded by the Decision dated 29.1.1957 of the Labour Appellate Tribunal of India, which scheme is in force at present.

(vii) These recommendations are only interim and made without prejudice to the final recommendations to be made by the Board. The Board, therefore, further recommends that the amounts paid to the workmen under this interim wage increase will be specified separately till the final recommendations are made by the Board, after which such final recommendations shall prevail.

MINISTRY OF LABOUR & EMPLOYMENT

NOTIFICATION

New Delhi, the 6th December 1961

S.O. 2952.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following report of the Central Government Court of Enquiry (Coal Mining Industry), Calcutta, in the industrial dispute between the employers in relation to the Coal Mining Industry and their workmen.

CENTRAL GOVERNMENT COURT OF INQUIRY

(Coal Mining Industry)

PARTIES:

Employers in relation to the Coal Mining Industry

AND

Their workmen.

PRESENT:

Shri L. P. Dave, Sole Member.

APPEARANCES:

Shri S. S. Mukherjee, Advocate, Shri D. Narsingh, Advocate & Mr. W. J. Jameson—for Indian Mining Association.

Shri S. S. Mukherjee, Advocate—for Indian Mining Federation.

Shri S. S. Mukherjee, Advocate & Shri D. B. Raval—for Indian Colliery Owners' Association.

Shri D. Narsingh, Advocate—for National Coal Development Corpn. Ltd., and Messrs Singareni Collieries & Co. Ltd.

Shri Gulab Gupta and Shri S. Das Gupta—On behalf of Colliery Mazdoor Sangh.

Shri M. V. Desai—On behalf of Koyala Mazdoor Panchayat, Hind Mazdoor Sabha & Colliery Mazdoor Congress.

Shri Kalyan Ray—On behalf of Colliery Staff Association.

Shri Lalit Burman—On behalf of Indian Mine Worker's Federation.

REPORT

Dated the 21st November, 1961

The Central Government being of the opinion that an industrial dispute existed between the employers in relation to the Coal Mines Industry and their workmen considered it desirable to refer certain matters connected with or relevant to the said disputes to a Court of Inquiry. Hence, the Government of India in the Ministry of Labour & Employment issued Notification No. 1/33/60-LRII dated 31st October 1960 constituting a Court of Inquiry with Shri G. Palit as Sole Member and referred to it certain matters which will be mentioned hereafter. A vacancy occurred in the office of the Sole Member of the Court of Inquiry due to the demise of Shri G. Palit and the Government of India thereupon issued a notification of even number on 27th May 1961 appointing me as the Sole Member of the Court of Inquiry. By a subsequent order of even number dated the 30th June, 1961, the terms of reference were slightly modified and the modified terms of reference are as under:—

1. Whether the system of employment of labour through or by contractors and Sub-contractors in the coal mining industry in the country can be abolished without impairing productivity, and, if so, in which case of employment and within what period.

2. To the extent that contract system cannot be abolished in the industry, what measures, statutory or otherwise, should be devised to ensure fair wages and conditions of employment to labour employed through or by contractors and Sub-contractors.

2. Notices were issued to the Indian Mining Association, the Indian Mining Federation, Indian Colliery Owners Association, Madhya Pradesh and Vidarbha Mining Association, the National Coal Development Corporation and Messrs Singareni Collieries Co. Ltd., the Indian National Mine Workers' Federation, the Indian Mine Workers Federation, the Koyala Mazdoor Panchayat, the Indian National Trade Union Congress, the Hindusthan Khan Mazdoor Sangh, the Mugma Coal Field Workers Union, the Bihar Koyala Mazdoor Sabha, the Chhattisgarh Colliery Workers Federation, the Madhya Pradesh Rastriya Koyala Khadan Mazdoor Sangh, the M.S.M. Railway Talcher Employees Association, the Colliery Mazdoor Sangh and the Colliery Staff Association. So far as employers were concerned, the Indian Mining Association, the Indian Mining Federation, the Indian Colliery Owners' Association, the National Coal Development Corporation and the Singareni Collieries Co. Ltd. appeared before the Court and filed their written statements. So far as workers were concerned, the Indian National Mine Workers' Federation, the Koyala Mazdoor Panchayat, the Colliery Mazdoor Congress, the Indian Mining Workers' Federation, the Bihar Koyala Mazdoor Sabha, the Colliery Staff Association, the Bihar Coal Miners Union, the Hindusthan Khan Mazdoor Sangh and the Mine Mazdoor Union and Chhattisgarh Colliery Workers Federation filed their written statements. Actually, however, only the representatives of the Indian National Mine Workers' Federation, Koyala Mazdoor Panchayat, the Colliery Mazdoor Congress, the Hind Mazdoor Sabha and the Indian Mine Workers Federation appeared before the Court and took part in proceedings before it. Representatives of other Unions did not appear before the Court, nor did they take any part in the proceedings before the Court except filing their written statements as stated above.

3. The Court heard the parties who also placed certain facts before the Court. The Court in company of the representatives of both the employers and the workers visited two collieries, one in the Jharia Coal Field area and the other in the Raniganj Coal field area. Evidence was then started to be recorded and one witness was actually examined. Further proceedings were then adjourned as the parties wanted time to negotiate an agreement. Ultimately on 30th October, 1961, an agreement (copy attached herewith) signed by the representatives of the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners Association on the one hand and the Indian National Mine Workers Federation, the Koyala Mazdoor Panchayat, the Colliery Mazdoor Congress, The Hind Mazdoor Sabha and the Indian Mine Workers Federation on the other was placed before the Court. The Advocate appearing on behalf of the National Coal Development Corpn. and M/s. Singareni Collieries Co. Ltd. also subscribed to the above agreement in so far as it related to the terms of reference before the Court. The parties also informed the Court that they did not want to produce any further evidence and that the Court should record its findings in terms of the above agreement. It may be noted that no other party appeared before the Court, either on behalf of the employers or on behalf of the workers.

4. Under the terms of agreement, it has been agreed that the system of contract labour should be abolished in the coal industry subject to certain exemptions. It was further agreed that certain categories out of categories which were directly connected with the raising and despatch of coal and manufacture and despatch of coke should be exempted, that is, in respect of these categories the system of contract labour may be continued and further that the contract system is to be continued in all processes not directly concerned with the raising and despatch of coal and the raising and despatch of coke. In all cases where contract labour is to continue, certain safeguards have been provided by the agreement. The agreement further lays down that all work except in the categories which are exempted should be taken over and carried on departmentally by the principal employer as early as possible, but not later than 30th September, 1962. It has been lastly provided that the operation of the agreement should be reviewed annually and that the first review should take place between 1st November 1962 and 15th November 1962. I have now got to consider as to what findings I should give on the points referred to me.

5. It appears that the practice of employing labour through contractors and entrusting certain kind of work to contractors has been in vogue in the coal industry for quite a long time. This practice has come in for severe criticism by several committees and commissions. Actually even the employers had at different times agreed to the abolition of the system subject to certain exemptions and conditions. Still the system has continued to be in force.

6. The first Commission which considered the system of contract labour in coal mines was the Royal Commission on Labour. It appears that at that time contractors were engaged mainly for recruiting labour and raising coal. The Royal Commission after considering the question of Raising Contractors, recommended "the gradual supersession of the raising contractor as such and the substitution of what is known as *sarkari* working" (See Page 120 of the Report, 1931).

7. In 1938 the Government of Bihar appointed a Committee known as Bihar Labour Enquiry Committee for undertaking enquiry into the conditions of industrial labour prevailing in the important industrial centres and industries in the Province with particular reference to each important industry and locality and to make such recommendations as may appear practicable for the purpose of improving the labour wages, conditions of work, employment etc. in the important industries of the localities concerned. The Committee submitted its report in 1940. Chapter IV of the report deals with recruitment. In para 76, the Committee has said that one of the methods of recruitment of labour was by contractors, jobbers or sardars. The Committee has also said that they were strongly of the opinion that recruitment through contractors should be discontinued as early as possible, but where it was found that contractors were for some time indispensable, they should be licenced by the State and should be required to maintain a register of all payments etc. If any of them was found guilty of unfair dealings with labour, the licence should be withdrawn and a further penalty imposed on them. The Committee further stated that they desired that the contractors should be compelled to conform to standards of conduct similar in effect to that which had recently been imposed on money lenders in Bihar. The Committee dealt with contract labour in Chapter V. The question of coal industry was considered by the Committee in Chapter XVIII. The Committee considered the case of raising contractors in paras 389 to 392 of their report. I would here only quote some of the remarks made by the Committee in para 392; "eight years ago the Royal Commission recommended that the contract system should be gradually abolished. We regret to find that the progress has been deplorably slow and more that there should be any desire to retrace the steps. We would prefer to see the system of raising contractors abolished as soon as possible. But in case it is found impracticable to abolish it, the conditions governing contract labour enumerated in Chapter V should be enforced".

8. A Committee known as Labour Investigation Committee was appointed by the Government of India in 1944 and it submitted its report in 1946. The Committee have referred to question of contract labour in Section II of Chapter IV of their report. The Committee referred to the reports of the Royal Commission on Labour, The Bihar Labour Enquiry Committee and the Bombay Textile Labour Enquiry Committee. The Committee have been observed "not only the Royal Commission but also the Bombay and Bihar Committees have suggested legal abolition of the system of contract labour, and we fully endorse that suggestion. Of course, we cannot expect that all contract work will be necessarily terminated; but some sort of distinction between essential and non-essential processes will have to be drawn. The Committee then referred to cases where certain kinds of work could be entrusted to contractors. They observed that "For example, if a textile factory owner calls a building contractor for painting or white washing, which are not part of the essential processes in the factory, there can be no objection; but the manner in which employers seek to avoid their obligations towards workers by delegating even essential processes (for example mixing, or bleaching in a textile mill or raising of coal in a coal mine, etc.) can and should be prohibited". The Committee then referred to Public Works Department labour and said that they did not wholly agree with the view of the Royal Commission on Labour that employment through contractors was the only satisfactory method in the case of Public Works Department labour. The Committee then stated that their survey of Central Public Works Department labour showed that the contract labour was not favourably placed. The Committee finally observed "The only method of tackling the problem, therefore, is to regulate the conditions of contract labour in all industries, where its existence is inevitable".

9. In 1945, a survey into the conditions of labour in the coal mining industry was made by Mr. S. R. Despandhe at the instance of the then Department of Labour. His report showed that the contract system was prevalent to a large extent in the coal mining industry. He referred to raising contracts, commission contracts, petty contracts and managing contracts.

10. In December 1945 the Government of India appointed a Committee known as Indian Coal Fields Committee and this Committee submitted its report in September, 1946. It referred to the contract system in paras 14 to 18 of Chapter XV of its report. The Committee recommended that the raising contract system should be abandoned as early as possible.

11. In 1947 the Government of India appointed a Board of Conciliation for promoting a settlement of certain disputes in the collieries in Bengal and Bihar. The Board has referred to the question of contract system in para (23) of their report. There they have observed "We are emphatic that the time has now arrived when it (raising contract system) should be fully and finally abolished. It has undoubtedly led to widespread irregularities and mal-practices and we unreservedly condemn it". The Board then mentioned that they made an exception as to overburden removal. They felt that "mal-practices could be avoided by payment from the contractor's account to the workers direct by the management, in conformity with a list of earnings submitted by the contractor, which would be subject to scrutiny". The Board finally observed, "So long, however, as the contract system continues, the labour employed therein and also in all piece-work systems, shall be paid direct by the Management, and such labour shall be entitled to all the amenities enjoyed by workers of the same categories as if directly employed".

12. In 1949, the Government of India appointed a Railway Colliery Enquiry Committee which submitted its report in 1950. The Committee recognised that abolition of contract system was desirable, but they suggested postponement thereof. Incidentally, it may be mentioned that one of the members dissented from the majority as he was of the opinion that abolition should be immediate and that there was no excuse for the continuance of the system.

13. The question of contract labour came before the different sessions of the Industrial Committee on Coal mines. In the first session held in January, 1948, this question was discussed and ultimately there was general agreement that with the assurances given the matter could be left to be suitably dealt with by Government. The question was again considered in the second session of the Industrial Committee held in September, 1948. It appears that the labour representatives pressed for the abolition of the system, while it was urged on behalf of employers that certain kinds of contract labour could not be dispensed with. Ultimately it was agreed that the question needed more detailed examination. The question was again raised in the fourth session of the Industrial Committee held in April, 1952, when after discussion it was decided that the question should be further examined.

14. The matter then once again came before the fifth session of the Industrial Committee held in August, 1956. It appears that a Sub-committee was appointed to consider certain items, one of which was abolition of contract labour. It was agreed by the employers' and workers' representatives that the contract system should be abolished within a specified period. The workers' representatives desired abolition within a period of six months while the employers' representatives were unable to specify any period. The employers' as well as workers' representatives agreed that there should be no further extension of the contract system. In other words, wherever contract system was not in vogue before, there should be no substitution of the departmental system by the contract system. It was also agreed and this was already in accordance with the Standing Orders of the collieries that the employers would accept the responsibility of supervising payment to contract labour. The workers' representatives, however, desired that the responsibility for payment to contract labour should also rest on the principal employer.

15. Regarding the general question of abolition of contract labour, the employers' representatives were of the view that the abolition of contract system would be feasible only with the exemptions enumerated below:—

(1) Sinking of pits and driving of inclines.
(2) Sand loading.
(3) Coal loading and unloading.
(4) Dyke cutting.
(5) Overburden removal and earth cutting.
(6) Building.
(7) Brick making.
(8) Tile making.
(9) Soft coke making.
(10) Road making and repairing.
(11) Manufacture and repair of coal tubs.

It was suggested that Government should undertake legislation for the abolition of contract system. In determining the exceptions to the general rule of abolition of the system, they would consult the employers' and the workers' representatives before finalising the list. This was, however, not agreed to by the employers' representatives. They insisted that the list of exemptions should be finalised before they could agree to any legislation for abolition of the contract system.

16. The matter then came before the open session of the Industrial Committee. The proceedings show that there was complete agreement on the principle of abolition of contract labour; and the only difference between the employers' representatives and the workers' representatives was about the categories to be exempted from the abolition of contract system. Ultimately it was found that it was not possible to go into all the details at that stage and the workers' and the employers' organisations were asked to send separate memoranda on the subject within a period of six weeks, after which the whole position was to be carefully examined.

17. At the next (sixth) session of the Industrial Committee held in February, 1959, there was some discussion regarding the categories of work that might be allowed to remain under the contract system. Individual items of work were considered but no final agreement could be reached. Hence a Committee was appointed to carry out a study and submit a report covering all aspects of the question with special reference to the categories of work which could be allowed to remain on contract basis. At the seventh session of the Industrial Committee held in April, 1960, it was decided that in view of the difficulties experienced in conducting a joint study, it was agreed that a Court of Inquiry should be constituted. It was accordingly that this Court was constituted.

18. There can be no doubt that the system of contract labour deserves to be abolished. I have mentioned above the decisions of various committees on this point. The system has led to many mal-practices. To illustrate this, I may mention only one fact. It is that in cases where contracts are given for raising coal, the contractor is being paid an amount which is (much) less than the price fixed by Government. The industry is agitating that the price fixed by Government is not adequate. Would a contractor accept a contract for a lesser amount unless it gives him a profit? For this, he must resort to mal-practices. Actually when I visited one of the collieries by surprise, I learnt that the labour was not paid all its dues. I found that the Contractor was not properly maintaining the Attendance Register; and persons who were found actually working were shown as absent in the Register. This must be with a view to avoid payment of bonus and other benefits. This is only one instance showing that the contract system has led to mal-practices. This fact was recognised by the Conciliation Board as long ago as 1947 and they mentioned that the contract system had undoubtedly led to wide spread irregularities and mal-practices and they had unreservedly condemned it. It may be noted that there were two members representing industry on this Board.

19. Actually, it has been the policy laid down by the Government in the Second and Third Five Year Plans that contract labour should be abolished. Even the terms of reference to this Court presuppose that the system has got to be abolished and what the Court has been asked to consider is whether it can be abolished without impairing productivity and in which case of employment. I have therefore no hesitation in holding that the system of employment of labour through or by contractors deserves to be abolished.

20. This brings me to the important questions as to whether this can be done without impairing productivity and in which cases of employment. This point has been made much easier for me by an agreement arrived at between the employers and the workmen. The agreement has been signed and accepted by the three Principal Associations representing the employers and three Principal Associations representing labour. The Singareni Coal Co. Ltd. and the National Coal Development Corporation have also accepted the agreement. In other words, the agreement has been subscribed to by a great majority of the owners and a majority of the workers. As I mentioned above, a copy of this agreement is annexed herewith.

21. Under the terms of agreement, it has been agreed that the system of contract labour has to be abolished in the industry except in the seven categories mentioned in the agreement. It has been agreed that all processes directly connected with raising and despatch of coal and manufacture and despatch of coke should be the direct responsibility of the principal employer except in the seven categories mentioned in the agreement. It has also been agreed that in

28. The fifth category deals with miscellaneous civil engineering works of an irregular and intermittent nature. By their very nature, such work would be both temporary and intermittent and there would be nothing wrong if it is allowed to be done through contractors.

29. The sixth category deals with overburden removal and earth cutting. This is a work of temporary nature and would be over as soon as overburden is removed and earth cut. This category, however, would require careful scrutiny at the review to see whether the work is not such as can be done departmentally by engaging labour on a temporary basis, as in the case of first category mentioned above.

30. The last category excepted in the agreement is of manufacturing soft coke. It is sought to be exempted on the ground that the work is fluctuating and would depend on the demand of soft coke. Here again, I am not quite satisfied whether the work cannot be done departmentally and whether getting the work done through contractors is not liable to be abused. I am, however, accepting this exemption because of the agreement between the employers and the labour. I would certainly desire that it would be carefully reviwed later on.

31. My decision on the first point referred to me, therefore, would be that the system of employment of labour by or through contractors in the coal mining industry can be abolished without impairing productivity in cases where processes directly concerned with the raising and despatch of coal and manufacture and despatch of coke are concerned except in the case of seven categories mentioned above. The exempted categories should be reviewed every year, especially categories 1, 2, 4, 6 and 7 to see whether the exemptions can and should be discontinued. It has been agreed that the system, where it is to be abolished, should be abolished as early as possible, but in any case not later than 30th September, 1962. In this connection, I would suggest that the industry may take steps to abolish the system by slabs, the first slab to come into operation on the 1st March, 1962, the second on the 30th June, 1962 and the last on 30th September, 1962.

32. The second point referred to me is to the extent that the contract system cannot be abolished, what measures should be devised to ensure fair wages and conditions of employment to labour employed through/or by contractors and sub-contractors. In the agreement entered into by the parties, it has been agreed that in cases where the system of contract labour is to be retained, the principal employer should either make payments of the wages direct or remain responsible for seeing that wages are paid and that such payment should be made from principal employer's office; and further that the principal employers are to ensure the observance of fair labour standards and fair labour practices with particular reference to payment of correct rates of wages and amenities to which workmen engaged in such processes are entitled, either under an Award, Enactment or Agreement. I am told that even now when a contract is given, there is usually a clause in the contract that the contractor will pay proper wages to the labour. In actual practice, however, this clause is not given effect to by the contractor. The agreement, therefore, lays down that the principal employer should either make payment of the wages direct or remain responsible for seeing that wages are paid and that such payment should be made from principal employer's office. In my opinion, however, this would not always be quite sufficient, because as the laws stand now, it would be difficult if not impossible for a workman who is not paid by the contractor to obtain wages from the principal employer. The provisions of the Payment of wages Act, 1936, are not clear and are liable to be interpreted as meaning that an employer is not responsible for payment of wages to a person employed by a contractor. I would, therefore, suggest that the Payment of Wages Act should be suitably amended in this connection. This would enable a contractor's labourer to claim wages from the principal employer, by making an application to the authority appointed under Payment of Wages Act.

33. I would also suggest amendment of the definition of 'employer' as given in the Industrial Disputes Act, 1947. The principal employer is, under the present definition, not an employer, in cases of workmen employed by a contractor. The definition should be so amended that the principal employer would come under the definition, even in respect of workmen employed by a contractor. In this connection, clause (e) of Section 3(14) of the Bombay Industrial Relations Act would serve as a useful guide.

34. I may here also mention that the definition given in the Workmen's Compensation Act, 1923 and Mines Act, 1952 are wide enough to cover the responsibilities of the employer in cases of labour employed by or through contractors. Section 12 of the Workmen's Compensation Act makes the principal employer

liable to pay compensation even in the case of a workman employed by a contractor. The definition of owner given in Section 2(1) of the Mines Act mentions that "any contractor for the working of a mine or any part thereof shall be subject to the Mines Act in like manner as if he were an owner, but not so as to exempt the owner from any liability".

35. I would, therefore, suggest that suitable amendments be made both in the Payment of Wages Act and in the Industrial Disputes Act. I may add that all the representatives of the employers and all representatives of workmen who appeared before me agreed to this.

36. I would make one more recommendation and it is about licencing of contractors. The Bihar Labour Enquiry Committee had recommended that contractors should be licenced by the State and should be required to maintain a register of all payments etc. In my opinion, this recommendation deserves to be carried out in cases where a contractor employs one hundred workers or more. I would suggest that giving of licences to contractors should be on a liberal scale, so that there may not be the evils of monopoly. A security deposit should be taken from the contractor, so that it would safeguard the interests of both the principal employer as well as the labour. There should be a condition in the licence that if a contractor was found guilty of unfair labour practices or non-payment of fair and proper wages to his labourers, his licence would be cancelled without his having a right to claim compensation and his security deposit may be forefeited in such cases. It may even be made a penal offence if a contractor is found guilty of unfair labour practices on more occasions than four or five.

37. My finding on the second point referred to me therefore would be that the measures necessary to ensure fair wages and conditions of employment to labour employed through or by contractors and Sub-contractors would be firstly, that the principal employer should either make payment of wages direct or remain responsible for seeing that wages are paid and that such payment should be made from the principal employer's office and further that the principal employer should ensure the observance of fair labour standards and fair labour practices; secondly, that suitable amendments should be made in the Industrial Disputes Act and the Payment of Wages Act, and thirdly, that a system of licencing contractors should be introduced.

38. To sum up, I adopt the agreement entered into by the parties as the basis of my report and would hold that the said agreement should be accepted at present, and that in all processes directly connected with the raising and dispatch of coal and manufacture and dispatch of coke, contract labour should be abolished as early as possible, and in any case not later than 30th September, 1962, except in the seven categories specified in Para 2 of the agreement, and that the other provisions in the agreement should also be accepted. I, however, accept the agreement, subject to the following modifications:—

(i) At the time of reviewing the question every year, special attention should be given to categories 1, 2, 4, 6 and 7 and wherever possible steps should be taken to gradually abolish contract labour in these categories also.

(ii) Suitable amendments should be made in the Industrial Disputes Act and Payment of Wages Act as recommended above.

(iii) No one should be allowed to work as a Contractor unless he holds a valid licence and rules for issuing licences should be framed so as to include suggestions made above.

BEFORE THE CENTRAL GOVERNMENT COURT OF INQUIRY, DHANBAD

Reference No. 1 of 1960

Employers in relation to the Coal Industry.

and

Their workmen.

The parties above-named after mutual discussion have come to a settlement on the above Reference on the terms and conditions as detailed below:—

1. In view of the recommendations of the recommendations of the various sessions of the Industrial Committee on Coal Mining and the sessions of the Indian Labour Conference and the sessions of the Central Implementation and Evaluation Committee, it is hereby agreed that the system of contractor labour shall be abolished in the Coal Industry, subject to exemptions detailed hereunder.

2. It is further agreed that all processes directly connected with the raising and despatch of coal and manufacture and despatch of coke shall be the direct responsibility of the principal employer and all workers engaged therein shall be the employees of the principal employer except in the following categories:

(i) Sinking of pit and driving of Inclines,

(ii) Sand loading,

(iii) Dyke cutting and driving of stone drifts and miscellaneous stone work underground,

(iv) Coal loading and unloading, provided that the Principal Employer shall engage a nucleus of wagon and truck loaders to whom regular work can be guaranteed; the number of such nucleus to be reviewed quarterly,

(v) Miscellaneous civil engineering works of an irregular and intermittent nature,

(vi) Overburden removal and earth cutting,

(vii). Soft Coke manufacturing.

Provided further that where work in any one or more of the aforesaid categories of work is being carried on departmentally in any colliery by the principal employer, the same shall continue to be done departmentally as before.

3. That all work, except in the aforesaid categories of work, shall be taken over and carried on departmentally by the principal employer as early as possible but not later than 30th September 1962, and that all workers employed by or through contractors should be employed by the principal employer if the particular work is to be continued. The terms and conditions of service of such workers shall be settled mutually by the Union and the Employer at the Colliery level.

4. That in such cases, the principal employer should either make payment of the wages direct, or remain responsible for seeing that wages are paid and that such payments shall be made from the principal employer's office and the Principal Employer shall also ensure the observance of fair labour standards and fair labour practices as in para six below.

5. That for the purposes of this Agreement, any person entrusted with the producing as well as selling of coal in a mine shall be deemed to be the principal employer.

6. That in the processes not directly concerned with the raising and despatch of coal and the manufacture and despatch of coke the principal employer shall ensure the observance of fair labour standards and fair labour practices, with particular reference to the payment of correct rates of wages and amenities to which workers engaged in such processes are entitled either under an award, enactment or agreement.

7. That the operation of this agreement shall be reviewed annually and the first review shall take place between 1st and 15th November, 1962.

It is therefore humbly prayed that your Honour may kindly be pleased to make a report to the appropriate Government accordingly.

Dated the 30th October, 1961.

Sd. D. Narsingh.
S. S. Mukherjee. Advocate,
Indian Mining Association.

Sd. Gulab Gupta.
Indian National Mine
Workers Federation.

Sd. M. Das
S. S. Mukherjee. Advocate,
Indian Mining Federation

Sd. Mahesh Desai.
Koyala Mazdoor Panchayat
Colliery Mazdoor Congress
Hind Mazdoor Sabha.

Sd. D. B. Ravel.
S. S. Mukherjee. Advocate,
Indian Colliery Owners Association.

Sd. Kalyan Roy.
Indian Mine Workers
Federation.

I subscribe to the above agreement on behalf of M/s. Singareni Collieries Co Ltd. and M/s. National Coal Development Corporation Ltd. in so far as it relate: to the terms of reference before this Hon'ble Court.

The 30th October 1961.

Sd. D. Narsingh,

[No. 1/33/60-LRII.

A. L. HANDA, Under Secy

GMGIPND—DME—50L&E—2-6-62—