



## WAGE BARGAIN THEN AND NOW

In dealing with [the question whether the wage structure can never be revised to the prejudice of workmen], it is essential to bear in mind the main objectives which industrial adjudication in a modern democratic welfare state inevitably keeps in view in fixing wage structures. "It is well known," observes Sir Frank Tillyard, "that English Common Law still regards the wage bargain as a contract between an individual employer and an individual worker, and that the general policy of the law has been and is to leave to the two contracting parties a general liberty of bargaining, so long as there are no terms against public policy." In India as well as in England and other democratic welfare states great inroad has been made on this view of the common Law by labour welfare legislation such as the Minimum Wages Act and the Industrial Disputes Act. With the emergence of the concept of a welfare state, collective bargaining between trade unions and capital has come into its own and has received statutory recognition; the state is no longer content to play the part of a passive onlooker in an industrial dispute. The old principle of the absolute freedom of contract and the doctrine of *laissez faire* have yielded place to new principles of social welfare and common good. Labour naturally looks upon the constitution of wage structures as affording "a bulwark against the dangers of a depression, safeguard against unfair methods of competition between employers and a guarantee of wages necessary for the minimum requirements of employees." There can be no doubt that in fixing wage structures in different industries, industrial adjudication attempts gradually and by stages though it may be, to attain the principal objective of a welfare state, to secure "to all citizens justice, social and economic". To the attainment of this ideal the Indian Constitution has given a place of pride and that is the basis of the new guiding principles of social welfare and common good to which we have just referred.

—Gajendragadkar, J. in *Crown Aluminium Works v. Their Workmen*, [1958] S.C.R. 651, 659-660.