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THE
PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Saturday, 27th February, 1954.

The House met at Two of the Clock.

[MR. SPEAKER in the Chair.]

QUESTIONS AND ANSWERS

(See Part I)

3 P.M.

**BARSI LIGHT RAILWAY COMPANY
(TRANSFERRED LIABILITIES) BILL**
—(concl.)

Clause 3.—(Payment by Company to the Central Government).—contd.

Mr. Speaker: The House will now proceed with the further consideration of the Bill to impose upon the Barsi Light Railway Company, Limited, an obligation to make certain payments to the Central Government.

Yesterday, clause 3 was under discussion.

Shri T. B. Vittal Rao (Khammam): Yesterday, the Deputy-Speaker was in the Chair and an agreement between the Government of India and this Company was referred to, when he ruled that we might first see that agreement. I enquired in the Library for a copy of that agreement, and it is not available. This agreement is very important and we should go through it first. This Company is incorporated in England and there is no other source from which we can

get an idea of their profits and liabilities.

Mr. Speaker: Will the hon. Minister tell me whether the agreement has not yet been laid in the Library?

The Deputy Minister of Railways and Transport (Shri Alagesan): I shall make enquiries. In fact, it ought to have been placed yesterday. If the hon. Member says that it has not been placed, then I shall have it placed.

Shri T. B. Vittal Rao: Without the agreement, we cannot proceed further with the Bill, because the agreement is necessary to enable us to realise the financial and other aspects of the Company.

Mr. Speaker: I appreciate the desire of hon. Members to know the financial implications and the liabilities of the Company, but then this Bill has been undertaken on the basis of the agreement and to give effect to that agreement. There is no scope now for changing the terms of the agreement. The agreement is there. We must carry out, as I see the position of the Government, the provisions of the agreement, whatever they may be.

Shri K. K. Basu (Diamond Harbour): Compensation is dependent on that agreement.

Mr. Speaker: Yes, but the agreement is already there and it has got to be given effect to. There is no scope for a change of its terms.

Shri S. S. More (Sholapur): Some of us were yesterday pointing out that this is a foreign company which started

[Shri S. S. More]

with a very small capital and its present share capital is of the order of Rs. 1 crore. During the years of its existence, the original capital has been repaid five or six times over. In view of this, Mr. Gadgil pointed out that the company does not desire the compensation of Rs. 1,89,00,000.

There is another matter, viz., the relationship of the Company with its former employees. What are the implications of the agreement, and how will the agreement affect the relationship of these former employees with their new masters, namely, the Government of India? These are some of the points to be considered.

Mr. Speaker: I quite appreciate them, but then I do not understand how they can be relevant so far as this Bill is concerned. The Bill has nothing to do with the merits of the agreement. All that the Bill seeks to do is to give effect to the agreement and I do not know how the Government of India or this House can interfere with the constitution of the Company or the law under which it was incorporated. I believe it is the English law.

Shri Alagesan: Yes.

Mr. Speaker: So, if hon. Members want to criticise the agreement, it is entirely a different proposition.

Shri S. S. More: We do not propose to do that. We shall do that during the Budget discussion. But I want to bring to your notice my amendment. It reads thus:

In page 2, after line 18, add—

“(c) all amounts necessary to pay compensatory bonus to the employees of the Company equal in value to the total salary of each employee for a period of one year ending with the 31st December, 1953 or such amount as the Government of India may determine to meet the claims of the employees in this respect.”

Now, what does the Statement of Objects and Reasons say? It says:

“In order to secure continuity of service of such staff under Government, it was necessary that the Company should pay to Government suitable sums to represent the accrued liability of the Company in regard to gratuity, Special Contribution to the Provident Fund and leave salary etc. etc.”

My point is that the accrued liability may owe its origin to two different sources. There may be accrued liability on account of the terms of employment—the contractual liability. But there may be a liability under the principles of natural justice. Yesterday, I quoted a case from the *Labour Law Journal* in which in the Madras Tramways case, the Justice who presided over the tribunal, has laid down that the employees' claim to a share in the accumulated reserve of the Company is there and must be recognised as a matter of fact. This claim of the employees and the judicial backing it has got do not rest for their support on the contractual relationship between the employee and the employer. The Justice who presided over the tribunal had stated that when the employees served the Company, some portions of the reserves which have been accumulated owed their origin to surplus labour which the employees put in, and therefore the employees have today an inherent right to claim a share in the reserves which the Company has built up. So, my submission is that this accrued liability to which Government is pinning down the Company falls on three counts: gratuity, Special Contribution to the Provident Fund and leave salary. But over and above this, the accrued liability of the Company as a judicial employer based on principles of natural justice stands supreme. As a matter of fact, this Government ought to take into consideration that accrued liability and make some provision to enforce that liability. The employees made several

representations to the proper authorities in the Government of India that the matter be referred to judicial arbitration, but, for reasons which are not apparent to us, the Government refused to refer that matter to judicial adjudication. What is the position that we are reduced to?

Mr. Speaker: I do not think that we need enter into any long argument. The position is very clear. Whether the Government rightly did it or wrongly did it, it has done a certain thing under an agreement. It is perfectly competent for the hon. Members to criticise that agreement and even to condemn the Government for that, if they so like. But, the object of the Bill as given is only securing the continuity of service. These are the three things which the Government, in course of time, will be liable to pay. Therefore they are trying to secure their payment. The Government are not going to take any more liabilities on themselves—if I mistake not—in respect of what the hon. Member thinks to be equitable or other kind of things.

Shri Alagesan: The liability is very well defined here, Sir.

Mr. Speaker: I think all this is irrelevant.

Shri S. S. More: I am misunderstood, Sir.

Mr. Speaker: I have perfectly understood him; he repeated the same thing yesterday and he is repeating it today. I think the amendment is beyond the scope of the Bill.

Shri S. S. More: I am trying to convince you, Sir.

Mr. Speaker: I am convinced; no further arguments are necessary.

Shri S. S. More: May I know how the matter stands?

Mr. Speaker: The matter stands this way; the amendment is out of order. The amendment of Shri Vittal Rao is also out of order, because it is consequential to what the hon. Member is relying on. I am not concerned

here, so far as this Bill is concerned, with the agreement or the merits of the agreement. The Bill is restricted only to giving effect to that agreement and the Statement of Objects and Reasons makes it very clear. The principal object is, as I said—and I may repeat it—to secure the continuity of service. The object is not to settle the relationship of equities between capital and labour. That is not the object of the Bill at all and the position is made clear. The Company is a foreign company. The Government of India cannot reach them in England for their funds or assets, whatever that may be. It is thus necessary for them to pass some legislation whereby the Company will be compelled to pay the amounts of this accrued liability for the purpose of enabling the Government to secure the continuity of service. That is the object.

Shri Gadgil (Poona Central): May I say something? What has happened is this. When the employees' union demanded a share in the reserve fund, the Government of India declined, saying that they were not entitled to it. They have also declined to refer the matter to adjudication. As far as the Bill is concerned, you are taking a view which may be correct or which may not be correct—still your ruling is given. Then, the position is, the Government still say that they will not accept any adjudication, and the Company has ceased to exist, and therefore the employees will have no remedy either here in this world or in the other world. That is the position.

Shri S. S. More: Why in the other world?

Mr. Speaker: We are not going to concern ourselves with what the position is in the other world. So far as this world—meaning this House—is concerned, I am clear on that point that rightly or wrongly, as I said—and I am again repeating it—the Government have done certain things and entered into an agreement, which according to the hon. Member, they ought

[Mr. Speaker]

not to have. For that, the remedy is to take them to task and vote moneys to enable the Government to pay what they think to be reasonable compensation. But so far as the Bill and the scope of it is concerned, the matter stands entirely clear to my mind. The hon. Member may continue his speech on clause 3 if he has anything more to add.

Shri S. S. More: After your ruling, I have nothing further to say.

Shri T. B. Vittal Rao: This Bill relates to transferred liabilities.....

Mr. Speaker: The hon. Member will resume his seat as it is too late now to speak on clause 3. The question is:

"That clause 3 stand part of the Bill".

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4.—(Payments to employees out of money paid to Central Government.)

Shri T. B. Vittal Rao: There is one amendment on this clause, Sir.

Mr. Speaker: Yes, that seems to be the only amendment which is in order on this clause.

Shri T. B. Vittal Rao: I beg to move:

In page 2, line 22, for "re-employed" substitute "taken over".

It has been the practice on the Railways, whenever a railway is taken over by the Government of India, to see to the continuity of the services of the employees, but here the word used is "re-employed", which means that the staff are taken for employment as from 1st January 1954, even though on that particular date an employee might have put in 30 years of service, and so he will not be eligible for fixation of his seniority in the new integrated railway.

[MR. DEPUTY-SPEAKER in the Chair]

He will be treated for all purposes as though he is re-employed on the 1st January 1954. By virtue of the services he has put in for the Barsi Railway, which has exploited him sufficiently and made huge profits, he has a claim for seniority when that railway is integrated with the Central Railway. As I told the House yesterday, he has been put to several kinds of difficulties and he has not got a share in the reserve, as it is just now said, which is his legitimate due. For example, when the Kanpur Electric Supply Company was taken over, the reserves were made over to the Government, but here, the Government of India have a soft corner for the British capital and they are not even taking back that reserve. Whenever an employee demands a share in the reserve, the reply given is that they are building.....

Shri Alagesan: The point that the hon. Member is just raising has already been decided.

Mr. Deputy-Speaker: It is true that the employee has not been given all those things, but let this at least be given. The hon. Member need not elaborate that point.

Shri T. B. Vittal Rao: The very agreement has been entered into without taking the reserve. They say that whenever there is less traffic, they want to use this reserve. Our Railway Minister fully knows as he tells us the same thing in the Railway Budget.

Mr. Deputy-Speaker: That is not a point which is allowed by the amendment. So far as this amendment is concerned, the hon. Member need not refer to the reserve. We have lost that, but let there at least be continuity and not re-employment.

Shri Alagesan: I think the hon. Member has painted a wrong picture when he said that the staff stand to lose so many things, because the object of the Bill is to safeguard the

benefits, like provident fund, leave salary, etc. that have accrued.

The only point is the question of seniority. This is not the first time that Government are taking over a light railway of this type. They have taken over some railways before. In those cases also the same thing has happened and we are now having the same arrangement. There is nothing new that is being done. Only vis-a-vis the employees of other portions of the Railway will their seniority suffer. But as among them their seniority will not be affected. All their old monetary benefits would be left untouched and they will get all of them.

Shri T. B. Vittal Rao: That means their seniority will not be taken into consideration. Supposing a man has put in thirty years of service. He should have that seniority counted in the whole of the Central Railways with which this light railway is now being integrated.

Mr. Deputy-Speaker: What the Minister says is that in so far as the railway administration that is being taken over is concerned his seniority will count, but in relation to the other portions of the railway to which it is integrated, this seniority will not count. The question is:

In page 2, line 22, for "re-employed" substitute "taken over".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 4 stand part of the Bill"

The motion was adopted.

Clause 4 was added to the Bill.

Mr. Deputy-Speaker: The amendment proposing a new clause 4A, as I have already said, is out of order.

Clause 5 was added to the Bill.

Clause 1 was added to the Bill.

Mr. Deputy-Speaker: Now I will put the Title and the Enacting Formula.

The Title

Shri S. S. More: But before you put them to the House you will have to rule my amendment out of order.

Mr. Deputy-Speaker: In view of what I have said the hon. Member may not move it.

Shri S. S. More: No, Sir, I would like to move it.

Mr. Deputy-Speaker: Then I rule it out of order. The question is.

"That the Title stand part of the Bill."

The motion was adopted.

The Title was added to the Bill.

The Enacting Formula was added to the Bill.

Shri Alagesan: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

CONTROL OF SHIPPING (AMENDMENT) BILL

Mr. Deputy-Speaker: The House will now take up the Control of Shipping (Amendment) Bill.

Shri S. S. More (Sholapur): Before you call upon the Deputy Minister for Railways I would like to bring to your notice that some changes have been made in the Order Paper circulated to us today. We have on former occasions complained about such sudden changes being made without any advance information.

In the Order Paper that was circulated to us earlier, next to the Barsi Light Railway Company Bill, came