

LOK SABHA DEBATES Dated 10-12-2014

(Part II—Proceedings other than Questions and Answers)

10777

10778

LOK SABHA

Monday, 22nd August, 1955

The Lok Sabha met at Eleven of
the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

12-01 P.M.

PAPERS LAID ON THE TABLE

NOTIFICATIONS UNDER SEA CUSTOMS
ACT

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): On behalf of Shri A. C. Guha, I beg to lay on the Table a copy each of the Ministry of Finance Customs Notifications Nos. 94 and 95, dated the 4th June, 1955, under sub-section (4) of section 43B of the Sea Customs Act, 1878, as inserted by the Sea Customs (Amendment) Act, 1953. [Placed in Library. See No. S-261/55].

AMENDMENTS TO RESERVE AND AUXILIARY AIR FORCES ACT RULES

The Deputy Minister of Defence (Sardar Majithia): I beg to lay on the Table, under sub-section (4) of section 34 of the Reserve and Auxiliary Air Forces Act, 1952, a copy of the Ministry of Defence Notification No. S.R.O. 224, dated the 11th June, 1955, making certain amendments to the Reserve and Auxiliary Air Forces Act Rules, 1953. [Placed in Library. See No. S-262/55].

REPORT OF BANK AWARD COMMISSION

Mr. Speaker: Before I call upon the hon. Minister of Labour to lay on the Table a copy of the Report of the Bank Award Commission, I want to enquire about one thing. I saw in the Press a summary of this Report and I was just wondering how it could go to the Press before it was laid on the Table of the House.

The Minister of Labour (Shri Khandubhai Desai): I also saw it and somebody must have done this. I will get the whole question enquired into.

Shri Kamath (Hoshangabad): I suggest that it is a breach of privilege of the House too.

Mr. Speaker: That we shall consider later on. I may only point out that whenever a report is to be presented to Parliament, Government have to be very particular to see that a summary of it or information therefrom is not published in the Press before the report is presented in the Parliament. What has happened now is a very irregular practice and I do not know who is responsible for it. The Minister has promised to enquire and let us await the results of his enquiry.

Shri Khandubhai Desai: I beg to lay on the Table a copy of the Report of the Bank Award Commission. [Placed in Library. See No. S-263/55].

STATEMENT RE. RECOMMENDATIONS OF BANK AWARD COMMISSION

The Minister of Labour (Shri Khandubhai Desai): Hon. Members of

[Shri Khandubhai Desai]

this House will recollect that in August last year, Government issued a statutory order modifying the decision of the Labour Appellate Tribunal on the appeals filed against the award of the All-India Industrial Tribunal (Bank Disputes), Bombay, (popularly known as the Sastry Award) on the disputes between banking companies and their workmen. The Prime Minister and the Finance Minister in their speeches in this House explained why Government had felt constrained to modify the award of the Tribunal. The modifications were effected, as it appeared to Government, in the light of the information then available, that the development of banking in rural areas might be prejudiced and that the burden of the award might prove unbearable in the case of several banking companies

As it was considered desirable to have the matter further investigated so as to enable Government to assess more fully the probable effects of the modified decision on the individual units of the banking sector to which it applied, Government decided in September 1954 to institute a fact-finding enquiry and to entrust it to the late Shri Justice G. S. Rajadhyaksha of the Bombay High Court, who was succeeded by Shri Justice P. B. Gajendragadkar. The main issue before the Commission was to recommend, having regard to the facts ascertained by it and to the need for ensuring an equitable treatment to bank employees consistent with the capacity to pay of the various classes of banking companies or individual units,

- (a) whether the Appellate Tribunal's decision, as modified, should be continued,
- (b) whether the Appellate Tribunal decision should be restored and if so, whether fully or in part,
- (c) whether the Appellate Tribunal decision should be enforced with any other modifications considered necessary.

The Gajendragadkar Commission has since made a detailed and exhaustive enquiry and submitted its report to Government, a copy of which has been placed on the Table of the House by me just now.

The Commission's recommendations on the substantive terms of the award are embodied in chapter XI of its Report. The main recommendations are as follows:

- (i) Subject to certain modifications, the Appellate Tribunal's decision should be restored in the case of all class A banks (Indian and foreign), all class B banks (except the Bank of Bikaner and the United Bank of India) and certain class C banks. This recommendation is to have retrospective effect from the 1st April 1954.
- (ii) The provision for the creation of an additional area (area IV) as per Government's modified decision, together with the wage structure and dearness allowance prescribed for this new area, should be confirmed.
- (iii) The total exemption from the application of the award to areas with 30,000 or less population in Part B and Part C States (other than Delhi, Ajmer and Coorg) allowed in the Government's modified decision, has been altered and the exemption will be limited to such areas in Travancore-Cochin only and for a period of two years.
- (iv) The scales of dearness allowance prescribed by the Appellate Tribunal for the clerical and subordinate staff should be restored for areas I, II and III in respect of all class A banks, class B banks (except United Bank of India and Bank of Bikaner) and certain class C banks.

In respect of the branches of the above banks in area IV, the rates according to Government's modified decision will continue to apply.

- (v) In regard to class C and class D banks [other than those mentioned in sub-paragraph (iv) above and a few which have entered into agreements with their employees, displaced banks and banks incorporated in Travancore-Cochin (except the Travancore Bank,) the rates prescribed by Government will continue.
- (vi) In the case of class D banks, excluding those in Travancore-Cochin State and displaced banks, the provision that from the 1st April 1959, they should automatically step into class C should be set aside. The position of these banks at the end of March 1959 should be examined afresh for determining whether they should be promoted to C class.
- (vii) Banks incorporated in the Travancore-Cochin State (excluding the Travancore Bank) should implement the Government's modified decision subject to certain modifications.

In view of the special problems of banking in the Travancore-Cochin State, a Commission may be appointed to review the entire banking situation in that State. If no Commission is appointed, the position of class D banks in the State should be reviewed as at the end of March 1959 along with other class D banks.

(viii) The United Bank of India which has been exempted under the Government's modification order, should implement the Sastry Award as a class B bank with effect from 1st August 1955, subject to certain conditions. Its financial position should be reviewed by a tribunal not later than three years.

(ix) Agreements entered into between the Bank managements and the employees in the case of seven banks should be ratified by Government and enforced.

Government have decided to accept in full recommendations of the Commission on the substantive terms of the award. Necessary legislation for the purpose of implementing those recommendations will be introduced shortly. The Commission has made certain recommendations relative to the cost structure of the banking system such as a possible upward adjustment in the rates charged on loans and advances, concerted action by banks to enforce floor rates on some categories of advances as well as ceilings on deposit rates, control over emoluments of higher executives etc. These are separately under the examination of Government and appropriate action will be taken in respect of them.

The Report is being released for publication. Government are grateful to Justice Gajendragadkar for the exhaustive, painstaking and expeditious enquiry conducted by him. They particularly appreciate his successful efforts in bringing the parties closer together and trust that this spirit of accommodation and co-operation will govern the relations of the employers and employees in the banking industry in the future. That way lies their well-being and the prosperity of the country.

MOTION RE. REPORT OF PRESS
COMMISSION—Concl'd.

Mr. Speaker: The House will now resume further discussion on the Report of the Press Commission. Out of 12 hours allotted for the discussion on the motion, about eight hours have already been taken up till the 20th August 1955 and about four hours more now remain.

Today being the last day of the discussion on the motion may I know how long is the Minister likely to take?