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REPORT
OF THE
STUDY GROUP FOR
AIR TRANSPORT INDUSTRY



NATIONAL COMMISSION ON LABOUR

Printed in India By M/s Samrat Press, Delhi in 1968.
Published by Manager of Publications, Civil Lines, Delhi-6

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FOREWORD

The National Commission on Labour appointed the Study Group for the Air Transport Industry in its attempt to understand the changes in conditions of labour in that industry since Independence. This was one of the series of Study Groups set up for different industries. The Group was required to analyse available information and project its thinking on labour problems in the Air Transport Industry for the years to come taking into account the possible developments in the industry.

The views expressed in the report are the views of the Study Group. In examining them for framing its final recommendations, the Commission will attach due importance to these views coming as they do from knowledgeable persons in the Air Transport Industry. In the meanwhile, the report is being published by the Commission with a view to seeking comments on it from persons/institutions interested in the development of that industry.

The Commission is grateful to the Chairman and Members of the Study Group individually for completing their work within the time-limit fixed for them. The Commission is also grateful to all persons/institutions who may have helped the Study Group in reaching conclusions.

P.B. Gajendragadkar
Chairman

National Commission on Labour
D-27, South Extension, Part II,
New Delhi-16.

MEMBERS

- | | |
|---|------------------|
| 1. Shri M.A. Chidambaram | Chairman |
| 2. Captain M. Dayal,
President,
Indian Commercial Pilots' Association. | Member |
| 3. Shri P.V. Muthuswamy,
President,
All India Aircraft Engineers' Association. | Member |
| 4. Shri N.R. Kulkarni,
General Secretary,
Airline Radio Officers' and
Flight Operations Officers' Association. | Member |
| 5. Shri M.M. Ojha,
General Secretary,
Air Corporations Employees' Union. | Member |
| 6. Shri J.R. Jagtap,
Air India Officers' Association. | Member |
| 7. Shri A.S. Banavalikar,
Personnel Manager,
Air India Ltd. | Member |
| 8. Shri M.K. Basu,
Industrial Relations Manager,
Indian Airlines Corporation. | Member |
| 9. Shri M.A.M. Rao,
Joint Director,
National Commission on Labour | Member-Secretary |

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INTRODUCTION

The Study Group for Air Transport Industry was appointed by the National Commission on Labour under its memorandum No. 3(46)/67-NCL dated 27th November, 1967.

The Study Group was composed of :

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|----|---|-----------------------|
| 1. | Shri M.A. Chidambaram. | Chairman |
| 2. | Captain M. Dayal,
President,
Indian Commercial Pilots'
Association. | Member |
| 3. | Shri P.V. Muthuswamy,
President,
All India Aircraft
Engineers' Association. | Member |
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General Secretary,
Airline Radio Officers' and
Flight Operations Officers'
Association. | Member |
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Personnel Manager,
Air India Ltd. | Member |
| 8. | Shri M.K. Basu,
Industrial Relations Manager,
Indian Airlines Corporation. | Member |
| 9. | Shri M.A.M. Rao,*
Joint Director,
National Commission on Labour. | Member-
Secretary. |

* appointed under National Commission's memorandum No. 3 (46)/67-NCL dated 3rd January, 1968.

2. The terms of reference for the Study Group were as follows :

“The Study Group will in regard to the subject allocated to it ascertain facts from available literature on the subject, draw the conclusions and suggest solution to the problems posed by the Group for the consideration of the Commission. The Commission may also pose problems for consideration of the Group from time to time. The Study Group will submit its report as early as possible”.

3. The Study Group held seven meetings in all. At the first meeting held at New Delhi, on 1st February 1968, a paper prepared by the Secretariat on some aspects of Industrial Relations in the Air Transport Industry was considered and some of the issues raised therein were discussed. The scope of the Group's work, the procedure to be followed and programme of future meetings was also decided upon. At the subsequent four meetings, detailed discussions were held on the various aspects of the labour management relations in the Air Transport Industry. Among the subjects discussed were : industrial relations with special reference to machinery for redress of grievances, settlement of disputes, joint consultation, communications system, personnel policy ; trade union organisation in the context of craft unionism, recognition of unions, and industrial disputes and work stoppages.

4. The Chairman also held discussions with the General Managers of the two Corporations and with representatives of unions such as Indian Pilots Guild, Indian Flight Engineers' Association, Indian Aircraft Technicians' Association, etc.

5. The draft report was considered at the Sixth Meeting held in May, 1968. The report was finalised and submitted to the Commission at the Seventh Meeting held at New Delhi in July, 1968.

Chapter I

GROWTH OF THE AIR TRANSPORT INDUSTRY,

1.1 India is one of those countries which are favourably situated for the development of air transport. Within the country itself, with her vast distances and good flying conditions during the greater part of the year, there is great scope for this mode of transport. In the international field, she occupies geographically an important position on the air routes between East and the West. Further, the role of civil air transport in emergencies both civil and military cannot be over-emphasised. Nor can one overlook the defence aspect of civil aviation; all civil aviation equipment, personnel and organisation constitute, in effect, a reserve for the defence services which can be mobilised quickly during an emergency as was evidenced during the Chinese and Pakistani aggressions.

1.2 Civil air transport in India which had its first beginnings in 1929-1930 has had a rather uneven development. At the time the Second World War broke out, there were three air transport companies functioning—the Tata Sons Ltd., the Indian National Airways Ltd., and Air Services of India Ltd. The requirements for movement of freight, military personnel, mail and civil passengers during the war period gave an opportunity for expansion to these airlines. The war-time boom in air traffic had created an impression that commercial air transport operation was a profitable proposition, especially because certain types of aircraft were made available at very low prices as war surplus material. As a result, at the end of the war, many companies were floated for operation of air services. By the end of 1949, nine companies were granted licences to run air transport services. The traffic carried by the domestic air transport operators in the post-war period showed phenomenal growth but the financial condition of the industry as a whole deteriorated rapidly mainly because too many operators were in the field.

1.3 In November, 1950 the Central Government appointed the Air Transport Enquiry Committee to investigate

into the financial condition of the air companies and to make recommendations for putting the air transport industry on a firm basis and for developing commercial air transport on sound lines. The Committee found that the financial position of the industry as a whole was far from satisfactory and that the main reason for this was that the number of operating units was larger than that required to handle the available volume of transport business on an economic basis. The Committee found that on the one hand the salaries paid to the staff were high because of the limited supply of technical personnel available and on the other, the fares had been reduced to uneconomic levels because of intense competition. The Government, however, was of the view that the essential requirement for stabilising the industry was to modernise the fleet of the airlines but that the private operators would not have the means to acquire modern aircraft. The Government, therefore, decided upon complete nationalisation of the industry.

1.4 With the passing of the Air Corporations Act in May, 1953, all the private air transport companies operating at the time were brought under public ownership. Under the Act, two autonomous Corporations, (i) Indian Airlines Corporation, and (ii) Air India Corporation were set up to provide safe, efficient, adequate, economical and properly co-ordinated air transport services. These came into being on June 15, 1953 and August 1, 1953, respectively. The Air India Corporation took over the assets and liabilities of the former Air India International Ltd., and was intended for the operation of all long range international services. The undertakings of the other air transport companies were transferred and vested in the Indian Airlines Corporation which was intended to undertake the operation of domestic and short range international services. The Act also enjoins that the corporations should be run on sound business principles, so that there is a fair return on capital invested, satisfactory service rendered to passengers, and reasonable conditions of employment maintained for their employees.

1.5 For the efficient running of these corporations, the Air Corporations Act provided for the setting up of an Air Transport Council to tender advice on matters of public importance ; and for each Corporation (a) an Advisory Committee for the purpose of maintaining liaison with the public and (b) a Labour Relations Committee to promote amity and good relations between labour and management.

1.6 Since nationalisation, the industry has grown steadily and in many directions—the capital invested in the industry has gone up, its fleet of aircraft has changed considerably both in types and in capacity, the range and direction of operations has been widened, the volume of traffic handled and the number of persons employed have increased.

1.7 At the end of 1966-67, the total capital invested in the two Corporations was of the order of about Rs 49 crores—Rs. 26.82 crores in Air India and Rs. 21.94 crores in I.A.C. The fixed assets of the Corporations were valued at Rs. 34.60 crores and Rs. 23.76 crores for Air India and I.A.C. respectively. During the 12 years from 1954-55 to 1966-67 the Available Tonne Kilometres increased by almost 10 times in Air India and about 2.2 times in the I.A.C.; the increase in revenue passengers carried was 532 per cent and 195 per cent respectively in the two Corporations over the same period. The staff employed in the industry had more than doubled from 9,773 in 1954-55 to 19,909 in 1966-67—the increase in employment being of the order of 184 per cent in Air India and 74 per cent in Indian Airlines.

1.8 The operating revenue earned by Air India registered an increase of 850 per cent, from Rs. 4.83 crores in 1954-55 to Rs. 45.90 crores in 1966-67; the operating costs also registered a similar increase of 819 per cent, from Rs. 4.50 crores to Rs. 41.34 crores. During the same period the increase in operating revenue and operating costs in the Indian Airlines was of a much smaller magnitude, being 290 per cent and 285 per cent respectively. Air India has been showing a profit during all the years of its operation which amounted to Rs. 1,931 crores between 1957-58 to 1966-67. In the case of the IA the position has been somewhat difficult—it showed losses for the first few years, profits during the years 1961 to 1965 and then again losses during the last two years. In Air India the difference between the operating revenue and operating cost per AT Km which was Rs. .02 in 1959-60 has progressively increased to Rs. .13 in 1963-64, dropped to Rs. .11 in 1964-65 and to the low level of Rs. .04 in 1965-66, rising again to Rs. .13 in 1966-67. In Indian Airlines this difference which was nil in 1959-60, progressively increased to .05 in 1963-64, again fell back to nil in 1965-66 and registered a minus (—) .16 in 1966-67.

1.9 In assessing the financial performance shown by the two Corporations, however, one should keep in view, apart

from devaluation which contributed to the profits of Air India and losses of I.A. in 1966-67, factors such as the liability of Indian Airlines to pay heavy excise duties and taxes on the fuels used and that as a domestic airline it has to operate a large number of internal services—some of them uneconomic ones. An important factor which adversely affected the profits of the I.A. has been the mixed bag of aircraft inherited at the time of nationalisation; this has led to high overheads, low productivity, load of too much spares and equipment, etc. Loss of freight potential has also been an important factor. For the Indian Airlines to turn the corner and improve its financial position, there is need to improve its working in certain directions, such as better utilisation of man-power, measures to improve productivity of labour, and adoption of more imaginative and forward looking management policies. The two statements given in Appendix give a brief picture of the financial and operational progress of the two air corporations, since nationalisation.

1.10 According to the programmes of development envisaged for the Fourth Plan period, an amount of Rs. 86 crores was provided for the two Corporations. The available capacity in tonne kilometres of the Indian Airlines is expected to increase from 155 to 392 million and of Air India from 338 to 594 million. The revenue tonne kilometres performed are expected to go up from 108 to 213 million in the case of Air India. Air India's development programmes provided for purchase of 5 Subsonic Jets and also take into account the possibility of ordering supersonic aircraft. The revised programme of Indian Airlines provides for an expenditure of Rs. 75 crores, and for acquiring 8 turbo-jet aircraft for trunk routes and 6 shorthaul aircraft for regional routes and 14 H.S. 748 aircraft from H.A.L., Kanpur.

Chapter II

LABOUR CONDITIONS IN THE AIR TRANSPORT INDUSTRY

2.1 There is certain glamour attached to the air transport industry. It is an important foreign exchange earner and is an essential adjunct of the tourist industry. At the same time the fact that India does not have a developed Aircraft Manufacturing industry imposes heavy burdens of foreign loans on account of purchase of aircraft spares and other equipment. Relative to the capital invested, the employment index in the air transport industry is low when compared to other transport industries like Railways and Shipping, because of the cost of equipment used in this industry. The quality of skills required of labour force employed at different levels in the various operations like flying, maintenance, servicing traffic, etc., is also of a relatively high level. The degree of skills and the quality of training required in certain functions are quite high. The aviation industry, in fact, represents an amalgam of various industries amongst which could be mentioned the surface transport, catering and engineering. Although the nature of its transport function is highly specialised and some types of employments are peculiar to it, air transport is, in the main, organised on lines similar to other transport industries and the majority of those employed have counter-parts in other industries. This means large numbers of personnel from other industries can be recruited into civil aviation with the minimum of specialised or vocational training and that a majority of those who get their training in the various branches of civil aviation have a wider occupational field than is open to them in Air Transport alone.

Employment :

2.2 At the end of 1966-67 the total number of employees in the two air corporations was 19,999-12,439 in the Indian Airlines and 7,560 in Air India. Of the latter, 1,654 employees were posted outside India. The bulk of the staff in Indian Airlines were employed in important cities of some of the States of India, like Bombay, Calcutta, Delhi and Madras. In the case of Air India, as

on 1st April, 1968, 1,776 of its staff were employed at foreign outstations, 5,694 at the main base in Bombay, and 815 at Indian outstations, such as Calcutta, Delhi and Madras. There has been a steady increase in the number of persons employed in the industry over the years. With the expansion of the activities and the introduction of new services and newer and more sophisticated aircraft, the staff strength has also gone up steadily. The increase was of the order of 184 per cent between 1954-55 and 1966-67 in Air India, while it amounted to 74 per cent in the I.A.C. Details are given in the Statement below :

Employment in the two Air Corporations

Year	Air India	% increase	Indian Airlines	% increase
1954-55	2,666	—	7,107	—
1957-58	4,070	52.6	9,328	31.2
1958-59	4,442	9.5	9,263	1.1
1959-60	4,596	3.5	9,281	0.2
1960-61	5,259	15.3	9,390	1.2
1961-62	5,703	8.4	9,562	1.8
1962-63	5,873	3.0	10,075	5.4
1963-64	6,090	3.7	10,463	3.8
1964-65	6,543	7.4	11,039	5.5
1965-66	7,110	8.7	11,862	7.4
1966-67	7,560	6.3	12,349	4.1

2.3 The Corporations have laid down procedures for recruitment and promotion though neither of these seem to be integrated in either of the two Corporations. Under Indian Airlines rules the proportion of posts in the various grades or categories to be filled by promotion and direct recruitment has been stipulated. While the departmental promotions take place on the basis of merit-cum-seniority, in I.A. direct recruitment is made after issuing advertisements, by notification of vacancies to employment exchanges and to organisations of scheduled castes and tribes. It has been reported that both the Corporations have been experiencing difficulties in getting qualified personnel in certain highly skilled technical grades in the numbers required. To overcome this shortage, managements have introduced training schemes of their own.

2.4 Provision exists for on—the—job training for new entrants to the industry though on a limited scale. The managements also conduct company information courses for supervisory staff, *abinitio* training for traffic staff, and management development courses for junior and middle management level. There is need for initiating/improving management

training programmes covering the various levels of management personnel, particularly the middle management. Provision should exist for refresher courses on a regular basis. Programmes should provide ample opportunities for management personnel to be adequately trained for the jobs they are expected to handle. Personnel and human relations should form an important part of the curriculum of these courses. Both the Corporations have also made provision for the grant of study leave without pay to employees to enable them to pursue any special course of study which would prove of direct benefit to the Corporation.

Pay and Allowances :

2.5 Over the years since nationalisation, the pay and allowances of various categories of employees in the I. A. C. and Air India have been fixed largely as a result of collective bargaining and negotiations with the representative unions. In Indian Airlines the basic wage structure was evolved by the Services Committee (1954). Subsequently, the I.A. entered into agreements with the unions of its employees in 1955-56, 1960, 1964 and 1966-67. In Air India, the basic structure was inherited from the company which was altered only by the 1960 agreement. With the exception of the N.I.T. Award (1966), questions of wages and other terms of service have been settled by agreements with the unions. Some of the issues involved in industrial disputes referred to adjudication were reported to have been settled with some of the unions of highly paid employees, which were later confirmed as awards. In Air India, Tribunal Awards have had a greater role to play in the fixation of wages and allowances, although there have been several instances in which wage regulation was done through agreement with the unions, particularly those representing the highly paid and technical categories like the Pilots and Engineers. Even in cases where wage disputes had been referred to adjudication by a Tribunal, issues were often settled through negotiations, the agreements arrived at forming the basis of consent awards.

2.6 Generally speaking, the wages and salaries of employees of these Corporations compare quite favourably with those obtaining elsewhere in the country—in public sector or private sector industry. These wage rates and scales have undergone periodic revision through fresh agreements entered into with the unions from time to time or

through Tribunal Awards (cf. Khosla Award, 1966). In the two Corporations, wage rates fixed were largely influenced by collective bargaining between the parties. This has naturally resulted in some disparities and further claims and counter-claims, sometimes leading to disputes. With a view to bringing a certain degree of uniformity in the wages of employees of Air India and I.A., the Government referred the issue of "the relationship, if any, that the wage structure of Air India should bear to the wage-structure of Indian Airlines with reference to comparable categories of workmen performing similar functions" to the National Industrial Tribunal set up to adjudicate upon in the dispute between the management and employees of Air India. The Tribunal's view that there should be parity or near parity between the workmen of Air India and workmen of I.A. with regard to comparable categories of workmen performing similar functions has been accepted by the management of I.A.C. and agreements concluded with the unions on that basis. Salim Merchant Tribunal awarded implementation of Part II of N.I.T. Award with effect from 1-7-1967 for Air India Pilots. Thus, to-day, there is parity or near parity between the wages-scales of various categories of workmen in the two Corporations.

2.7 The percentage of staff expenditure to total expenditure was much higher in the I.A. as compared to that in Air India. As will appear from the table below, in the former, it was about 31 to 38 per cent during the years since 1961-62, while in the latter it varied from 20 to 27 per cent. In the year 1966-67, it amounted to 27 per cent in Air India and 35 per cent in Indian Airlines.

Expenditure on pay, allowances and provident fund contributions of the employees of Air India and I.A.C.

Year	Air India		Indian Airlines Corpn.	
	Actual (Rs. lakhs)	Percentage of total expenditure	Actual (Rs. lakhs)	Percentage of total expenditure
1961-62	410.72	20	502.38	38
1962-63	444.70	21	547.96	33
1963-64	522.33	23	580.95	31
1964-65	619.51	24	695.63	33
1965-66	762.49	27	807.23	35
1966-67	979.83	27	1053.04	35

SOURCE :- Annual reports of Air India & I.A.C.

2.8 The scales of wages and dearness allowance in force in the two corporations since 1966-67 in respect of certain categories of employees are as follows: (In the case of Air India, the wage scales are as per the award of the National Industrial Tribunal, 1966, and in the case of I.A. these are based on wage agreements concluded with various unions of employees during 1966 and 1967.)

Category	Air India		Indian Airlines	
	Min.	Max.	Min.	Max.
Loader/Peon	100	190	100	190
Driver	150	230	150	230
Junior Clerk/ Typist.	150	345	150	510
Mechanics/ Technicians.	245	510	245	510
Office Assistants	285	560	150	510
Supervisors	410	720	385	720
Asst. Flight Purser.	385	535	385	535
Air Hostess	485	770	385	770
A.M.E. Gr. III	400	800	—	—
A.M.E. Gr. II	750	1200	750	1200
A.M.E. Gr. I	1000	1500	1000	1500
Flight Engineers/ Navigators.	1270	1700	1270	1700
Radio Officer	—	—	1270	1700
Commander	1500	2000	1500	2000
Ground Instructor	—	—	820	1600
			(Grades 13-14)	

2.9 Rates of dearness allowance payable to employees covered by the NIT in Air India vary from Rs. 65 payable on a basic pay slab of Rs. 100-149 to Rs. 100 on Rs. 900 onwards, the appropriate slabs being as follows:

From	Rs.	Basic Pay		Dearness Allowance	
		Rs.	Rs.	Rs.	Rs.
		100	to 149	65	
"	"	150	to 199	70	
"	"	200	to 299	75	
"	"	300	to 399	80	
"	"	400	to 499	85	
"	"	500	to 649	90	
"	"	650	to 899	95	
"	"	900 and onwards		100	

Prior to NIT Award, the rates of D.A. varied between Rs. 73 to Rs. 300 and a large part of the D.A. was consolidated with the wages under the Tribunal's Award and the

rates payable therefore before and after the Award are not strictly comparable. Except in the case of Aircraft Maintenance Engineers and a few other officers, who continued to receive dearness allowance on pre-NIT rates, the revised rates of dearness allowance came into force from 25.7.1964 and are not linked with the cost of living index. The present rates of dearness allowance in Indian Airlines are the same as obtain for similar categories in Air India. Pilots in the two Corporations get dearness allowance varying from Rs. 205 (for a basic pay plus efficiency bonus and command pay of Rs. 900 p.m.) to Rs. 300 for those getting Rs. 1,850 and above.

Other Allowances :

2.10 In both the Corporations, Flight Crew, Cabin Crew and Engineering Staff are given substantial allowances over and above their basic pay and dearness allowance. For example a Captain in Air India is entitled for efficiency bonus, R/T allowance, navigation allowance and jet allowance and in I.A.C. Command pay, Navigator's/Licence allowance, efficiency bonus and jet/type allowance. These other allowances amount to about as much as the basic pay of these employees. Senior Air-Craft Maintenance Engineers in both the Corporations are entitled for technical pay (Rs. 100 to 250) and conveyance allowance. Mechanics are given a technical pay of Rs. 30 to 50 p.m. The importance of these other allowances in the total emoluments drawn by the different categories of staff in Air India and Indian Airlines may be seen from the statement given below :—

Category	Air India			I.	A.	C.
	Basic Pay & D.A.	Other Allowances.	Total	Basic Pay & D.A.	Other Allowances.	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Commander	Min. 1800 Max. 2300	2200 2200	4000 4500	1767 2300	1950* 2175*	3717* 4475*
2. Navigators/ Flight Engineer.	Min. 1370 Max. 1800	875 875	2245 2675	1370 1800	550* 550*	1920 2350
3. A.M.E. (Gr. I)	Min. 1217 Max. 1767	250 250	1467 2017	1217 1767	250 250	1467 2017
4. Air Hostess	Min. 570 Max. 865	220 220	790 1085	465 865	50 50	515 915
5. Mechanic/ Technicians	Min. 320 Max. 600	30 30	350 630	320 600	30 30	350 630

*With Caravalle endorsement

Bonus :

2.10A For the year 1964-65, Air India made an ex-gratia payment in addition to the minimum bonus payable under the Payment of Bonus Act, such that the total amount of bonus and the ex-gratia payment would be equal to one month's basic pay and dearness allowance subject to maximum of Rs. 1,000/-. For the years 1965-66 and 1966-67 also, bonus has been paid as per the terms of the Bonus Act. However, in respect of the accounting year 1966-67, the Corporation has made, in addition to the minimum bonus of 4% of salary, an ex-gratia payment equivalent to half the monthly rate of salary for March, 1967, subject to the maximum of Rs. 500/-. Indian Airlines made ex-gratia payments to all staff in 1965, subject to a minimum of 15 days' salary and a maximum of Rs. 1,000/-. Although the Bonus Act does not cover Indian Airlines, it has made payments for the subsequent years of an amount equal to 4 per cent of salaries—the minimum laid down under the Act.

Leave :

2.11 Apart from 15 holidays with pay in addition to weekly holidays or rest days for shift workers, the employees of both the Corporations are allowed under their Service Regulations, privilege leave for 30 days, sick leave and casual leave for 10 days each in a year. There are also special provisions for the grant of special sick leave, ex-gratia sick leave, sports leave, maternity leave, etc. In respect of flight crews, flight time limitations have been imposed as a result of collective agreements (awards) with the unions, but such limitations are not known to exist in respect of cabin attendants. In Air India, the administrative offices in the Fort Area observe a 5-day week of 36.25 hours as compared to those of I.A. offices who work for 35½ hours on 5.5 days a week.

Welfare Amenities :

2.12 The range of welfare activities of the two Corporations is fairly large and makes adequate provision for such benefits as medical care for the employee and his family, industrial canteens, rest shelters, holiday homes, subsidised transport facilities, clubs and recreation centres and the like. The amount spent on welfare for the year 1966-67 came to about Rs. 26.68 lakhs in Air India and Rs. 24.63 lakhs in Indian Airlines. In the case of the former, a welfare fund

has been set up with the main object of financing the welfare activities for the benefit of the employees and their families from June, 1963. The fund which has Rs. 1.97 lakhs to its credit at the end of 1967 is run by the Welfare Fund Advisory Committee, which has representatives of employees.

2.13 Both the Corporations are giving adequate medical attention which includes hospitalisation, specialists' treatment etc. to their employees, for the administration of which full time and part time medical officers are employed at important stations. Indian Airlines has established fully-equipped dispensaries or clinics at Delhi, Calcutta, Madras and Hyderabad, the use of which is extended to A.I. employees. Air India runs a medical clinic at Santa Cruz, its main base, for the employees of both the Corporations. The two Corporations have also introduced optional group medical schemes for members of the families of the employees not covered by the E.S.I. Scheme.

Industrial Canteens etc.

2.14 The question of feeding facilities assumes singular importance in the case of personnel employed round the clock by airlines at airports which are situated far away from town and where private commercial eating establishments do not operate. Both the Corporations have, therefore, established fully-equipped and modern industrial canteens which operate round the clock and supply meals, drinks, beverages and refreshments to the employees. The problems, which canteens have to face, have become more complex because of the rationing of foodgrains, shortage of sugar, the overall increase in prices and the unwillingness, or the inability, of the employees to pay the higher tariff. This has resulted in a steady flow of complaints against the canteens where the standard of food preparations could not be maintained at the highest as before and heavy subsidies have to be paid. The subsidies on the industrial canteens which are operated by Air India for the employees of the two Corporations at Santa Cruz Airport have increased from Rs. 22,000 in 1965-66 to Rs. 4.42 lakhs in 1966-67 whilst those of I.A. from Rs. 11,000 to Rs. 2.65 lakhs. Similarly, the subsidies paid by the Indian Airlines for its canteens at Delhi, Madras and Calcutta, the benefit of which is open to A.I. employees, have also increased considerably. Though some of these canteens are run as co-operative institutions, there seems to be little enthusiasm

for consumers' co-operation. Inevitably, therefore, the management have to comply with the statutory provisions of the Factories Act and leave the management of these canteens to the Canteen Managing Committees.

Co-operation :

2.14A Apart from co-operative housing of employees in which large funds are being invested, the Managements of both the Corporations have taken special steps to encourage consumers' co-operative and co-operative credit amongst the employees. The Air Corporations Employees' Co-operative Bank Ltd., which operates from Bombay, has a total membership of 5,828 employees from both the Corporations, a share capital of Rs. 16.41 lakhs, working capital of Rs. .96 lakhs, and deposits of the aggregate volume of Rs. .74 lakhs. The Bank also operates a Benevolent Fund for the benefit of the employees under which on the occurrence of a death of a subscriber a sum of Rs. 1,500/- is paid to his legal representative. The number of such subscribers is 2,956. The Managements have also founded a Consumers' Co-operative Society in Bombay which at the end of the year 1967 had a total membership of over 2,000. The Society has been declaring a dividend of 9 per cent consistently over the last 3 years. The Society has members from both the Corporations. In the I.A.C., besides consumer stores and fair price shops functioning at Calcutta and Delhi, a number of co-operative societies have been functioning with considerable assistance from the Corporation, by way of free accommodation, interest free loans etc.

Sports Activities :

2.15 Both the Corporations vigorously encourage sports activities amongst their employees at all stations for which purpose they have a Service Regulation providing for sports leave. The Indian Airlines organise as a regular feature AI/IA tournaments in several team games, such as Football, Hockey, etc., the cost of which is shared between the two Corporations. Likewise, each of the Corporations also has regular programmes for Inter-Departmental Tournaments for its employees at various stations. The Corporations also jointly run an Annual Athletic Meet every year to which are invited the employees from all stations including foreign outstations of Air India. I.A. have made remarkable progress in the field of Sports, particularly Hockey, in a very short time. I.A. have won trophies in some All-India Hoc-

key tournaments. One of their employees has been selected for the Indian team for the Mexico Olympics. These sports activities are run through composite Sports Control Boards, which operate on budgets of their own. The Boards have adequate representation for elected representatives of employees and Secretaries or Captains of the respective teams games.

Holiday Homes :

2.16 The employees of both the Corporations derive the benefit from the Holiday homes established jointly by Indian Airlines and Air India at Mahabaleshwar and Matheran. In addition the Indian Airlines has holiday homes for its employees at Mussorie and Darjeeling...and reserves holiday accommodation for some of its employees at Ooty....In the case of holiday homes run jointly, the expenses are borne by the Corporations on a cost-sharing basis.

Workers' Education :

2.17 Both Indian Airlines and Air India have tried to take full advantage of the Workers' Education scheme in a big way even though the percentage of literacy amongst labour is very high. At the end of 1967, I.A. had developed 14 worker-teachers, who in turn had trained 388 workers in 18 sessions as compared to AI's 296 workers in 14 sessions. Apparently, there is a big demand for English classes which has not been fully met. It is proposed to extend the Scheme to cover every establishment of IA so as to cover unskilled employees in grades 1 and 2. In Air India also, the Scheme is reported to have made substantial progress since its inception in November, 1960. The specially attractive feature of the AI Scheme has been extra-mural tours to Industrial centres of importance, for which free passages are granted by the Management in addition to conveyance charges to the establishments.

Staff Welfare :

2.18 The Welfare Fund of Air India runs a Scheme for granting scholarships to the children of employees whose monthly wages do not exceed Rs. 850/-, from June, 1963. Study Grants for this group are made on the basis of a means-cum-merit test, while grants to employees with salary exceeding Rs. 850/- are made on merit only. The total number of scholarships granted in 1966-68 was 855 and aggregated to Rs. 93, 250/-. Under AI Scheme, grants are made to child-

ren of ex-employees who die while in the service of the Corporation. There are two types of Scholarship Schemes in Indian Airlines—one for the children of employees in Grades I and II, and the other for children of employees whose basic pay does not exceed Rs. 1,000/- per month. Under the former scheme, the amount of scholarship is Rs. 15/- p.m. and the number of scholarships is limited to 100 per annum. Under the latter scheme, the scholarship amount varies from Rs. 100/- per annum to Rs. 250/-, except for courses in Engineering and Medicine where it amounts to Rs. 40/- p.m.

Subsidised Housing :

2.19 Both IA and Air India have various housing schemes for their employees under progress. While the IA schemes for different stations have reached an advanced stage of consideration, their projects for the construction of 576 houses at the Bombay Airport and 464 houses at Calcutta are under execution. The housing projects for Delhi and Madras provide for the construction of 410 and 140 quarters respectively. The total cost of all these projects will be Rs. 5.24 crores. The progress of housing schemes in the I.A. over the years has been slow although recently some progress has been registered. The group feels that the provision of housing and the execution of the schemes should be accelerated. The Staff Colony built by Air India in 1958 at a cost of Rs. 82.60 lakhs provides for different types of accommodation to 600 families of employees, 100 of which are IA employees. Another scheme of Air India, the flats under which are under construction at Santa Cruz, would provide for 302 flats having load bearing construction in 18 buildings. It is estimated to cost Rs. 95 lakhs and would be completed by the end of 1969. It is noteworthy that the Air India's housing schemes make a provision for 495 sq. ft. floor space for the lowest types of quarters for which rents are charged at 12½ per cent of wages, the maximum rent payable being Rs. 72-per month. Accommodation includes one bed room, one living room, one kitchen, verandah with independent bath and lavatory. Rents were subsidised to the extent of Rs. 5.19 laks in 1966-67. Since 1958, the Management of Air India has been granting housing loans to its employees, which are now admissible under the Air India Staff Housing Regulations 1967. Under the Scheme, so far Rs. 266 lakhs have been advanced to 187 individual employees and 34 co-operative housing societies of employees with a

membership of 553 for the building or acquisition of housing property. It appears that the co-operative housing scheme of Air India has not so far registered measurable progress in areas other than the Corporation's main base. During the years 1960-61 to 1967-68, Indian Airlines advanced Housing Loans to the extent of approximately Rs. 55 lakhs to individual employees and approximately Rs. 25.5 lakhs to employees' co-operative Housing Societies. The Corporation has in its budget provided for an allocation of Rs. 30 lakhs for housing and other loans for the year 1968-69.

Suggestion/Merit Award Scheme :

2.20 Suggestions Schemes have been in operation in both the Corporations under which cash prizes are given to staff for suggestions calculated to improve efficiency, productivity, etc. Similarly, in Air India, a Merit Award Scheme is in operation since 1954, under which cash prizes and medals are granted to staff whose record for work, conduct, initiative etc., is adjudged to be the best. In Indian Airlines, there is a Scheme under which advance increments are granted for meritorious service and cash honorarium for diligent and smart work.

SOCIAL SECURITY

(1) Provident Fund

2.21 In both the Corporations, Contributory Provident Fund Schemes are in operation. Employees on confirmation and temporary employees including probationers on completion of 12 months' continuous service are required to subscribe to the Provident Fund at the rate of $8\frac{1}{2}$ per cent of the basic pay and dearness allowance subject to a maximum of 20 per cent thereof, the employer's contribution not exceeding $8\frac{1}{2}$ per cent of pay in any case. The term 'pay' for this purpose includes Command Pay, Navigator's Licence Pay and some other allowances, in view of the importance of these allowances in the flight crew's pay.

(2) Gratuity : In both Corporations a Gratuity Scheme is in operation effective from 1st April, 1962, under which a Gratuity is payable at the rate of one month's basic pay for every completed year of service subject to a maximum of 15 months' basic pay or Rs. 30,000/- whichever is less. In A.I., Scheme is a result of an NIT award and Indian Airlines subsequently adopted the scheme. Pending Government's approval of the draft regulations, the claims have been paid so far on an ad hoc basis, which appears to have resulted in

some delay. Eligibility is acquired (i) on reaching the age of superannuation or on voluntary retirement on completion of 15 years' continuous service, (ii) in case of termination of service on medical grounds or abolition of post, provided a minimum of 5 years' continuous service has been rendered and (iii) in case of death whilst in service or termination of service on account of permanent incapacity due to bodily or mental infirmity.

(3) Annuity/Alternative employment for medically unfit Flight Crew:

Under the agreements reached with the Associations of Flight Crews of both the Corporations, members who are found medically unfit for flying duties can be provided suitable ground jobs in the corporation until they attain the superannuation age, their consolidated salary being not less than 75 per cent of their last drawn basic pay. Alternatively, they can opt for an Annuity payable at 60 per cent of the last drawn basic pay until they attain the age of 55 years or the date of death, whichever is earlier, provided that they have put in total service in the Corporation exceeding 5 years. This is a very liberal provision unequalled anywhere else in the world. The NIT has applied this award, *mutatis mutandis*, for the cabin attendants of Air India.

(4) Loss of Licence Insurance :

In A.I. and I.A. the management makes contribution towards the insurance liability borne by the Pilots and Flight Engineers/Navigators against the contingency of loss of licence at the rate of Rs. 800/- and Rs. 445/- per annum respectively.

(5) Compensation :

Members of the Flight Crew of both the Corporations are insured against the risk of death or personal injury by accident on a world-wide 24-hour basis, in accordance with a scale which varies from Rs. 15,000/- in the case of Cabin Crew to Rs. 55,000/-. In addition, members of the Flight Crew are paid compensation equivalent to 36 times the basic pay if death is caused to them whilst on duty by an accident in any of the circumstances specified in the Service Regulations. To employees other than Flight Crews, compensation is paid at the rate of 36 times the basic pay when death is caused to an employee as a result of an accident whilst flying

on duty. In other cases of death or disablement, whilst on duty, compensation is payable as provided for under the Workmen's Compensation Act or the Employees' State Insurance Act. There are provisions for disability leave without any ceiling and for Maternity Leave upto 90 days.

Chapter III

TRADE UNIONS AND EMPLOYERS' ORGANISATIONS

3.1 Trade Unionism in the Air Transport Industry has been fairly well spread, covering as it does nearly 70 per cent of the employees in the Industry. The names of the recognised trade unions/associations of employees together with their claimed membership, etc. as at the end of 1967 are given below :

INDIAN AIRLINES CORPORATION

Name of the Union/ Association.	Membership (claimed)	Rate of Subscription
*1. Air Corporation Employees' Union (A.C.E.U.)	9,000	0.50 p.m.
2. Indian Commercial Pilots Association (I.C.P.A.)	342	15.00 p.m.
*3. All India Aircraft Engineers' Association (A.I.A.E.A.)	54	5.00 p.m.
4. Airlines Radio Officers' and Flight Operation Officers' Association.	111	30.00 per annum.
*5. Indian Flight Engineers' Association.	77	15.00 p.m.
6. Airlines Ground Instructors' Association.	17	0.50 p.m.
**7. I.A.C. Officers' Association	400	1.00 p.m.

In addition, a new union, the Indian Aircraft Technicians' Association (IATA) was also formed and registered though it has not been recognised by the management.

AIR INDIA

Name of the Union/Association	Rate of Subscription
*1. Air Corporation Employees' Union	0.50 p.m.
2. Indian Pilots' Guild	25.00 p.m.
3. Indian Flight Navigators' Guild	—
*4. Indian Flight Engineers' Association	15.00 p.m.
5. Indian Flight Operations Officers' Guild	—
*6. All-India Aircraft Engineers' Association	5.00 p.m.
*7. Air India Officers' Association	1.00 p.m.

* These are composite unions of employees of both Corporations.

** Not registered as a trade union.

3.2 The recognised unions in both the Corporations enjoy the right to negotiate with the management and of representation on various bipartite bodies. These unions are given certain facilities such as the facility to use Notice Boards, the provision of office accommodation and telephone connections, leave with pay, passages etc. for specified number of office-bearers of the unions to attend its annual general or executive meetings.

3.3 A significant feature of trade union organisation in this industry has been that most of the unions are based on craft or category as against general unions prevailing in most Indian industries. This is particularly true of the technical trades of the airlines employees holding licences. Thus, pilots, Flight Engineers, Navigators, Engineers and Radio Officers have formed separate guilds or associations of their own. All the other staff comprising the manual, clerical and skilled technical categories of junior grades upto the foreman level have formed a general union, viz., the Air Corporations Employees' Union. The technicians who were members of A.C.E.U., have recently formed a separate union, the Indian Aircraft Technicians' Association (IATA).

3.4 One of the reasons for the trade unionism in industry having a craft union pattern may be the want of homogeneity amongst all the employees of the industry like the one seen in the textile manufacturing industry or in the engineering industry or any other surface transport monopoly where the categorisation of employees on the basis of scales does not widely vary, for example, between spinners and weavers or boiler attendants and mechanics or between transport mechanics and drivers. In the Air transport industry, the employees are distinctly classified into flight crews and ground staff and those who are licenced or unlicenced into compartments and tend to acquire distinctions of their own. Some of these categories may never come close together or participate or meet either at the work-place or at the canteen. It seems to us that divergences in the income brackets are also so wide that distinct groups of workmen acquire an individuality of their own in course of time. This certainly seems to have happened even before the two corporations were formed and the distinct groups of flight crews and ground staff had their own guilds/associations as the case may be. All that can be said is that this trend has been maintained even after nationalisation by the formation of new associations (of

officers, for instance) which were not there before, like Indian Flight Operations Officers' Guild and the Air India Examiners' Association. It is possible that the ruling of the Industrial Tribunal 1958 in the case of Indian Airlines that certain flight crews and engineers but not traffic officers were workmen under the Industrial Disputes Act gave some further stimulus to strengthen the guilds that already existed or to form new ones. Certain sections of employees who were known for their high technical skills came to emphasise their separate status which heretofore was never in question.

3.5 Another interesting feature is that none of the unions in the air transport industry is affiliated to any central Trade Union Organisation. (Some of them are, however, affiliated to international federations such as the International Federation of Airline Pilots' Association and the International Transport Workers' Federation). This also explains the absence of numerous unions being formed by rival central organisations to represent the same category or group of workers, as has been the case in several industries in the country.

3.6 Apart from the craft basis of organisation, another feature of the trade unions in the air transport industry has been the complete absence of outsiders. Though according to the constitution of the various unions, outsiders could be elected as office bearers, as a matter of policy only employees of the air corporations are being elected as office-bearers of the unions. This perhaps gives the movement freedom from political influences; it does not get involved unnecessarily in industrial conflicts of other employments or industries with which outside labour leaders may be connected. The association of outsiders is also seriously discounted because the general level of literacy and specific standards of education among some of the employees is fairly high. This helps the building up of internal resources of leadership and makes them critical of outside leadership. On the other hand, the attitude of the employers has also been fairly enlightened in matters of recognition and acceptance of their role in collective bargaining has also contributed to the absence of outsiders. But with the several pressures in operation, the temptation for the induction of outsiders into unions will still be present. In our discussions with representatives of the various unions/guilds of employees, it became clear that though this movement has been wholly intra-mural so far, it

was a story only of the past and it is possible that trade unions may choose to invite professional labour leaders to conduct their affairs. This is because of the political influence such outsider leaders command and the difficulty inside union leaders have been having to spare enough time for union work; and also because there is a feeling that an outsider leader may command greater respect from the management than the insider who is liable to be victimised.

3.6A In our view, the absence of outsiders from the trade union organisation of the air transport industry is an asset worth preserving with great care. No effort should be spared in maintaining a perpetual rapport between the elected office bearers of the unions and the management. This will require a thorough appreciation of mutual interests and a preparedness on the part of both management and union leadership to give and take for the common good in a spirit of mutual goodwill. This will require the development of right attitudes at various levels of management so as to ensure that the trade unions in the industry which have the experience of over two decades and have worked well do not become pawns in the hands of politicians.

3.7 In the absence of information, it is difficult to say anything categorical about the finances of the unions in this industry although compared to the general run of unions, these unions particularly of flight crews and engineers seem to be fairly well-off. Still their resources do not seem large enough to be able to maintain paid whole time union officials to undertake any regular welfare and other activities for their members or to sustain for long any strike action requiring support of the members by the unions without the levy of *ad hoc* donations. It is seen that the different unions charge monthly membership fees varying from half a rupee per month (ACEU) to Rs. 25/- per month (Indian Pilots' Guild).

3.8 If the unions are to become self-sufficient and strong and develop the organisation to sustain their negotiating strength at a reasonably high level of competence, it is important that the unions become financially viable and have regular sources of income from membership subscriptions and not depend too much on *ad hoc* sources like donations and occasional levies. The usual argument that the Indian worker is poorly paid and that he cannot afford to pay trade union membership fees regularly, does not apply to this industry in which wages are high and trade union consciousness fairly

well-developed. It should, therefore, be possible, and in fact would be very desirable, for the unions, even those covering the lowest-paid category of employees, to raise the subscription rate to 1 per cent of wages (including dearness allowance) subject to a minimum of Rs. 1/- p.m. In view of the comparative absence of rival unions covering the same group of employees and the fact that unions have been recognised by the management as bargaining agents on behalf of workers, there should be no special difficulty in raising the present subscription rates to a minimum of one per cent of wages even in the case of a union like the Air Corporation Employees' Union. Generally, much energy and time of office-bearers of the unions are spent in collecting the membership dues every month with the result that the routine of the other primary and constructive activities of the unions suffer from neglect. While this may not be such a serious problem in the case of unions in this industry, we feel that it will still be helpful to unions if they are given the facility of check-off. We would, therefore, suggest that the facility of check-off of union dues may be extended to recognised unions as a part of the agreement between the union concerned and the management.

3.9 The Air Corporations have all along laid emphasis on bilateral negotiations as an effective means of settling disputes with the employees. They have from the beginning realised the importance of union recognition as an effective method of promoting collective bargaining and good industrial relations and to that end, have generally recognised unions representing the different categories of their employees. As early as in August 1955, the management of Air India had declared their policy in regard to recognition of unions in the Corporation. According to this policy statement, the union or association seeking to obtain recognition should be a registered union with its membership confined to the employees of the Corporation and its constitution should provide among other matters for regular collection of membership fees, for the maintenance of internal democracy, holding of regular elections, exclusion of outsiders from union executives and for a prescribed procedure for embarking upon a strike; the pre-conditions also enjoin *inter-alia* that—

- (a) the union should accept the principle of settling disputes by negotiation and failing that, by conciliation, adjudication or arbitration as may be provided by agreement or by law; and

- (b) that it should agree in view of the public utility and national security aspects of the Corporation's services, not to countenance strikes as a method of settling disputes except as a last resort after all the other methods referred to above are exhausted.

3.10 The Indian Airlines do not appear to have any written down policy in this regard, although it has also been following in practice a similar policy, giving recognition to unions enjoying majority membership of the class/category of employees represented by it. After the acceptance of the Code of Discipline by the Indian Labour Conference in 1958, the management and some of the recognised unions in the air corporations have agreed to abide by its provisions. It is, therefore, desirable that I.A. also should formulate their policy in this regard.

3.11 Recently, the problem of craft union *vis-a-vis* general union has come to the fore in the industry. Some technical employees of the engineering workshops who were formerly members of the general union (the Air Corporation Employees' Union) broke away from it and formed a separate craft union (The Indian Aircraft Technicians' Association). Its attempts to secure recognition from the managements as the sole representative of the technicians in both the Corporations and the equally determined opposition to such recognition by the A.C.E.U. has been the cause of much unrest and industrial strife in the industry, during the last 2 years. Formation of a separate union has been justified on the grounds that the technicians who form a sizeable group numbering as many as 3,000 employees in the two corporations, form a distinct category, and that their interests so far have not received the attention that they deserved from the general union (ACEU) and as such they were forced to secede from it and form a separate union. The setting up of this union, however, has been vehemently opposed by the ACEU. It holds that the split was engineered by disgruntled elements in their union and refutes the allegation that technicians' interests were neglected as contrary to facts since technicians had till recently been in the majority in the ACEU executives. It accuses the management of abetting and encouraging the activities of the splinter union by its policy of vacillation, instead of taking a firm stand against it. In its view, any attempt on the part of the management to recognise this splinter union would set off a chain reaction leading to the break-up of the general unions into

a number of small category-wise unions, every small group trying to form its own separate union. It holds the management guilty of violation of the provisions of the Code of Discipline. The management of Indian Airlines seems to take the stand that in seeking to give recognition to I.A.T.A., it is only regularising an existing situation, irrespective of the circumstances that may have brought about the situation. Perhaps, the situation in Air India is no different.

3.12 The question whether craft unions, where they exist, can influence industrial relations for good or bad has been long discussed. Even countries like the United Kingdom and the U.S.A. where trade unions began and developed on craft lines are having a second look at the problem. Attempts are being made to prevent the inter-union rivalries induced by craft-unions and the consequent weakening of the trade union movement itself.

3.13 In certain modern industries with highly complex equipment and technical organisation, workers may tend to organise themselves more and more into category-wise craft unions, rather than into general unions. Air Transport is one of the few industries in India, in which trade unions have been organised on craft basis. In fact, this is a phenomenon which is not peculiar to India alone, but one which exists in this industry all over the world. It is a feature which has developed historically and was perhaps unavoidable in the peculiar circumstances prevailing in the industry which employs highly trained, highly paid technical men for their special skills as well as technical, clerical and manual, workers a large number of them in the lowest wage scales. The range of skills and emoluments among the different crafts is so wide that there is little homogeneity or cohesiveness among them, there is no unity of interests, and their bargaining capacity differs very substantially.

3.14 A question has often been asked as to whether craft unions seeking the right of representation as a sole bargaining agent for the particular category or craft concerned may be given that right; and whether such a right would not conflict with the provision in the Code of Discipline which requires that the majority union in a plant or industry should alone be given the right of sole representation. It is generally held that in an industry one union representing the workers should be recognised as the sole bargaining agent and category-wise unions should not at all

be countenanced. Some support for this view is sought from the recommendation of the Indian Labour Conference (1964) that departmental or category-wise unions should not be encouraged. While we do not consider that this recommendation is inflexible in its application, we do not also think that it would be prudent to deny recognition to representative unions in all circumstances. There is no fundamental conflict between these two lines of thinking. The way things have developed historically would determine whether the unions are craft-wise or general. As regards the argument that once the principle of union organisation on craft basis is accepted every small group will form a separate union, the fear seems to be exaggerated. Even if craft basis of unions is recognised, it is only those crafts which are clearly distinct and exclusive and are capable of backing up their stand with restrictive action which will think of forming separate unions. Where groups of employees, belonging to certain crafts, do possess that power and know their bargaining strength, no formal ban on their recognition can really be effective. The way things have developed historically in this industry would show that certain unions developed on the craft pattern and their recognition being a matter of voluntary act of the employer, such unions admittedly served the interests of the industry and the unions. It is only recently that the unions have shown some signs of breaking into craft unions that there is a well-founded apprehension that if this trend goes unchecked, good and sound unions may be fragmented into such craft unions. It is for this reason that we are not wholly in favour of recognising new craft unions or encouraging their formation. To do so would be inviting unions to split themselves to the detriment of the industry and those of the employees.

3.15 Assuming that the provisions of the Code of Discipline relating to recognition do not allow for recognition of craft unions in an undertaking, a concession in favour of the latter will have to be made considering that historically in the Air Transport Industry, such unions have acquired an established status and have enjoyed recognition for long. To unscramble such recognition now in the vague and remote hope that more general employees' unions will take over is unthinkable. If this view is accepted, recognition may have to be granted to a number of craft unions in the Corporation, which in fact has been given, but it must be made clear that it will be injurious to industrial relations to

continue to do so any longer for the reasons already mentioned in paragraph 3.14.

3.16 Without going into the merits and demerits of workers' organisations based on craft both for the management and the employees, and their effect on industrial relations, we would say that in the Air Transport Industry craft unions have come to stay and are quite a common feature. This is somewhat peculiar to this industry, and we have to live with it. It would, however, be desirable to ensure that craft unionism does not degenerate into fragmentation of trade unions and thereby bring about the evils of inter-union and intra-union rivalries. Only by such action would it be possible to prevent weakening of the unions and undermining the gains achieved in the field of collective bargaining and joint consultation.

3.17 The most important step that should be taken in the present situation seems to be in the direction of bringing about a greater degree of co-ordination and cohesion between the various existing unions. In this connection, the desirability of forming a federation of all the unions, at least those that agree to come together, deserves serious consideration. This idea seems to find favour with almost all the unions with whom we had discussions, although some of them were somewhat sceptical about its feasibility.

3.18 If a single federation of the unions of flight crews and ground staff is difficult to form in the initial stages, it may be simpler to form a federation of unions of flight crews in both corporations. If this is accomplished, it is inevitable that the remaining unions of ground staff must form themselves into another federation. Fears have also been expressed that any such federation, instead of really federating the affiliated units, may only operate as another bargaining agent and to that extent may not serve the purpose expected of it.

On a careful consideration of the pros and cons the group is of the view that federation of the unions is an objective, worth working for, as this may help arrest the growth of multiple craft unions.

3.19 In this connection, the working of the National Joint Council for civil air transport in the United Kingdom would be well worth examination. The functions of the Council are the establishment of machinery for the regulation of terms and conditions of employment and of a procedure

be countenanced. Some support for this view is sought from the recommendation of the Indian Labour Conference (1964) that departmental or category-wise unions should not be encouraged. While we do not consider that this recommendation is inflexible in its application, we do not also think that it would be prudent to deny recognition to representative unions in all circumstances. There is no fundamental conflict between these two lines of thinking. The way things have developed historically would determine whether the unions are craft-wise or general. As regards the argument that once the principle of union organisation on craft basis is accepted every small group will form a separate union, the fear seems to be exaggerated. Even if craft basis of unions is recognised, it is only those crafts which are clearly distinct and exclusive and are capable of backing up their stand with restrictive action which will think of forming separate unions. Where groups of employees, belonging to certain crafts, do possess that power and know their bargaining strength, no formal ban on their recognition can really be effective. The way things have developed historically in this industry would show that certain unions developed on the craft pattern and their recognition being a matter of voluntary act of the employer, such unions admittedly served the interests of the industry and the unions. It is only recently that the unions have shown some signs of breaking into craft unions that there is a well-founded apprehension that if this trend goes unchecked, good and sound unions may be fragmented into such craft unions. It is for this reason that we are not wholly in favour of recognising new craft unions or encouraging their formation. To do so would be inviting unions to split themselves to the detriment of the industry and those of the employees.

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for the settlement of differences and the discussion of matters of joint concern to employers and employees. The Chairmanship of the National Joint Council alternates between two sides of the Council annually. As the employees covered by the National Joint Council vary widely in occupations and a single negotiating body cannot deal satisfactorily with so wide a range of employees, the constitution of the Council provides for separate sectional joint panels for each group of employees as the Council may decide, to which questions relating to the regulation of terms and conditions of employment can be delegated.

3.20 The evolution of a Scheme for a federation need not be as difficult as it may at first sight appear to be. Given goodwill and a desire to promote understanding and a willingness to appreciate the needs of the industry and accommodate the view-points of the other unions, a federation will be an effective answer to some of the labour problems in the industry. On the formation of such a federation, a representative thereof could be given a seat on the Boards of the Corporations to represent labour interests. The *ad hoc* Liaison Committees set up in the regions some time ago by some of the unions is a step in this direction though the idea does not seem to have been pursued to its logical conclusion. This requires the co-operation of both the parties—the managements and the unions. We hope that both will show the imagination and foresight required to bring such a federation into being and make it a reality.

Employers' Organisations :—

3.21 The two Corporations in the Air Transport industry have been functioning separately and have not formed any association among themselves. However, in view of the similarity and interlocking of problems confronted and the scope for achieving economy and uniformity through operation of certain common services, some amount of co-ordination between the two has been considered desirable. Such co-ordination has been sought to be achieved by Government through (1) the appointment of common members on the Boards of the two Corporations, and (2) the provision for mutual consultation before taking decisions or making changes in regard to certain important matters.

3.22 The question of having two separate Corporations or a single one has been under discussion even after nationalisation even though it had been carefully examined before

taking a decision to form the two Corporations. On the desirability of the merger of the two corporations, opinion has, however, been divided. Among the advantages of merger are stated to be:—economy expected to result from rationalisation of the staff structure, saving in overheads, reduction in engineering equipment, better planning, fuller utilisation of available seat kilometers instead of each corporation trying to safeguard its own interests, etc. On the other hand, it is argued that merger might result in certain administrative complications and upset the efficient working of the Corporations, at least for some time. Existing lower standards in I. A. and its possible effect on the standards of the international operator has also been mentioned in this connection. The Committee on Public Undertakings in its 21st report has suggested that “a merger scheme for implementation at a later date should be evolved. Meanwhile efforts should be made to have common facilities on matters like operation of services, utilisation of available seats, promotion of sales, traffic and commercial handling, repairs and maintenance of air-craft, planning and development of hangars, buildings, recruitment and training of crew, engineering and other personnel, etc.... As a further step towards merger and with a view to provide a co-ordinated direction in the development of the air-transport services—both the domestic and international—the possibility of having the same person as the Chairman of both the Corporations may be examined.”* The Administrative Reforms Commission has also recommended the setting up of a Sector Corporation for the aviation industry. In their view, there are marked advantages in replacing the two existing statutory air corporations by a single corporation with two operating units. The types of specialists and technicians who are recruited by Air India and I. A. C. are the same. The wage structure of the two corporations are more or less the same and on important routes the aircraft requirements are similar. There are possibilities for having common offices, workshops and other establishments and thereby reducing costs. Even the Boards of managements of the two Corporations have been, more or less, the same for some years.**

3.23 We cannot go into details of the merger of the two Corporations from the point of view of administrative feasi-

*Committee on Public Undertakings, (Third Lok Sabha) 21st Report, p. 37 (para 131).

** Administrative Reforms Commission—Report on Public Sector Undertakings (1967) p-16.

bility, operational efficiency, financial considerations, business economy, etc., as this is clearly a matter outside our purview. We have, however, considered at some length, the desirability of having a single authority or unit to represent both the Corporations to deal with industrial relations. Even now the two corporations are required to consult each other before any major changes are introduced. In view of this and the similarity of some of the conditions of employment (of staff in India) and conditions of service in the two Corporations and the near uniformity that already obtains in matters of pay scales, D.A. and some other terms, we feel that it would facilitate negotiations and agreements with the trade unions, if these two managements come closer together in the form of a joint body for purposes of negotiations at the industry level. Even at present the employees of the two corporations at Santa Cruz share the joint transport system operated by the two corporations. I.A. employees have the benefit of canteen facilities run by Air India and medical facilities. Likewise, Air India employees benefit from the canteens run by I.A. at Calcutta, Madras, etc.

The existence of two different corporations sometimes taking different stands on the same issue and adopting varying tactics and attitude towards union negotiations cannot but have its impact on industrial relations. It is also liable to be taken advantage of by the trade unions who sometimes play one against the other. This situation will be avoided by the two corporations coming together into one body, even for the limited purpose of dealing with industrial relations matters. The fact that even as it is, the large majority of the workers in the two Corporations are represented by the same unions is an added consideration in its favour. Having recommended the formation of a Federation of trade unions in the industry, we strongly feel that industrial relations in the industry would improve when the trade unions and the employers form their own associations and when they get together on a joint negotiating body at the industry level.

Chapter IV

INDUSTRIAL DISPUTES AND WORK STOPPAGES

4.1 Judged by the number of strikes, the figures of mandays lost or the number of workers involved in work stoppages, the industrial relations situation in the air transport industry has not been as bad as it has often been understood to be, in fact it was one of relative peace till a couple of years ago. Even the few disputes and stoppages in this industry come prominently to public attention for a number of reasons : there are only two employers, the industry is in the public sector; the wide-spread net-work of operations and areas also brings it greater publicity. The figures of work stoppages examined by the group indicate that strikes have been few and most of them of short duration. In an undertaking there may be no strikes, but relations between labour and management could be very bad ; in another there may be occasional disputes and even strikes but once the issues are settled, the relation between labour and management reverts to normalcy and even cordiality. Thus, what is more relevant to judge the state of industrial relations in an undertaking or industry is the atmosphere that prevails, and the attitudes adopted-whether management and labour understand each other, trust each other and are prepared to talk to each other to settle mutual differences and disputes.

4.2 In both the corporations, unions have raised demands from time to time. The demands of the unions mostly related to wages, scales and allowances and other conditions of work and these were generally settled through mutual negotiations and agreements. Only in a few cases did these result in disputes which had to be referred to arbitration or adjudication. Among the important awards which dealt with such disputes may be mentioned the award of the National Industrial Tribunal (1958) in the case of I.A. and the awards of the Committee of Arbitration (1960) and the National Industrial Tribunal (1966) in the case of Air India.

4.3 Broadly speaking, industrial relations were fairly

peaceful in both the corporations till 1964-65. The situation seems to have deteriorated during the last 2 years or so. Not only were there more disputes, more of them resulted in strikes during 1965-67 in Air India and during 1966-67 in I.A. Of the 7 strikes in Air India during the years 1961-67, all of them occurred since 1965 ; and of the 20 work stoppages since 1961 in I.A., as many as 14 took place during 1966 and 1967.

4.4 Most of the strikes in both the undertakings were of short duration, generally lasting for a day or even less only. Only three strikes in Air India and one in I.A. continued for more than 5 days. That the strikes were mostly of short duration seems to suggest that most of them took place for minor causes or due to misunderstandings or to protest against some injustice—actual or imaginary—and therefore could be settled quickly, when the cause was removed and appropriate action taken to clear the misunderstanding.

4.5 The number of employees involved in the various strikes was quite small in most cases. In the case of flight crews and AMEs whose unions were concerned with a number of work stoppages, their numbers are even otherwise quite small, although their capability to bring airline operations to a standstill is disproportionately high because of their organisational strength. Even in the case of a large union like the A.C.E.U., the numbers involved in strikes were not large, as many of their work stoppages were confined to individual stations and were settled before they could spread. In an industry like the air transport industry, the numbers involved are not in themselves quite significant in assessing the magnitude or seriousness of the work stoppages ; because of the special skills possessed and because of the extreme importance of the time factor in running the air services, even small groups can, by withholding their services, cause dislocation and upset the schedule of operations.

4.6 Analysing these strikes one would find that in the case of Air India, five involved unions of flight crews and three of ground staff. In Indian Airlines on the other hand, sixteen strikes concerned the unions of ground staff and only four of flight crews. As regards the causes which were responsible for these strikes, it is seen that quite a few related to personnel matters, changes in conditions of work, protest against alleged ill treatment, etc. Wage disputes accounted for very few work stoppages, because these issues

were settled through agreements with the unions (I.A.) or as per the award of the National Industrial Tribunal (Air India). However, quite a few of the work stoppages in Air India had their origin in the alleged injustice done to certain categories of employees, by the recommendations of the National Industrial Tribunal. Several of the strikes, particularly in the I.A., are alleged to have been caused by action taken by local managements against union office bearers or members. Union rivalries had their part to play in causing work stoppages. Protest action has led to some strikes. This happens especially when union leaders or the employees are under the impression that their rights have been violated or the self-respect of the union officials has been hurt or when the employees feel that they have not been treated with the consideration due from the management's representatives. Strike action to show sympathy to the workers on strike in the other Corporation also explains some of the strikes.

4.7 The Air Transport Industry being a public utility service under the Industrial Disputes Act, any union which desires to embark on strike is required to give 14 days' notice of its intention to do so. The Code of Discipline also enjoins on the parties not to resort to stoppage of work without giving due notice and before exhausting all other constitutional procedures. The notice is meant to give a 'cooling off' period during which the parties concerned will get further opportunity to re-examine the issues in dispute with greater care and dispassionately and to see if a settlement can be aimed at. Likewise, it is also an opportunity for the Governmental machinery to step in and try to resolve the differences. It would appear that in this industry, while strike notices were given in some cases, in quite a few cases no proper strike notice was given. This was generally the case in strikes involving protest action, sympathetic strikes and spontaneous strikes provoked by immediate causes. It could also be that in some cases of spontaneous action, the unions were not concerned or consulted by the striking workers.

4.8 Some months ago there was a trend on the part of certain unions to direct their members to resort to practices like 'work to rule' or 'go slow' in order to bring pressure on the management to concede their demands; whilst these practices may not strictly come under the term 'strike' or 'work stoppage', they certainly have a damaging effect on production and staff morale. Such practices undermine discipline and constitute a challenge to the authority of the

management, thus disrupting the very basis of labour-management relations. In an industry like this, it completely disrupts the schedule of services leading to loss of revenue, loss of tourist trade and inconvenience to passengers.

4.9 The possibility of averting precipitate action in the form of work stoppages, though strictly limited, lies in the hands of trade unions and the management representatives at various levels who deal with day-to-day problems at the plant level. A willingness on the part of the representatives of management to discuss whenever possible a matter affecting employees, before actually taking a decision, with the union officials concerned may help in averting or avoiding precipitate action by the workers. Instances were brought to our notice wherein a strike notice given by the union was wasted away by the management which refused to negotiate with the union unless the notice was withdrawn. The period of the notice should be made use of by the management for the purpose of negotiations with the unions and to find out ways and means of avoiding a show-down. Management's insistence on the withdrawal of the strike notice before talks are initiated with the union defeats the very purpose of the strike notice. On the other hand, it is argued that such insistence on the part of the management may encourage unions to avoid giving a notice altogether, since in that event there would be no notice to withdraw before negotiations start, and in any case a notice when given only acts as a drag on negotiations.

4.10 To the extent that some of the recent disputes in the two corporations seem to have resulted from inter-union rivalries between different unions in each corporation, and rivalries between unions representing the same craft, some suitable steps to eliminate such rivalries should be explored. Such a situation leading to constant disagreements between different categories should not be allowed to continue indefinitely, spoiling the labour-management relations in this important public sector industry. One way to reduce some of these may be provision of an acceptable, scientific yardstick to measure the relative values of different jobs, through a proper evaluation of various jobs in the two Airlines on the basis of which appropriate differentials could be thought of. The issue was discussed at great length by the group. While there is divergence of opinion as to whether job evaluation would be a help in this regard, there is agreement that any job evaluation to fulfil this purpose will have to be accept-

able to the employees and their unions. The standard procedure to accomplish this will be through association, in some suitable way, of union representatives in the process of job evaluation.

4.11 We note that Government have recently set up the Air Corporations Job Evaluation Committee to carry out job evaluation "to determine the relative position in the job structure of categories of employees of Air India and Indian Airlines, taking into account *inter-alia*, the nature of the jobs, the work-load and skills involved and the type of equipment in use". It is unfortunate that some of the concerned unions were not consulted prior to the setting up of the Committee. This indeed is a rather bad start for a process, the success of which will depend entirely on the co-operation that it gets from the unions concerned.

It must also be understood that job evaluation has its own limitations and it cannot be regarded as a panacea. Even assuming that it may be of some help in reducing union rivalries in the long run, its acceptance as the basis for equality in pay scales and wage rates and for determining wage differentials may depend on several other factors.

Chapter V

INDUSTRIAL RELATIONS

5.1 No system of industrial relations, however carefully designed, can entirely eliminate disputes and conflict. The best that system can do is to reduce the areas of conflict and to provide a machinery for dealing with any differences or disputes that may arise. That is to say, while conflicts cannot be avoided altogether, there should be arrangements to deal with them promptly and effectively. In any institutional arrangements for this purpose, we would give the highest importance to those which will promote bipartite consultations and collective bargaining between the parties. In such a scheme, there should be :

- (i) arrangements for proper, continuous and effective communications at the various levels of the undertaking;
- (ii) effective provision for the redress of day-to-day grievances;
- (iii) arrangements for joint consultation in the form of Works Committee, etc. ;
- (iv) machinery for settlement of disputes as and when they do arise. Such machinery should provide for recognition of a union as the sole bargaining agent so that all demands and disputes can be considered and settled through collective bargaining, with the State playing a relatively minor role—that of conciliation and adjudication; resort to adjudication being reserved for exceptionally grave situations only.

5.2 We examine in the following pages, the present arrangements—institutional and procedural—obtaining in the industry, how effectively they are working and how best they can be improved.

5.3 Communications within the undertaking: “Good communications”, in the sense of a continuous interchange between management and employees, of facts, opinions and

ideas is an important aspect of labour-management relationship; and has come to be recognised as a means of acknowledging the worker's role in the undertaking and as a way of avoiding grievances and disputes. Conversely, the lack of such two-way communication is now increasingly seen as leading to dissatisfaction and low morale and unsatisfactory industrial relations. Communication aims to improve performance and co-operation by ensuring that adequate information and explanation are available to employees and that suitable methods exist for employees to express their views and reactions. The importance of communications tends to increase with the size of the organisation and also the diversity of its operations. Equally, its importance increases as participation and involvement become more important to employees.

5.4 In devising an effective communication policy, the most important aspects to be considered are (a) what information is to be communicated, and (b) how it is to be communicated. To take the latter first, there are broadly three methods which can be used: (1) communication through the managements line, between managers and employees on a face-to-face basis; (2) communication through representatives (particularly useful in large organisations when direct contact between senior management and employees presents problems mainly because of length of lines of authority); and (3) communication through mass media—i.e. magazines, journals, notice-boards, news-letters, circulars, etc. To be most effective, it may be necessary to use all three or combinations of them.

5.5 As regards what is to be communicated, one can broadly say that there are two main types of information with which employees are principally concerned : (a) the basic information necessary for the performance of the job (what the employee is to do, how, when, to whom he is responsible, etc.), and (b) information associated with his employment in the undertaking (e.g. on pay, conditions of work, welfare facilities, likely changes, promotion and trade prospects, etc.). Depending on the needs and interests of the particular groups of employees, further information e.g., history of the undertaking, its place in the economy, economic position, production plans, financial results, could also be made available.

5.6 Viewed in this context, communications in the two corporations need considerable improvement. Among the methods currently used are periodic meetings between mana-

gement officials and union representatives, the English House Magazine as a channel for downward communication, meetings of superintendents of workshops with their supervisory staff at which matters affecting production and employee welfare are discussed, notice-boards in prominent locations and direct telephone lines at the offices/secretaries' houses of the important trade unions. The regular meetings of Works Committees and Labour Relations Committees are also important in this regard. There are suggestion schemes under which employees are encouraged to give suggestions and are rewarded for the same.

5.7 There has been a feeling that there are many gaps in the present communications policy and arrangements of the corporations. The present magazines of the corporations are considered inadequate—they are more in the nature of public relations media, rather than for staff communication. Particular reference was also made to the inadequacy of communications between Headquarters and other Departments/Area Offices; between Administrative/Personnel Departments and Financial Departments; and in regard to activities of the joint consultation machinery viz., the Works Committees and the Labour Relations Committees; and negotiated agreements between the management and the employees' unions.

5.8 The present magazines need to be improved. There is need for bulletins on important matters of common concern, issued from time to time so as to reach all levels of workers. Lack of effective communication between the Headquarters and other Departments or Area Offices often becomes the cause of avoidable disputes. In I. A., because of lack of effective co-ordination and understanding between the Administration and Financial Departments, agreements arrived at between Administration and Unions were said to have been interpreted by the Finance Department in a different way and contrary to the spirit of the agreements. Such a tendency to interpret matters rigidly often led to dissatisfaction and disputes. In regard to the activities of the Works Committees and Labour Relations Committee, it is said that most of the workers are not even aware of what is happening in these Committees—what decisions are taken and how they are being implemented; and that lack of information leads to lack of interest in such bodies and their usefulness. In remedying this deficiency, both the management and the unions or workers' representatives have to take much

greater interest and take suitable measures to ensure that information on these activities reaches the generality of the employees regularly.

5.9 Another direction in which there is need for considerable improvement is in the communication of negotiated decisions. This presents particularly acute problems even in the best of circumstances. Complaints are not rare that agreed decisions between the management and the employees' unions have sometimes been interpreted differently by the two sides which has often been a potent source of misunderstanding and distrust leading to industrial disputes. It is, therefore, necessary to devise some arrangements by which this source of misunderstanding could be removed. It is necessary, in this connection, to ensure that greater care is taken in drafting agreements, so as to minimise disputes on interpretation. The progress and out-come of negotiations can clearly be matters of vital importance both to employees and managers and careful communication becomes doubly important. Both employees and line management need to be kept well in the picture about the results of collective bargaining if rumours and confusion are to be avoided. Employees should be informed by the union and line supervisors by management. There is great need for the contents of collective agreements to be thoroughly and clearly understood especially by the first line supervisors and union representatives at plant/shop level.

Grievance Procedure :

5.10 The inter-personal relationships of men at work and particularly between those in authority and the employees at the work-place cannot but give rise to occasional frictions and misunderstandings even in the most cordial atmosphere of labour management relations. Most employees find themselves at one time or another in a position where, apart from claims of a general nature they feel they are entitled for something from their employers or that they have been unfairly treated.

5.11 If such grievances are not to accumulate and finally lead to explosive situations, some arrangements should exist for effectively dealing with such grievances at the level of the undertaking. An adequate grievance procedure is essential for the promotion of good labour-management relations and a high degree of efficiency in the undertaking. The lack of an opportunity for employees to ventilate their

grievances and of a reasonable assurance that these grievances will be given prompt and careful consideration before a decision is taken can only promote unrest, dissatisfaction and generally lower morale among the work-force. This in turn will inevitably create a climate hardly conducive to workers giving their best effort.

5.12 The grievance procedure, besides acting as a safety valve for the workers' feelings, will also enable the management to study and evaluate grievances for the purpose of identifying areas of conflict in the undertaking. Further, an effective grievance procedure, particularly one in which the trade unions play an important role, by contributing to a climate of mutual confidence and a more relaxed relationship between the parties can also make for a setting in which collective bargaining has a better chance of functioning well.

5.13 It is sometimes stated that a formal procedure with written forms to be completed presents a barrier to workers with an otherwise valid grievance who simply do not feel that the possible results are worth the time and effort involved. But it is not necessary that procedures should be complicated; on the contrary, they should be as simple as circumstance permits; some formality may be necessary so that workers know how to represent their grievances. The essential point is that there be clearly defined procedures which are understood by the workers. Grievances exist; if they are to be properly handled, a clear procedure which may necessarily involve some degree of formality is necessary. Even when there is a formal procedure, there is need for some amount of flexibility and informality. But this should not be allowed to go too far, and to an extent that it makes mockery of the formal procedure itself. Both management and unions are often put in situation where they are tempted to short-circuit the formal procedures.

5.14 The Code of Discipline in industry which has been accepted by both the Corporations provides for the setting up of a grievance procedure on the lines of the model grievance procedure. Under the Code of Discipline, the management and workers also agree to abide by the various stages in the agreed grievance procedure and take no arbitrary action which would bypass the procedure.

5.15 In the Indian Airlines Corporation, a procedure had been adopted earlier which has not been made applicable

so far. In the absence of a formal procedure, there is no clear-cut arrangement in regard to raising and redress of grievances. Even small individual grievances are often taken up by unions with the management as if they were industrial disputes. Local and regional grievances are taken up at the area level with the local managers; and when grievances do not get settled at this level, they are taken up by the unions with the headquarters. In the absence of clear-cut demarcation of jurisdictions, a grievance may tend to harden into a general dispute.

5.16 In Air India, there has been a formal grievance procedure for the redress of grievances of the employees. It has three stages with prescribed time-limits, with the decision of the Chief Administrative Officer being final (at the end of the 3rd stage.). It would appear, however, that very few grievances are taken through the formal procedure and that it has fallen into disuse. More grievances are now decided by the informal method or by the unions taking up the grievances as disputes with the management. It could be that the individual grievances do not get settled expeditiously and the aggrieved workers approach the unions to take up the matter with the management at the union level; and the unions could not possibly decline to do so. It is also possible that the management, out of concern for good human relations, may countenance the bypassing of the procedure and be ready to discuss any grievance at the highest level initially. However, such a policy regardless of good intentions can lead to a feeling of indifference on the part of workers for the prescribed procedures. In any case it is up to the management and the unions to encourage the workers to use the grievance procedure and not bypass it.

5.17 We feel that there is need for an effective formal grievance procedure in the Indian Airlines Corporation. Although it is possible that by an enlightened attitude towards the employees, the number of grievances may be lessened, there are still bound to be some grievances which need to be processed formally.

5.18 The grievance procedure that may be set up will stand a better chance of success if it is drawn up in consultation with the representatives of the employees also. The procedure has to be simple and not very complicated. The model grievance procedure under the Code of Discipline with suitable modifications to meet the particular conditions of the

air transport industry could form the basis of an effective formal procedure in both the Corporations. It should, however, leave scope for an element of informality but not such as to lead to by passing of the procedure altogether. It should provide for a limited number of stages, with specified time limits, and with provision for arbitration of unresolved grievances. For the grievance procedure to be implemented satisfactorily, there is also need for trained personnel who are prepared to deal with grievances not according to the letter of the procedure, but in the proper spirit of sympathy.

5.19 The grievance procedure framed under the Code of Discipline applies to the various categories of workers covered under the Industrial Disputes Act. The question, therefore, arises whether there is need for a similar procedure to cover the higher categories of employees such as engineers, pilots and officers. It was pointed out that officers by the very nature of their duties are expected to deal with grievances of the employees working under them, and have to maintain discipline, and carry on negotiations with them. They will not be able to discharge that function effectively if they are encouraged to air their own grievances openly, through a formal grievances procedure. What is needed is that they should be allowed access to the top management and an opportunity to represent their grievances. Any attempt to formalise a grievance procedure for the officers will lead to undermining discipline in the organisation itself.

5.20 We are unable to agree with the basic validity of the position. The duties and functions of most of the officers with the exception of a few at the top are non-managerial; and as such ventilating their grievances is not likely to undermine the discipline in the undertaking. It cannot be denied that officers also have grievances and that it is the responsibility of the management to redress such grievances. As such, it is only logical that there should be some procedure through which they can take up their grievances with the appropriate authorities. The argument that even now officers can represent their grievances to higher management although there is no formal procedure for the purpose, does not invalidate the force of our contention. What we have said elsewhere regarding the desirability of a formal procedure would be equally applicable to the officers' category also. Under the present

informal procedure, there are no time-limits and there is no appellate authority ; there is not even an obligation on the part of the management to send a reply to the aggrieved officers.

5.21 When management is enlightened and takes initiative to look into their officers' grievances, the need for a formal grievance machinery may not be felt greatly. But in a large public sector undertaking, particularly where top management changes too often, there is need for some formal procedure for redress of grievances so as to eliminate the uncertainty of frequent changes in management and the consequent shifts in attitudes and practices. We, therefore, feel that officers as a class should also have the benefit of a formal grievance procedure. The details of the procedure, what classes or grades of officers should be covered, the stages, the time limits, etc.—can be worked out by the management in consultation with the concerned Association.

Joint Consultation:

5.22 Joint consultation at the level of the undertaking has developed mainly in response to two basic objectives; the moral or social objective of aiming at a full recognition of the human factor in production, so as to enable the workers to take active interest in the undertaking's problems, and the economic objective of increasing production and raising productivity. Though these two objectives are closely connected, the importance attached to either of these objectives has varied considerably from country to country. In our own country, one could say that the former objective has received greater emphasis in the institutional arrangements devised to secure joint consultation.

5.23 The Industrial Disputes Act, 1947, provides for the setting up of Works Committees, to promote measures for securing and preserving amity and good relations between the employer and workmen and to this end to comment upon matters of their common interest or concern and endeavour to compose any material differences of opinion in respect of such matters. Realising the importance of joint consultation among labour and management for the successful working of the nationalised air corporations, Government introduced a specific provision in the Air Corporations Act, 1953, providing for the setting up of a Labour Relations Committee in each of the Corporations. The function of the Labour Relations Committee is "to advise the Corpo-

ration in all matters which relate to the welfare of the employees and which are likely to secure and promote amity and good relations between the two”.

5.24 There is considerable similarity in the scope, functions and powers of the Works Committees required to be set up under the Industrial Disputes Act and the Labour Relations Committees required under the Air Corporations Act. Both are designed to promote and secure amity and good relations between labour and management, both are primarily concerned with welfare aspects and both are advisory in character. While the management representatives on both these bodies are nominated, the workers' representatives are elected and hold office for two years.

5.25 Under the Air Corporations Act, both the Corporations are required to set up Labour Relations Committees while the constitution of Works Committees becomes necessary only under a general or special order of the appropriate Government. Labour Relations Committees have been constituted by Air India from time to time for over 12 years as required under the Act, but no Works Committee has been set up, in the absence of any order from the State Government which on a careful examination of the matter came to the conclusion that such a body with functions more or less similar to those of the Labour Relations Committee was not necessary. The Labour Relations Committee in Air India is said to be functioning well. Though it is an advisory body and its decisions are not mandatory, most of its recommendations have been implemented by the management. The Labour Relations Committee appears to have done good work particularly in the field of labour welfare. Among some of the important welfare measures for which the Labour Relations Committee has been responsible are : expanded medical benefit schemes, creation of the staff-welfare fund, establishing holiday homes, loans to co-operative housing societies, provision of staff-quarters at Bombay and other places, etc. The management of the Corporation has been generally responsive in giving full consideration to the Labour Relations Committee's recommendations on staff welfare.

5.26 The Indian Airlines, on the other hand, have both the Labour Relations Committee and Works Committees under the Industrial Disputes Act functioning for many

years. In view of the organisational set up of the IAC which has several bases and work-shops stations and offices at different places, (unlike Air India which has its main base at Bombay)—the constitution of Works Committees at the area level in addition to the Labour Relations Committee at Headquarters, was considered desirable. It was felt that there is a definite need in the I.A.C. for both bodies—the Works Committees at the unit level and the Labour Relations Committee which is a wider body based on a wider franchise, at the Corporation level—the former to deal with matters and issues at the plant level and the latter to discuss matters of general application and common interest.

5.27 The successful working of joint bodies like the Labour Relations Committees and Works Committees would depend on (a) the attitude of the management towards it ; (b) precise definition of the scope of its functions; (c) the acceptance of the limited scope of its functions; (d) the spirit in which both labour and management representatives look at the issues coming up for discussion and (e) readiness with which the management is prepared to consider and implement the accepted recommendations of this body.

5.28 Viewed from this angle, it is not surprising that the Labour Relations Committee in Air India has had a fairly successful record of work; the management has given this Committee its due importance and has nominated to it very senior officers of the management; one of them is the Assistant General Manager. The unions have likewise sent some of their top men as employee representatives. As a corollary, unanimous recommendations made by the Labour Relations Committee had some weight behind them and it was not always difficult for the management to accept them. As the recommendations were followed by their expeditious implementation, the L.R.C. has been able to secure the confidence of the employees who were impressed by its usefulness.

5.29 The Labour Relations Committee in I.A. which has been equally effective has been the subject of some criticism such as :

- (i) The Management does not seem to have attached sufficient importance to this body as is clear from the level of management officers nominated to it.
- (ii) That the trade unions also are averse to send their best men to the Labour Relations Com-

mittee. (The Trade Unions have stated that they are constrained to do so, seeing the scant importance given to this Committee by the Management).

- (iii) That the Labour Relations Committee has sometimes been treated by the employees' representatives as one more forum for ventilating grievances and discussing general demands.
- (iv) That the management has in many cases failed to implement even the unanimous recommendations of the Labour Relations Committee.

5.30 We are convinced that the Labour Relations Committee in the air corporations has a definite purpose to serve as a forum for joint consultation, limited though it is to matters of welfare and promotion of amity and good relations. It has some potential as a means of promoting good labour-management relations. It, however, needs to be revitalised and could be made more useful and effective by the adoption of the following measures:

- (i) The scope and functions of the Labour Relations Committee should be precisely defined as per Section 41 (2) of the Air Corporations Act, so that the possibility of conflict with trade unions on the one hand and with similar bodies like the Works Committees on the other, is avoided.
- (ii) To make it more effective, the management should give the Labour Relations Committee its due importance and should nominate officers at senior level, including some Headquarters Departmental heads, as its representatives.
- (iii) The management must seriously consider to implement the unanimous recommendations of the Labour Relations Committee faithfully.
- (iv) The Labour relations Committee should be used precisely for the purpose for which it is intended and not as another forum for collective bargaining.
- (v) There should be fairly continuous communication of the L.R.C. recommendations to the

constituents at all levels, so that that they become aware of the work being done and are able to appreciate the activities of the Committee.

- (vi) Management decisions on the recommendations of the Labour Relations Committee with reasons should be communicated to that Committee.

5.31 The Works Committees constituted under the Industrial Disputes Act in the establishments of the I.A. at Bombay, Delhi, Calcutta, Madras and Hyderabad are reported to be functioning fairly satisfactorily

5.32 We are of the view that there is a danger in having too many consultative bodies with similar functions because they may stray into each other's areas, and there may be duplication and waste, leading to indifference and ineffectiveness. In order to eliminate the possibility of the Labour Relations Committee and the Works Committees trespassing into each other's domain, some procedure for co-ordinating their functions would be desirable. The Works Committee should function as a consultative machinery and a medium or agency through which an efficient line of communications is established between the workers and the management at the establishment level. But care should be taken to see that these advisory bodies are not burdened with the routine of settling grievances or negotiating with the employer, functions which fall in the sphere of the grievance machinery and the recognised trade unions respectively. The Works Committees or the Labour Relations Committees should have no power to deal with disputes concerning regulation of employment and employment terms which is the sole business of the trade union organisations according to established procedures.

Machinery/Procedure for Settlement of Disputes :

5.33 Where arrangements for proper communications, redress of grievances and joint consultation work properly at the plant level, the areas of disputes between labour and management are reduced as some of the differences may not assume the form of disputes. However, inspite of the arrangements for prevention of disputes, there will be some demands which may still become industrial disputes. The climate of industrial relations in an undertaking will largely be influenced by the way in which such disputes are handled,

the procedures followed and the machinery devised, the attitudes developed by the parties and, last of all, the degree of willing acceptance of these arrangements by the unions and the management.

5.34 The current procedure and practices adopted in the two corporations for the consideration of demands and settlement of industrial disputes are based on sound lines. Managements have recognised representative unions with which negotiations are carried on and collective agreements concluded from time to time. Whenever collective bargaining has failed, the statutory machinery provided for under the Industrial Disputes Act in the form of Conciliation Officers, arbitration or adjudication have been resorted to.

5.35 when a union makes a demand or raises an industrial dispute, in Indian Airlines, local problems are dealt with by the Area Managers with local representatives of the unions. When no settlement is reached through bilateral negotiations, the matter goes to conciliation, and if necessary to adjudication. It is found that most disputes have been settled through negotiations and resort to adjudication has been rather infrequent.

5.36 The present arrangements for carrying on negotiations with the unions have been criticised on several grounds, such as that there is no definite policy or procedure followed by the management to deal with demands; that the functions of the Industrial Relations Department are ill-defined and the staffing unsatisfactory; that the arrangements for dealing with demands raised at the local level are inadequate, and that in the consideration of demands and in the ratification of agreements with the unions, the financial departments often exert too much influence.

5.37 We consider that the management should develop appropriate machinery for conducting negotiations with the unions. A clear-cut policy and procedure for dealing with disputes, at the area level and at the undertaking level, should be laid down. There should be arrangements for settling local problems at the area levels. The Area Managers should be invested with sufficient powers and should be encouraged to exercise these powers to settle the problems that are essentially of a local nature. The tendency to shift responsibility or referring matters to headquarters should be discouraged. General problems affecting the workers in the entire undertaking such as wage structure,

service conditions, etc. should be dealt with at the headquarters level.

5.38 From the evidence brought before us, it became fairly obvious that in both the corporations the personnel function has been sorely neglected with the inevitable consequences on labour-management relations. Although the corporations have appointed personnel and/or industrial relations officers, there has been no clear-cut personnel policy nor a fullfledged personnel department with well-defined functions, adequate authority and sphere of activity. There does not appear to be much co-ordination between the working of the personnel/industrial relations departments as they exist at present. There is urgent need for the managements of the corporations to formulate their personnel policy in clear terms and also create the necessary machinery to implement the policy laid down. The Industrial Relations or Personnel Department should be strengthened and should be entrusted with the conduct of labour-management relations. Properly qualified officers with the required experience and competence should be available to assist and advise the management in industrial relations matters, both at the area level and at Headquarters. This department should be primarily concerned and should have necessary authority, without undue interference from above, to deal with demands raised by the unions and to carry on negotiations with them. For this purpose the Department should establish and maintain a close working relationship with the trade unions. It should be in a position to interpret the employees to the management and the management to the employees or unions. In short, it should act as a bridge between the two.

5.39 While it may be necessary to associate financial advisers with negotiations on issues involving financial implications, it should be ensured that the fiscal angle does not become all important in the consideration of all issues. While financial considerations are no doubt important, human and industrial relations aspects may sometimes be no less important, to which equal consideration may have to be given before arriving at settlements. There is a complaint that there is a tendency at present particularly in public sector undertakings for financial aspects to get the upper-hand to the detriment of other considerations. Therefore, the financial controls of these corporations seem to need an imaginative, commercial orientation, so that the long-term

intangible dividends in terms of industrial peace and harmony, or improved loyalty and employee co-operation, are taken full cognizance of while taking decisions involving expenditure.

5.40 While it is true that the settlement of disputes by negotiations and collective bargaining is an ideal worth striving for, the gap between it and performance will have to be filled by the Tribunals for adjudication or arbitration as may be necessary. The experience of the unions and managements in this industry of the conciliation machinery has been a mixed one. While in some cases Conciliation Officers were helpful in promoting agreement between the parties, in others, their role has been doubtful if not unhelpful. Similarly, resort to adjudication does not seem to have helped parties to solve their problems. In fact, much of the labour unrest and some of the work-stoppages in Air India during the last two years has been attributed to the Award of the National Industrial Tribunal (1966). The experience of the industry reiterates the desirability of earnestly trying for settlement of disputes by reaching agreements rather than through compulsory adjudication.

5.41 In this connection, a reference to the provision in Section 45 (2) (b) of the Air Corporations Act becomes relevant. This section requires the corporations to obtain the previous approval of the Central Government before making regulations relating to, among other matters, terms and conditions of service of officers and other employees of the corporation. This provision, whatever its justification in the initial stages of the functioning of the corporations, appears to have become a source of inordinate delays and consequent irritations. Even agreements arrived at after prolonged and patient negotiations between the management and the employees' unions have to be approved by Government before they are implemented. As such approval must necessarily involve some delay, it becomes a matter of annoyance to the parties concerned. Now that the corporations have a fairly long history of negotiated settlements to settle conditions and terms of service of their employees, and in keeping with their autonomous status, they should be allowed to dispense with this provision of prior Government approval. We would suggest that the position in this regard should be reviewed and existing provisions of Section 45 (2) (b) suitably amended.

5.42 Conciliation does not seem to have been of much assistance in resolving disputes in this industry for a variety of reasons. In order to make the conciliation more acceptable and effective, we would suggest—(i) that the service should be manned by well-trained officers in adequate numbers; (ii) that the Conciliation Officers are able to concentrate on their main functions and are not over-burdened with too many cases or too many types of miscellaneous works; (iii) that the powers exercised by the Conciliation Officers in matters like enforcing attendance of parties, production of documents etc. should be enlarged; and (iv) the status and emoluments of the Conciliation Officers should be improved.

5.43 In the light of the existing practices and experience of the industry, we are in favour of a system in which disputes are settled primarily by direct negotiations between the managements and the recognised unions. There should be a provision in the collective agreements for reference to arbitration by a mutually agreed person on matters of dispute and matters of interpretation of existing agreements, awards, etc. When voluntary negotiations fail, either party may have a right to refer a dispute to an industrial tribunal. There should be time-limits within which industrial tribunals should give their decisions. The recognised unions should agree to abide by the procedures for settlement of disputes and not to resort to strikes or other coercive action before these procedures are fully exhausted. Likewise, it should be the duty of the management to ensure that grievances are expeditiously dealt with and no cause is given to provoke unions into such action.

5.44 From the foregoing paragraphs, it is seen that factors that go to make for good labour-management relations—the attitudes, procedures and institutional arrangements—do exist to a considerable extent in the two undertakings in this industry. If the objective of industrial peace has not been fully achieved, the cause seems to be more in the deficiencies in the working of the existing arrangements and institutions, rather than in their absence. Both sides should realise that their interests are closely interlinked; that there is no fundamental conflict in their mutual interests; that they should conduct in this industry which has only two employers in the public sector there can be no fundamental conflict of interests; and the industrial relations between them could be conducted in a spirit of goodwill and understanding and with faith in themselves to work for the common good.

Chapter VI

SUMMARY OF RECOMMENDATIONS

6.1 The absence of outsiders from the trade union organisations of the air transport industry is an asset worth preserving with great care. This requires the development of right attitudes at various levels of management so as to ensure that the unions in the industry do not become pawns in the hands of politicians.

(Para 3.6)

6.2 In order to make the unions financially strong, the rates of subscription for union membership should be raised to 1 per cent of wages, subject to a minimum of Re. 1.00 per month.

(Para 3.8)

6.3 The facility of check-off of union dues may be extended to all the recognised unions.

(Para 3.8)

6.4 We are not wholly in favour of recognising new craft unions or encouraging their formation.

(Para 3.14)

6.5 While accepting the existence of craft unions in the air transport industry as a historical fact, it is necessary to take steps to ensure that craft unionism does not degenerate into fragmentation of unions.

(Para 3.16)

6.6 As an essential step to arrest the growth of multiple craft unions, it would be desirable for all the existing unions in the Air Transport Industry to come together into a Federation.

(Para 3.17)

6.7 On the formation of such federation, a representative thereof should be given a seat on the Board to represent the interests of labour.

(Para 3.19)

6.8 It would be desirable to set up a joint body repre-

senting both the Corporations to deal with major issues affecting industrial relations in general.

(Para 3.22)

6.9 The existing procedures in the two Corporations in regard to dissemination of information need to be made more effective. The communications in the two Corporations need improvement.

(Para 5.9)

6.10 There is need for an effective formal grievance procedure in both the Corporations.

(Para 5.17)

6.11 The Officers in the Corporations should also have the benefit of a formal grievance procedure.

(Para 5.21)

6.12 The Labour Relations Committee has some potential as a means of promoting good labour-management relations. It can be made more effective by measures such as a clear-cut definition of its functions, management's acceptance of its importance, willingness to implement the unanimous recommendations of the Committee, etc.

(Para 5.30)

6.13 Where Works Committees have to be constituted in addition to Labour Relations Committee, care should be taken to ensure that there is no duplication of their functions.

(Para 5.32)

6.14 It should be ensured that the advisory joint consultation bodies are not burdened with the functions of redress of grievances or negotiations with the employer—functions which fall in the sphere of the grievance machinery and the recognised trade unions respectively.

(Para 5.32)

6.15 The Corporations should develop appropriate machinery for negotiations with the unions. A clear-cut policy and procedure for dealing with disputes at the area level and at the undertaking level should be laid down

(Para 5.37)

6.16 There is urgent need for the two Corporations to formulate their personnel policy in clear terms and also create the necessary machinery to implement it.

(Para 5.38)

6.17 The Industrial Relations/Personnel Departments

in the Corporations should be strengthened and entrusted with the responsibility for labour-management relations.

(Para 5.38)

6.18 The financial controls exercised need an imaginative, commercial orientation.

(Para 5.39)

6.19 The experience of the industry reiterates the desirability of having a procedure for settlement of disputes through collective bargaining rather than through compulsory adjudication.

(Para 5.40)

6.20 There is need for a review and suitable revision of the provisions of section 45 (2) (b) of the Air Corporations Act.

(Para 5.41)

6.21 There should be a provision in the collective agreements for reference of matters of interpretation of terms of agreements, awards, etc. to arbitration by agreed person.

(Para 5.43)

6.22 The recognised unions as well as the managements should agree to abide by the various constitutional procedures for settlement of disputes.

(Para 5.43)

Acknowledgements :

The Chairman and members of the group wish to record their appreciation of the valuable assistance received from the Member-Secretary Shri M.A.M. Rao, throughout its deliberations and in the drafting of this report. The group also wishes to record its thanks for the help received from the office of the National Commission on Labour which provided the secretariat for the group's work. Our thanks are also due to the Managements of the two Corporations and the various trade unions in the Corporations.

Sd/- (M.A Chidambaram)

Chairman

Sd/- (M. Dayal)

Member

Sd/- (P.V Muthuswamy)

Member

Sd/- (N R. Kulkarani)

Member

Sd/- (M M. Ojha)*

Member

Sd/- (J.R. Jagtap)

Member

Sd/- (A.S Banavalikar)*

Member

Sd/- (M.K. Basu)

Member

Sd/- (M.A.M. Rao)

Member-

Secretary.

New Delhi,

31-7-1968.

* Subject to a Note of Dissent.

**NOTE OF DISSENT FROM MR. A.S. BANAVAIKAR
MEMBER, STUDY GROUP FOR AIR TRANSPORT
INDUSTRY,
ON REPORT**

1. I regret I cannot align myself with the views of the Study Group on the question of a grievance procedure for Officers. I do so for the following reasons :

2.1 In the first place, the problems before the Study Group, and the National Commission on Labour relate to those of workmen in the restricted sense as defined in the Industrial Disputes Act, in addition to rural labour, and they clearly exclude those of Managerial personnel or Officers. Any recommendation the Study Group may make in this regard would, therefore, be in excess of their terms of reference.

2.2 Secondly, no public enterprise can function with efficiency if it is manned by managerial personnel who are themselves to be seized or obsessed by a sense of grievance of their own, when they must be a part of a machinery handling the grievance procedure relating to workmen under their trust. We should not allow these personnel to be victims of their own grievances, real or imaginary, which would undoubtedly be the case, if such a procedure were to be framed for their benefit. This is not to suggest that some of the Officers of a Public Enterprise or its middle-management men would entirely be free of grievances or they may not nurture any grievances at all. They certainly have the right of representation to management which is considered to be a certain, safe and adequate outlet for the settlement of their grievances, if any, even though it may not bring speedy results.

2.3 Lastly, I am not aware of any Public Sector or Private Sector enterprise having established such a procedure and to start it in Airlines may create an awkward precedent which may vitiate the organisations of most, if not all, public sector undertakings.

Dated : 31-7-1968.

Sd/- (A.S. Banavalikar)

**NOTE OF DISSENT FROM MR. M.M. OJHA, MEMBER,
STUDY GROUP FOR AIR TRANSPORT INDUSTRY,
ON REPORT**

Kindly note the following para-wise dissent on the report of the Study Group for Air Transport Industry :

Paras 3.3 plus 3.4: I do not agree that most of the Unions in this industry are based on craft or category. Craft is not defined and it only tends to mean for identifying of division of labour in a manufacturing process. Each division of labour has to be equipped with distinct basic technique training and equipments having no relation with other sets of division of labour, for example, electrician, E/Engineer, Instrument mechanic, instrument engineer, Radio Mechanic/Radio Engineer, Air Frame Mechanic/Air craft Engineer, etc. etc. upto 16 divisions in this industry. It is to be taken from facts that most Union/Associations were formed on the basis of licence/income brackets. This contention of mine has been accepted by and large in para 3.4.

The historical developments of Union/Associations were on the basis of workmen and other licenced/income brackets groups. All workmen (purely on the basis of scale of pay) joined and formed Air Corporations Employees' Union, and the rest, who, on the basis of income, were not workmen formed other Associations named in the report and were functioning on the same line as Officers' Association is functioning today. It was much after in 1958 that the Industrial Tribunal ruled that the members of the other existing Associations were also the workmen. From this it could be clear that the thinking prior to NIT ruling of 1958, to form the Union and Associations was based on what is stated above.

Para 3.10: It is fundamentally wrong to state that recognised Unions and Air Corporations have agreed to abide only by the spirit of Code of Discipline. Firstly, the written acceptance of Code of Discipline does not show any condition by any party to the extent of spirit only. It is not fair to intentionally provide a clue to any party to jump out

of the provision and criteria of Code of Discipline in any matter. The Code of Discipline in industry was formulated after a very careful thought by the Tripartite Body taking all the aspects into consideration. Once an unanimous codification was accepted the question of abiding by the same in spirit to the extent it suits the interests of the party concerned, does not arise. In other words, to be very frank, this mention of spirit completely defeats the very purpose of Code of Discipline. Air Corporations seem to be in need of abiding only by the spirit of the Code so as to divide the real low paid workers who are members of ACEU in splinter Unions like the one named IATA and then recognize them jumping the provision of Code of Discipline.

Para 3.11 : The Group has defined ACEU as a General Union. To-day ACEU is offering determined opposition to the Management's attempt to recognize IATA ignoring the restrictions in Code of Discipline and thus a problem has come to fore. But in the opening of the para, without naming IATA and ACEU, the mention has been made of Craft Union for IATA and General Union for ACEU. This is completely wrong factually, and has motivation behind.

ATA is not, repeat NOT, a Craft Union at all. It claims to represent various distinctly separate categories of technical workers such as Carpenter, Tailor, Plumber, Plant Electrician, Bench Fitter, Turner, Welder, Machinist, Instrument Mechanic, Electrical Mechanic, Radio Mechanic, Engine Mechanic, Leading Hand, Charge-Hand, Foreman, Examiners etc. etc. These various categories education-wise, experience-wise, pay packet-wise and bargaining power-wise, are distinctly separate and by no stretch of imagination could be grouped to call them of one craft or of one category for any purpose. IATA, therefore, is nothing but a General Union. Study Group in this matter should have thoroughly studied the intricacy and complexity instead of being misled by the Air Corporations, who have an ulterior motive to encourage IATA by granting recognition to it giving rise to a permanent problem of rivalry between two General Unions, i.e. ACEU & IATA.

Para 3.13 : This para is a complete contradiction and inconsistency to para 3.12.

There is hardly any craft union in Air Corporations. Other than ACEU, all the Associations had come up on the basis of Licence/Income brackets as clarified earlier. It is not true that there are craft unions in Air Transport Industry

in India to make history. The trend is now coming up by single instance in the formation of a Air India Examiners' Association. The Group must not fail to definitely discourage the beginning of this trend keeping in view the second look in USA and UK (para 3.12). In this para history is wrongly written and on that wrong premise attempt to avoid its responsibility in making recommendation as per thinking in much advanced countries has been made. In other words, firstly, there is no craft union or its history in this industry and secondly even if there is a trend now by the Examiners in Air India that has to be checked. There are highly trained, highly skilled, and highly paid workers like pilots, Flight Engineers, Navigators, Ground Engineers, who had their Associations even before they were declared workmen. Any hidden support, if lent through this para, to encourage one more General Union (IATA) or any trend of craft union (AIEA) against Group's appreciation in para 3.12, it would only bring almost a beginning of a new history. As stressed in this para, there is no such history and there is no unavoidable feature, contrary to the conception recorded in para 3.12. About the history written here it is interesting to refer to complete sentence in lines 8 to 10 of page 28, para 3.14.

Para 3.14 : This para has attempted to deal with the provision in Code of Discipline and the recommendation of ILC (1964) in so far as the recognition of the union with its sole right to bargain is concerned. While I do not agree that the provision of Code and Recommendations of ILC which have been formulated on ample flexibility could go further flexible. However, this part of the report of the Group here is so confusing and contradictory to the earlier paras that it gives no positive impression of guidance. It merely seeks to accommodate 'come what may' depending on the un-regulated wishes of the employees or employers and run risk of serious conflicts. This is evident when opinion is recorded that it is only those crafts which are distinct and exclusive and capable of backing up the demands would only form craft unions. This encouragement for free play of trial and error will doom the near future.

Here, in a different context, IATA has been clarified to be a group of employees belonging to certain crafts and having its bargaining strength. While making a favourable case in these lines for IATA, it has also accepted clearly that

IATA is not a craft union though in earlier paras it has been given that status.

Para 3.16 : This para consists of part repetition from paras 3.13 and 3.14 and repeats the encouragement to free for all and accommodation to "come what may" on the absurd plea of peculiarity of industry.

Para 3.17 : The findings have been so recorded as if some degree of co-ordination and cohesion amongst various Union/Associations exists and based on that a greater degree is being sought through some sort of federation. This is utterly contrary to facts, if a proper weightage to the reasons of opposition by one to the other was kept in mind. Situations between ICPA and IPG, Flight Engineers and Navigators and other various types of cold war amongst the Union/Associations should have been kept in mind before recording the conclusion. It was pointed out by me that without the interest of Union/Associations involved, certain leadership of one bear animosity with other leadership and it is so deep-rooted that it become wishful thinking to hope for any co-ordination through federation.

Basically there is a great handicap in forming federation where I view the correct expression in last sentence of para 3.13.

Here, much hope has been expressed for any easy formation of a federation of Flight Crews in both Corporations. It is not historically true at all, if I can take stock of the situation that arose in Air India after the publication of NIT Award of 1966.

I do not agree with this unworkable idea to waste time and embitter the relations amongst Union /Associations further, by ignoring the reality of fast growing desire for leadership by many whereas the federation seeks for centralisation of leadership in major affairs.

In fact, the Licenced/highly-paid eight groups are running their Associations representing in total less than the 10% of the employees in the industry. All other workmen are already covered by ACEU which functions, on the principle of One Union in One Industry principle, thus serving the purpose of a federation.

3.18 : I do not agree this, as I do not accept earlier para.

Para 6.4 : The word "wholly" is not agreed as it in-

dicates silent "partly" and thus making the sense both 'yes' and 'No'.

Para 6.5 : In entire dissent of mine for chapter III, I have refuted the wrong history recorded in the report and therefore I cannot accept the existence of craft unions in this industry as an historical fact. The remaining portion of the Recommendation is agreed.

Para 6.6 : The recommendation for a federation contradicts with the factual findings expressed in the last sentence of Para 3.13, which applies in case of Pilots (ICPA and IPG), Flight Engineers, Flight Navigators, Ground Engineers, Radio Officers and Ground Instructors. For the rest of the workmen, ACEU is as good as a federation for entire Air Transport Industry covering both the Air Corporations.

sd/

(M.M. Ojha)
MEMBER

APPENDIX I

STATISTICS OF OPERATING REVENUE, COSTS AND PROFITS

Year	Air India				Indian Airlines Corporation			
	Operating Revenue (Rs. lakh)	Operating Costs (Rs. lakh)	Operating Profit/Loss (Rs. lakh)	(4) as a % of (2)	Operating Revenue (Rs. lakh)	Operating Costs (Rs. lakh)	Operating Profit/Loss (Rs. lakh)	(8) as a % of (6)
1	2	3	4	5	6	7	8	9
1954-55	484	450	+33	7	692	773	-81	-
1957-58	1,082	1,011	+71	7	926	1,024	-98	-
1958-59	1,156	1,140	+16	1	1,082	1,170	-88	-
1959-60	1,258	1,240	+18	1	1,190	1,187	+3	0.3
1960-61	1,917	1,832	+85	4	1,306	1,299	+7	0.5
1961-62	2,157	2,080	+77	4	1,484	1,445	+39	3
1962-63	2,453	2,107	+346	14	1,698	1,665	+33	2
1963-64	2,681	2,297	+384	14	1,938	1,864	+74	4
1964-65	3,003	2,641	+362	12	2,281	2,117	+164	7
1965-66	2,977	2,861	+116	4	2,333	2,331	+2	0.1
1966-67	4,590	4,134	+456	10	2,701	2,978	-278	-

Source :- Annual Reports of Air India and Indian Airlines Corporation.
Profit and Loss Accounts.

APPENDIX II.

OPERATING AND TRAFFIC STATISTICS OF THE AIR CORPORATION (1954-55—1966-67)

Year	Air India					Indian Airlines Corporation				
	ATKM (Mil- lions)	RTKM (Mil- lions)	Revenue Passen- gers carried.	Available seat KM (Millions) (Scheduled Services)	Average number of staff employ- ed.	ATKM (Mil- lions)	RTKM (Mil- lions)	Revenue Passen- gers carried	Available seat KM (Millions) (Scheduled Services)	Average number of staff employed
1	2	3	4	5	6	7	8	9	10	11
1954-55	37	22	40,287	291	2,666	76	53	477,583	N.A.	7,107 (Dec. 54)
1957-58	80	47	88,312	615	4,070	93	65	599,573	629	9,328
1958-59	88	50	83,868	672	4,442	105	74	653,494	768	9,263
1959-60	93	54	89,385	698	4,596	111	78	703,103	814	9,281
1960-61	161	76	123,270	1,133	5,259	113	83	787,187	864	9,390
1961-62	217	95	156,535	1,435	5,703	121	87	880,882	974	9,562
1962-63	252	112	165,736	1,770	5,873	136	98	906,546	1,047	10,075
1963-64	292	132	190,969	2,047	6,090	135	94	1,047,592	1,131	10,463
1964-65	329	157	237,996	2,276	6,543	157	109	1,235,310	1,461	11,039
1965-66	324	149	218,458	2,229	7,110	155	108	1,205,110	1,419	11,862
1966-67	353	173	254,736	2,516	7,560	165	119	1,409,503	1,512	12,349

Source:— Annual Reports of IAC and Air India,

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