

THE  
PARLIAMENTARY DEBATES

Date.....01.12.2014

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

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HOUSE OF THE PEOPLE

Friday, 26th February, 1954

The House met at Two of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

3 P.M.

MOTION FOR ADJOURNMENT

AIR CRASH IN DELHI

Mr. Speaker: I have received notice of an adjournment motion which is obviously untenable, and I cannot give my consent. Yet, I would invite the attention of the House to the contents or it—"to discuss a matter of urgent public importance, to wit, the recent air crash that occurred at 11 A.M. on the 25th February 1954 near Jamuna bridge."

We will now proceed with the further business.

STATEMENT RE PLANNING COMMITTEE FOR ADMINISTRATIVE STAFF COLLEGE

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): Sir, while replying to a supplementary question put by Dr. Amin regarding the Planning Committee for the Administrative Staff College, it was stated that the Committee submitted its report in 1950. The Committee which submitted the Report was the Joint Committee of the Board of Technical Studies of the All India Council for Technical Edu-

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cation and that Joint Committee recommended the establishment of an Administrative Staff College. Pursuant to that recommendation, a Planning Committee for the Administrative Staff College was set up in June, 1953. This Committee has not yet submitted its report.

BARSI LIGHT RAILWAY COMPANY (TRANSFERRED LIABILITIES) BILL

The Deputy Minister of Railways and Transport (Shri Alagesan): I beg to move:

"That the Bill to impose upon the Barsi Light Railway Company, Limited, an obligation to make certain payments to the Central Government, be taken into consideration."

Sir, as the House is aware, the Barsi Light Railway Company was the last of the Sterling Companies operating in India and Government decided in December 1952 to exercise the option under the contract to purchase the Railway by giving a year's notice. Accordingly, after the expiration of the notice period the Railway was taken over on the 1st January, 1954 and is now a part of the Central Railway System.

Government were anxious that in effecting this transfer the service rights of the staff should be protected in respect of reasonable payments due from the Company. Ordinarily, the staff of the Company would have been treated as new recruits to Government service from the date the Barsi Light Railway was taken over by Government. This would have adversely affected them. To remove the

[Shri Alagesan]

hardship and to secure continuity of service to the staff it was necessary that the Company should be required to pay to Government certain sums designed to discharge the Company's accrued liability in the matter of gratuity or what is technically known as the Special Contribution to Provident Fund, and the leave salary of the staff in so far as these two liabilities related to the service under the Company. It was important that the Company accepted their liability in this respect and agreed to have the amounts deducted from the purchase price. There was, however, some legal difficulty. The Company expressed its willingness in November 1953 to accept the liability but pleaded that it was legally incompetent to do so under the English Law applying to the Company which was incorporated in the United Kingdom. According to that Law, the Company was incompetent to make any gratuitous payments from out of the purchase price.

Indian legislation was, therefore, necessary to make it obligatory on the part of the Company to pay out of its assets sums accepted as sufficient to meet the gratuity and leave salary of the staff of the Company who were taken over by Government. Negotiations with the Company and other authorities were finalised during the course of December 1953. As legislative action had to be taken before the end of December 1953, an Ordinance was promulgated on the 31st December, 1953. It is essential that the currency of the Legislation should be extended until the Company's accounts are finally settled and this is the object of this Bill.

[MR. DEPUTY-SPEAKER *in the Chair*]

Mr. Deputy-Speaker: Motion moved:

"That the Bill to impose upon the Barsi Light Railway Company, Limited, an obligation to make certain payments to the Central Government, be taken into consideration."

Shri S. S. More (Sholapur): Sir, I believe this is not a full-hearted measure; this is only a half-hearted measure. In order to give the background of the Barsi Light Railway Company, I think it desirable to go into the history of this particular Company. This Company, the Barsi Light Railway Company, was incorporated in England on the 11th July, 1895 and had entered into an agreement with the Secretary of State on 1st August, 1895. If we go through the original terms of the agreement and the subsequent working of that agreement, we will find that especially favourite treatment was given to this Company. The total line that this Company has been able to develop is to the tune of about 202 miles. The total capital that this Company has up till now invested in this particular venture is to the tune of two crores and odd lakhs of rupees. (*Interruptions.*) Let me develop my point according to my data. The hon. Member will have his opportunity. My submission is that during this period of about fifty years, this Company had exploited particularly the masses from Maharashtra. You know within this jurisdiction—the jurisdiction of this Company—lies the holy place, Pandharpur, and four times a year pilgrimages are held there and lakhs of persons from different parts of the country, even from very distant places, go to Pandharpur. If we read the history of this Company, we find that the human beings are treated not like human beings, they are treated more like sardines. Trucks, wagons and all sorts of such vehicles were used for the purpose of conveying all these pilgrims.

To cut the matter short, this Company by exploiting illiterate pilgrims who went to Pandharpur, about whose hygienic conditions, no notice was taken by the Company, has amassed a huge reserve fund to the tune of Rs. 90 lakhs. According to the original agreement, the Government of India could have taken it over in 1944 but the period was extended and now this particular Government has ac-

completed it. The main question that arises in this case is: what happens to the reserve fund? What happens to the obligations on the part of the Company to pay certain compensation to their employees? I will give you certain figures. This Company was administered by British directors and British managers. I will give you certain astounding figures. Twenty-four persons who belonged to the management or the directorate drew huge sums amounting to Rs. 2,15,000. This is the annual pay-roll for these officers, for 24 persons while for 1850 persons of the subordinate ranks—their total annual pay-roll went to the tune of Rs. 1,19,000. That shows the great rigour of exploitation practised by those foreign directors. By exploiting the workers, by exploiting the pilgrims and by exploiting even the Government of India, they have accumulated a reserve fund to the tune of Rs. 92 lakhs. This Government has consented to pay them a compensation of Rs. 1,72,000...

**Shri Gadgil (Poona Central):** No, no; it is much more.

**Shri S. S. More:** I meant one crore and odd lakhs of rupees. It has accumulated a reserve fund of Rs. 92 lakhs and this Government has agreed to pay a purchase price to the tune of Rs. 1,90,00,000. Now, taking all these figures together what will the Company get? As a matter of fact, this particular bargain which it has struck with the Government of India is a very favourable bargain for the Company itself. What is going to happen to the 18,000 odd workers who have been slaving like anything for furthering the financial cause of this Company? That is the point.

The employees have organised themselves into a union. They started agitation for fair play; they started agitation for getting a fair deal from the Company. But, the Company which was supported by the white bureaucrats of the Government of India never paid any heed to the demands. In 1947, somehow, seeing the

change of the Government in this country, the Company agreed to pay to the employees some scales of pay according to the Pay Commission. But that does not end all the demands. When the talk about taking over the control of this Railway Company by the Government of India was started, the Company's employees submitted petitions to the Government, they submitted petitions to the Prime Minister, and they made submissions to the Company itself saying that the reserve fund that the Company had accumulated and even the purchase price that the Company would be acquiring were due to the strenuous and selfless efforts of the employees and therefore they had every right to a share in the reserve fund and other accumulations which the Company had with it. But I am extremely sorry to say that in spite of the numerous mass petitions by the employees, the Government of India never paid any heed to their demands.

On the 24th October, out of despair at the inaction on the part of the Government, the employees served a notice of strike on the Company. And under section 22 of the Industrial Disputes Act it was the foremost duty of the Government to refer the dispute to the proper tribunal under the scheme devised by the particular enactment. But nothing was done. I fail to understand why Government did not move even their little finger. I submitted a letter to the Minister in charge of Labour. Not only that. Some of the M. Ps. coming from Maharashtra, irrespective of their party alignments, submitted a memorandum to the Minister concerned to refer this particular matter to the Industrial Tribunal. But nothing was done.

Now what is the result? The company has ceased to be an 'employer'. Possibly, legal difficulties may arise. The Government of India will not find it feasible at this juncture, after this Company has gone out of this country, to refer this dispute to any Industrial Tribunal, and the employees are left without any remedy.

[Shri S. S. More]

I do not want to take much of the time of the House regarding this matter, but it has been admitted by labour tribunals that when a company goes out of business, if certain reserves are left, the employees have every right to share as partners in the reserves accumulated by the company going out of business. I would in this connection refer you to page 195 of the Labour Law Journal (August, 1953) where the decision regarding the dispute between the Madras Tramway Company and its workers has been quoted. And I will read only one short extract from it. Issue No. 15 was whether the workers have a right to a share in the accumulations of the company:

"We then come to the claims of the union and association for a share in the company's reserve fund in the event of the company's closure being final and permanent. The management contend that there is really no reserve fund left in cash for the workers' participation. The union and association dispute this and urge that the workers' rights may be determined in this respect, leaving them to enforce those rights if and when they are able to get at the cash reserve funds. The management take no objection to this request. I find the workers' claim to participation in the cash reserves available with the company when it is wound up to be justifiable because the reserves have been created out of the profits realised from time to time and it is but legitimate that the workers should be allowed to participate in them as the profits which they comprise must have been earned with their efforts as much as with the aid of the shareholders' capital and the ability of the management."

Then, Sir, I do not want to read the other portion. They decreed that fifty per cent. of the reserves ought to be distributed to the employees, following the decision given in the matter of Kanpur Electric Supply Corporation Ltd. *versus* their employees, as re-

ported in the 1951 issue of the Indian Law Journal. My submission is what is going to happen to the Reserve Fund? Government by this particular Bill are trying to enforce on the part of the Company to pay certain contributions to the Government of India by way of gratuity and other claims. But my further submission is that this Government must also insist on the Company unloading some of their reserves, paying some portion of their reserves to this Government, which Government will distribute to the employees concerned. That is the point which I emphasise on the basis of this particular judicial decision that I have quoted to this House. Unfortunately there is no demand made by this Government on the Company to this effect, and therefore I have given notice of an amendment making a further claim that this company should also be called upon to pay some portion of their Reserve Fund by way of compensatory bonus to their employees. I may bring to your notice that this Company is entirely a foreign company dominated by foreign capitalists and to the capital of which foreign rich people contributed. The total contribution to the capital is to the tune of Rs. 1 crore. But, if you look into the past history, you will find that the shareholders have been given by way of dividends many times larger amounts than the original share contribution made by them. Why should we allow this Company to take away the profits which have been acquired at the cost of the poor Indians here, both as pilgrims and as servants? I cannot understand why this particular Government should try to protect its interests as against the interests of the Indian people who have a vested right to a portion of this Company's huge accumulations. Unfortunately, the demands of the employees have remained unredressed. Their submissions to the Ministers concerned, their submission to the Prime Minister, have not been responded to, with the result that all these eighteen hundred and odd employees will be found without any

legal remedy against this particular Company. I think, Sir, Government is in duty bound to make amends to the employees who have been taken over. On what terms they have been taken over will be a matter for discussion. I do not want to go into that. But as far as the claim of the employees against the Company is concerned, it is the Government which must take cognizance of that claim and try to protect the claims of the Indian employees—leave aside the pilgrims—and do something to get a large share of the reserves accumulated by this Company.

**Shri Frank Anthony** (Nominated—Anglo-Indians): Sir, I have given notice of an amendment which reads:

“The permanent staff of the former Railway Company shall be employed under the Central Government on terms at least not less advantageous than in the service of the Company: the word ‘terms’ shall include emoluments, rank, status and prospects of the employees concerned.”

After hearing **Shri S. S. More** ....

**Mr. Deputy-Speaker:** I think this last portion of the amendment is out of order. Anyhow when that comes up, I shall deal with it. This portion is not in keeping with the scope of the Bill. This Bill is confined to the transfer of the liabilities of the Barsi Light Railway Company. Whatever amount has to be recovered from them, they are reimbursing. Other terms and conditions are not here. That is beyond the scope of the Bill.

**Shri Frank Anthony:** My main purpose in moving this amendment was this. After hearing **Shri S. S. More**, I feel that it does not meet the needs of the people in respect of whom I was trying to make out a case.

**Mr. Deputy-Speaker:** I agree. That is a point which the hon. Member may urge upon the Government, that the terms and conditions of their service ought not to be less advantageous. But the scope of the Bill is quite limited. It is to recover all the gratuities

and other sums which the old Company was bound to give to the services. Instead of the Company paying them directly to the employees, because they are no longer in charge of the administration and the employees are not in the service of the Company, Government comes in as an intermediary. Government recovers the amount and pays it to the employees. That is all. As there is no intention here to go beyond any gratuities that have already accumulated, it is only a collecting agency and paying agency. Other terms and conditions on which the officers must be appointed, etc. are beyond the scope of this Bill. At the time of the Railway Budget, the hon. Member may impress upon the Government to do many other things which are necessary. With respect to some of the amendments of **Shri S. S. More** also, I will say that I do not find them in order, unless satisfactory reasons are shown.

**Shri Frank Anthony:** Apart from my amendment, may I be permitted to make a few observations? Although I bow to your decision with regard to the amendment, I respectfully submit that the taking over of the particular Railway does impose a corresponding obligation on the Government at least to continue the staff that they are taking over on terms which were not less advantageous so far as their former service was concerned.

**Mr. Deputy-Speaker:** I agree that it is a very laudable suggestion. That is a suggestion which could be made or ought to be accepted or considered by the Government. But, that is beyond the scope of this Bill. The Bill only refers to the collection from the previous Company and payment to these officers. There is nothing more in contemplation.

**Shri Frank Anthony:** In respect of payments ...

**Mr. Deputy-Speaker:** Payments which are already due.

**Shri Frank Anthony:** Even in respect of that, my fear is this. In taking over this Railway, Government may,

[Shri Frank Anthony]

in its own insidious way, in the same way in which they have done with regard to the employees of other States and other companies, adversely alter the terms and conditions of service. I wanted some assurances from the hon. Deputy Minister that the status and the anticipation of prospects which these people may reasonably expect will be continued under Government management. I respectfully submit that it does arise.

**Mr. Deputy-Speaker:** They are continued. The hon. Member will kindly refer to clause 3 of the Bill. Sub-clause (b) says:

"all amounts payable by way of leave salary for such periods of leave as, if the Company had continued to exist after the 31st day of December 1953, it would have sanctioned under the normal operation of its rules to its employees then in service if they had been permitted to proceed on leave on the 1st day of January, 1954 with permission to retire on the expiry of that leave."

That is, the same terms and conditions so far as that particular matter is concerned, are continued. Sub-clause (a) says:

"all amounts payable, as gratuities or as special contributions to provident funds, as the case may be, which if the Company had continued to exist after the 31st day of December, 1953, it would have paid on or after that day under the normal operation of its rules to its employees then in service if their services had been terminated on that day by the abolition of their appointments;..."

These amounts the Company shall pay to the Central Government. This is an obligation of the Company to honour its terms and conditions in pursuance of the agreement entered into with these employees before 31st

December, 1953. Clause 4 also which refers to payment of employees says the same thing. Therefore, the scope of this Bill is limited to the extent it goes. There is no departure from the terms and conditions of the employees. This Bill is honouring those terms and conditions. The hon. Member may have apprehensions that all these people may not be taken, or that they may not be taken on those terms and conditions. They are legitimate points for consideration of the Government. But, I am sorry the terms and conditions, not relating to the provisions contained, are certainly beyond the scope of this Bill.

**Shri Frank Anthony:** I do not wish to go outside the scope of the Bill. I only wanted to make two observations, which, I believe, are very much in point, with reference to the provisions of this Bill. I merely wanted a certain assurance and certain clarifications from the hon. Deputy Minister. Well, as you have rightly pointed out, apparently Government intends to honour, so far as the staff are concerned, all the privileges and the rights which they were enjoying previously under the Company's service. But I want certain clarifications in that respect. I want to know from the Deputy Minister how precisely they intend to honour these. For instance, I would like to know the extent of this guarantee; what kinds or categories of staff this company had and how Government propose to absorb them into their administration.

I will illustrate my fear. For instance, particularly with regard to the upper reaches of categories of staff on Railways like Jaipur and Saurashtra, in spite of categorical guarantees, specific covenants entered into with those Railways that they would continue to employ them on terms not less advantageous than those they were enjoying originally, the Government has been guilty of violating these guarantees and these covenants. And so, in spite of all the guarantees given in this Bill, my own fear is that the

Government will, in actual fact, violate the implications of this particular Bill. For instance—I do not know, that is why I want some clarification from the Deputy Minister—did they have Class I category of servants? If they did, then how do Government propose to absorb them into its own administration?

I will illustrate what the Government has done in certain other Railways—on the Jaipur Railway for instance. I can appreciate this difficulty that when certain foreign units have to be integrated it is not possible to absorb people *in toto* from the point of view of designation, but it should be possible to integrate them from the point of view of their emoluments, of their prospects. What has happened, for instance, in the Jaipur and Saurashtra Railways I am hoping will not happen here. People who were recruited directly as Class I Officers, who were well-qualified for that post on any Government Railway, have now been absorbed. The guarantees given to them have been violated. People who started life as Class I Officers have now been demoted and degraded to Class II posts. I want to know whether this is going to happen with regard to the Barsi Light Railway.

I would like to have one other assurance—whether Class IV and Class III staff will be equated to the conditions of service which have been extended to other sort of independent units like the Nizam State Railway and other Railways where people who are classified as Class IV were, after integration with the Indian Railways, equated in terms and conditions of service to the Class IV staff?

**Shri Gadgil:** I am glad that after half a century this private enterprise with a virtual monopoly in transport has been taken over by the Government and the bad days the travellers had to experience have come to an end. I have never seen a private enterprise where nepotism was practised on a higher scale as was shown by my friend Mr. More, where there was such indifference to the

employees and absolute callousness so far as the passengers were concerned. I am one of those millions of passengers who have travelled from Kurduwadi to Pandharpur and I wonder whether I was a human being or I was a mere commodity or cattle to be put into freight wagons. And the charges that were levied were considerably more than what were levied by the other Railways run and managed by the Government. Only four years ago the passenger rate was increased by 12½ per cent. and the freight rate, I understand, was raised by nearly 10 per cent. while there was no increase anywhere in India. This was allowed I do not know for what reason, because there were no corresponding facilities so far as the travelling public was concerned.

Here is a Company which has been now taken over and the Government of India has been so generous. If this is to be the attitude of Government in acquiring other private enterprises in the future, I shudder to think what will happen. Here is a company with a capital of Rs. 1 crore. In the course of the last fifty years, this capital has been paid back six times over. There is still some undivided profit to the tune of Rs. 150 lakhs. I do not know whether my esteemed friend the hon. Deputy Minister of Railways and Transport has ever travelled from Kurduwadi to Pandharpur on this railway, or has ever seen the dilapidated condition of stations and the benches there; some of these benches, instead of standing on four legs, stand either on three or on two legs. The waiting room arrangements for the passengers are worse than what one could expect to have in a jail even under this Government. All these assets have been valued at Rs. 172 lakhs. I should like to be enlightened on the principles of valuation adopted. I feel that if they had been sold in public auction, they would not fetch even one-tenth of the amount at which they have been valued.

**Shri S. S. More:** And the land was given free according to the original terms of the Act.

**Shri Gadgil:** I was just coming to that point. The land on which the railway track stands was taken from the peasants freely, and over and above what was necessary—this you can see even now, if you care to visit that area.

I do not know the relative strengths of the Indian and non-Indian shareholders, for the present. But for the substantial part of the last fifty years, every benefit was annexed by the foreigners. Now that you have acquired it, why should you be so generous in your valuation? Why not value it according to known principles, knowing fully well that it was a monopoly functioning as a monopoly and that Government had given certain concessions to it? If there had been free competition, this Company would have gone to dogs long before.

As for the amendment that was sought to be moved by my hon. friend **Shri Frank Anthony**, you have given the ruling that it is out of order, and I entirely agree with you. But there are two questions on which I would crave a little indulgence on your behalf, because they concern about 1900 people and their future, prospects. Their fathers and grandfathers have served this Company, and naturally when the present generation entered service in this concern, they had certain expectations, and they should have thought that the course of events that had gone on before would continue. It is a well-known principle of the law of acquisition that as far as possible, established expectations, apart from established rights, ought to be taken into consideration in arriving at the amount of compensation to be paid. What has been done by this Government is good to some extent. It is half-hearted, as my hon. friend **Shri S. S. More** put it, but I want to add one-fourth more to it, and say it is three-fourths-hearted. I want Government to give a fair deal to those who are to be absorbed.

In this connection, reference was made by my esteemed friend here to the story of absorption, so far as the

railways of the former Indian States were concerned. I have still complaints in this regard, and many of them have been forwarded by me to the hon. Minister of Railways. Though nearly six years are over—in some cases, five years are over—nothing has been finalised, so far as their absorption is concerned. Two gentlemen with the same qualification—one entering the Baroda State Service, and the other entering the service of the B. B. & C. I. Railway, having expectations that in due course they will rise to higher posts—suddenly find that because of this political event, they are not able to realise their expectations. No doubt, we all welcome this event, but at the same time, it is our duty to see that the persons, in whose life a sudden change has come, should get reconciled to it by some sort of compensation or some sort of concession in the matter of re-absorption in the bigger services.

Now, so far as the employees of this Railway are concerned, their position before 1946 was absolutely miserable. If you are going to compare what they were getting before and what they were getting afterwards, and if you take into consideration the amount of reserves,—nearly Rs. 72 lakhs—and the amount of undivided profits still there, then you will have to take this circumstance into consideration, namely, that before 1946, relatively, their position in the matter of pay and working conditions and other amenities was considerably less acceptable and positively miserable.

In 1947, in the presence of the Central Government authorities, there was a joint conference between the representatives of the employees of this Company and the directors, or representatives of the directors, with the result that a certain agreement was arrived at. If that was settled then, where is the justification now for degrading certain things, offering other things and considering them as if they are new entrants to be re-employed on the 1st January, 1954?



There is still, I think, an opportunity for the Government to reconsider the whole matter, because they are going to have a set of rules to govern all these matters. I do beseech the Government that it is necessary in the interests of efficiency that those who are employed, and employed not only recently but the fathers of those employees—there is a sort of paternal pride in the service—their feelings should be taken into consideration, and they should feel quite satisfied and not disgusted or disgruntled with the change-over.

The second point which has been referred to by my friend, Mr. More, in whose constituency this particular line lies, is a very important point. The point is that when the asset ceases, when the affairs of the Company have ended, what is the legal right, so far as the distribution of the reserves and other schemes are concerned; and whether the employees are or are not entitled to anything? Mr. More has already quoted the case of the Madras Tramway Company. The same principles were accepted in the case of the Kanpur Electric Supply Co., when it was taken over by the Uttar Pradesh Government. Now, it is so obvious that the profits, whatever they are, are the results of the work put in by the employees from time to time. It may be that a part is due undoubtedly to the capital invested, but no modern economist, no modern politician, can afford to say that after the payment of wages, whatever they are, the employees have nothing to do with that. That is a brazen-faced theory and not accepted by any modern Government. Labour is a factor of production. In fact I would say that whatever surplus value remains after debiting all the expenditure, is due entirely to the labour put in by the labourers. If we cannot claim the whole amount on their behalf, there is perfect justification to say that they are entitled to a considerable part of it. The theory that it is because of the initiative shown by the employers or the entrepreneurs or this, that and the other that is responsible, mainly or fully,

for the building up of profit, or, for the matter of that, the building up of the concern, is not correct and is not acceptable.

Now, Sir, what is the position? The same issue was raised, as I said, in the Kanpur Electricity case. The issue was whether out of the reserve fund accumulated by the concern, were any of its employees entitled to any credit by way of profit, and if so, to what extent and under what terms and conditions? I do not want to read the whole judgment, but the fact to be taken into consideration is that this tribunal held that the employees were entitled to 50 per cent. of the reserve as a sort of parting bonus. In this Company also for many years bonus was distributed; for sometime it was not distributed, and the argument, it seems, that was advanced by the Government to the officials of the employees' union of this particular company was that in that particular year, or in those particular years, no profits were earned. Maybe the profits may not have been earned, which is a matter which can be verified by the Government later on. But assuming that for years there was profit, for sometime there was no profit, and then again there was profit, the point now to be considered is this: when this asset has become defunct and it is not to be continued under the same management but taken over, what is the legal position of each party, namely, the employees on the one hand and the Company directors or the shareholders on the other? I respectfully submit, Sir, whether you distribute the bonus now or then, the theory behind bonus is that it is a deferred wage. It is only deferred wage, not given today, because the ways and means position does not justify it. But there is a perfect, legally established and accepted theory that bonus is deferred payment of wages. Therefore, if it was not paid in any particular year or years, that does not detract from the validity of the argument advanced that it is money in which the labourers are equally interested and entitled to a share along

[Shri Gadgil]

with the management of the shareholders. Now, the point is what kind of reserve? There are a number of reserves and I do not say in a general way that every reserve should be a matter in which the labourers as such should have some hand or participation. Take, for example, as was suggested in the case I have referred to, reserve for redemption of debentures. Now, after the debenture amount is paid, if the reserve remains, is it not the result of the work done by the labourers, or is there any other economic element which has come into existence and given this reserve apart from the working of the particular plant? That cannot be so. Therefore, in that reserve the labourers or the employees are entitled to have a share, and that was the finding of the tribunal.

Then there is share premium and profit on sale of investment. In some concerns, not only do they finance what they produce or manufacture but they also invest the reserve fund and whatever sum they can in certain other concerns, and earn profit. Now, there is also a sort of reserve which is known as share premium and profit on the sale of investment. Who are entitled to it? The labourers have as much right as the management because the investments were out of the money which is the result of the work in which the labourers have participated. Apart from this, there is no explanation which can be considered as valid.

Then there is the depreciation and renewal reserve. To the extent that renewals were effected, to the extent repairs were effected, certainly it is a matter on which there can be absolutely no difference of opinion. I even go a step further; while the Government have taken over the asset and given them Rs. 1,80 lakhs. I want to know how it was valued. Was it valued as at present? Then there is no necessity for considering the depreciation and the reserve account at all. If it was taken into consideration, we

want to know at what rate, and what was the justification for that also. Therefore, even as a matter of ...

**Acharya Kripalani** (Bhagalpur Purnea): It was valued as Government values things.

**Shri Nambiar** (Mayuram): That is at a low rate.

**Shri Gadgil**: Not here; the reply will be given there.

So the point is that even in this, the labourers are entitled. Then there is the taxation reserve. Now, the asset has become defunct. So far the Company is concerned, it will not be taxed any more. I do not know whether it can be taxed by way of estate duty. I do not think it will be. But the point is that even in this taxation reserve, they have a right, and also in the general reserve. Now, Sir, in the light of the decision which was given in the Madras Tramway case and in the light of the observations and findings in the Kanpur Electricity Company case, there is perfect justification for holding that the reserve which is Rs. 72 lakhs and also other amounts which are still undistributed, can also be considered as undivided profits in which the labourers have a right, it cannot be denied because the Government of India chooses to say that it has no right. I cannot follow this at all. Here is a genuine trade dispute, an industrial dispute so to say, between the employees on the one hand, and the Company, on the other. Does it mean that because it is taken over by the Government, therefore, the character of the thing has been changed altogether? I cannot accept that proposition. The fact remains that here are the employees who are anxious to claim—and they have actually claimed and have submitted their applications to the Government of India—that this particular issue should be referred to adjudication. I think justice, fairplay and equity require that this Government should accept that request and refer the whole

matter—at any rate this particular issue—to an adjudicator, and, I can assure you, the employees will accept the decision. Whatever view the Government may have in all these matters—after all this, Government is not going to pay anything at all—we are asking you to be fair and generous at the cost of the Company which is going out of existence. Why are you denying that? There is a saying in Marathi—there is no harm in putting a *tulsipatra* in a *halwai's* shop. So, we are not asking any money either from the Railway Minister or the Deputy Minister or the Railway Board—not a farthing. But, in equity and in fairplay, I do beseech the Government that this matter should be referred to adjudication. I do not know if the Government feels that if the industrial court or the adjudicator's court grants some relief that will be a great principle which is going to affect the economics of the Government. But, even if it does, it is a matter of such vital importance, not only for the people at large but for the Government themselves, because in due course, Government will be driven to acquire more and more private enterprises, and if that happens—here will be a guidance that in any acquisition the labourers have a definite right as has been already established. Assuming that the decision may be that out of the Rs. 180 lakhs, Rs. 50 lakhs will not be handed over to the directors to be distributed among the shareholders, they can hold that money till the decision of the adjudicator is given. Therefore, while I welcome the taking over of this railway by Government, I am very critical about the way in which the valuation has been arrived at. If the money has not been paid—and it seems that it has not been paid—then it is time that the valuation is arrived at by an independent agency and not—as seems to have been the case—by the officers of the railway company and the officers of the Railway Board sitting across the table. I am not suggesting anything, I assume that both the parties have dealt with the problem in a

very nice, gentlemanly way. But the point is, people have to be convinced. Those who have seen the assets of the company feel that the price that has been offered or has been decided to be offered is much too much. After all, it is our money. Government is a trustee, and therefore it must act with that measure of diligence and carefulness which the provisions of the Trusts Act require. I have suggested a *via media*. It is not a question of prestige at all. Let Government say that they would refer the matter to an adjudicator or an industrial court. The agency may be the one or the other. Till that agency comes to a decision, withhold payment at least to the extent of 50 per cent. of the reserve and other amounts.

**Shri T. B. Vittal Rao (Khammam):** Here is another glorious example of our Government's weak-kneed policy towards British capital. The Nizam's State Railway, the Gaekwad's State Railway and other State Railways were taken over, and was any compensation paid? No. The total cost came to the tune of Rs. 64 crores, but not a single pie was paid, whereas in the case of this railway a sum of Rs. 1,89,00,000 is going to be paid. This is in spite of the company making good profits during its fifty-five years of working.

What were the amenities given by this company? Whenever anybody travelled, he had to travel in wagons like cattle. That was the amenity provided by this company and that is how it made such huge profits. What is surprising is that a reserve of Rs. 72 lakhs which is with this company is not being transferred to Government. In addition to taking huge dividends, in addition to charging huge amounts to its Depreciation and Revenue Reserve Funds, this reserve has been built up by the company. It is but reasonable that this accumulated reserve should also be taken over by the Government. That is why, I have given notice of an amendment to that effect.

Regarding bonus, I fully agree with the previous speaker. When the

[Shri T. B. Vittal Rao]

Nizam's State Railway was transferred from the company's hands to the State Government. bonus was paid. So, this demand for bonus is not new. During the days of company railways, the workers were very much exploited. Their condition has improved to a certain extent only after 1947; prior to that it was very bad. The previous speaker has explained the legal aspects and referred to the judgments. I have quoted past examples. This demand is a legitimate demand and must be met.

Now, take this railway line itself. The whole of these 202 miles will have to be re-done, if not within this year, at least within two years. The whole of the line must be torn up and a new metre gauge or broad gauge line should be installed.

If you have a proper valuation, the whole of the stock with this company will not be Rs. 1,89,00,000. It will not be proper for us to pay this much of compensation. Wherever there is British capital, because they have looted and exploited us, they should not be paid any compensation; their property should be confiscated. Unless and until that is done, the economic stranglehold of British capital will not be removed and there will not be any industrialisation. This is a fundamental thing. Whenever we mention some development work, Government say that their ways and means position is not good and therefore we cannot have any development. In view of the fact that within two or three years the people in this particular area are likely to demand the putting up of a metre gauge or broad gauge line in place of this narrow gauge line. I suggest that this amount should not be paid.

There is another thing. When the Government had decided to take over all the State-owned Railways as from 1st April 1950, why was not this particular railway taken over? Why was it given an extension till the end of 1953? Perhaps, it is due to our membership of the British Commonwealth

of Nations. This company has today the audacity to say that it will not pay gratuity or provident fund to its employees, whereas when others had been taken over they were made responsible for meeting these liabilities. During the last so many years, this company has enjoyed many privileges, but it did not pay any income-tax on the profits made by it. The Government railways were charging a uniform rate of three pies per mile, whereas this railway was charging four pies per mile. This is how it has been treating its passengers.

Every year we allocate some Rs. 30 crores to the Depreciation Reserve Fund and several more crores for the Revenue Reserve Fund. In the case of this company, it has also allotted its own funds. Therefore, whatever reserves have been accumulated should be taken over and the workers should be paid a bonus.

4 P.M.

Coming to service conditions, when the States Railway, were taken over, some of the conditions in the States Railways were more favourable. It is natural that those advantageous conditions which prevailed at the time of the taking-over should not be denied to the employees. You should not ask people to opt for one or the other of the conditions. Continuity of service must be maintained. When the other States Railways were taken over, you did not say, as you do in the present case, that these people will be treated as if they were re-employed as from 1st January 1954. It is completely unjust to say so. The same treatment which was accorded to the employees of the recently integrated State Railways should be accorded to the employees of this Railway too. Not a single worker should be retrenched and all the workers who have been in the employ of that Company should be retained. Simply because the Railway has changed hands Government should not say that they would keep only those employees who are found suitable. I know today that the Railway Board is thinking of re-

trenchment. So they may as well say that the staff which are found surplus on the other railways would be absorbed in the vacancies arising on this Railway by the discharge of workers. But this would not be fair to the workers in the employ of the company.

Then again, the seniority of the employees of this Railway should be safeguarded as was done in the case of the other integrated railways. In those cases we had no difficulty in preparing seniority lists and after two or three years a formula was evolved. I do not mean to concede that that formula was right; but all the same we evolved a formula about fixation of seniority.

Lastly, Sir, I would suggest that until and unless the Company makes satisfactory payment towards provident fund, gratuity and bonus of the workers and also railway reserves, we should withhold payment of any compensation. We can even go to the extent of telling them that the railway is now useless and we are not going to work it. I may tell the House, Sir, that within one or two years the railway has to be dismantled and new lines have to be laid.

श्री पी० एन० राजभोज (शोलापुर-रक्षित-अनुसूचित जातियों) : डिप्टी स्पीकर साहब, मैं मिनिस्टर साहब की खिदमत में केवल दो तीन सुझाव रखना चाहता हूँ। सब से पहली मांग तो मेरी यह है कि बरसी रेलवे लाइन पर जो हमारे भाई लोग, वर्कर्स लोग काम करते हैं उनको पचास परसेंट बोनस मिलना चाहिये। यह बरसी रेलवे बहुत पुरानी है और गवर्नमेंट के कब्जे में आने से पहले अभी तक इस पर अंग्रेज लोगों का कब्जा था। गवर्नमेंट ने इस अंग्रेजी कम्पनी, बरसी लाइट रेलवे को इनकम-टैक्स में काफी छूट दे रखी थी और दूसरी सहूलियतें दे रखी थीं जो कि नहीं देनी चाहियें थीं। दूसरी बात जो मैं अर्ज करना

चाहता हूँ वह यह है कि बरसी रेलवे लाइन अभी तक छोटी लाइन है, और चूंकि इस लाइन से पूना, बिहार और मध्यप्रदेश के यात्री सफर करते हैं इसलिये इस रेलवे लाइन को मीटर गेज बनाने की बहुत आवश्यकता है। इसके अलावा जो रिजर्व फंड है, उसमें से मजदूरों को बोनस ज्यादा मिलना चाहिये। उस रेलवे में बड़े बड़े अफसर तो आप रक्खे हुए हैं और हमारे गरीब मजदूरों को रिट्रेंच करने की कोशिश हो रही है, यह तो बहुत अन्याय उन के साथ हो रहा है, आप ऐसे बड़े बड़े अफसरों की जिन की सर्विस काफी हो चुकी है, उन को आप निकाल सकते हैं, लेकिन मजदूरों को नहीं निकालना चाहिये। दूसरे उस रेलवे में हमारे शेड्यूल्ड कास्ट के भाईयों का रिप्रिजेंटेशन ठीक ठीक होना चाहिये, गवर्नमेंट को इस ओर विशेष ध्यान देना चाहिये और बम्बई रेलवे पब्लिक सर्विस कमीशन में भी उनको उचित प्रतिनिधित्व मिलना चाहिये।

Mr. Deputy-Speaker: All that is not relevant for this discussion. This measure confines itself to the distribution of gratuities.

श्री पी० एन० राजभोज : गाडगिल साहब ने भी तो इस का जिक्र किया था.....

Mr. Deputy-Speaker: Kakasahib may have said it. But even that is irrelevant. The point is the employees of the previous railway have earned certain gratuities and deposited some amount in the provident fund. This amount is sought to be recovered from the previous Company by Government and passed on to the employees. That is the small point covered by this Bill. All the other considerations may be very good independently of this Bill, but they are not relevant to the discussion.

[Mr. Deputy-Speaker]

I take it the hon. Member has nothing more to say.

**Shri Nambiar:** His contention is that all staff, including the Scheduled Castes should have equal treatment.

श्री पी० एन० राजभोज : मैं जानता हूँ कि मेरे कम्युनिस्ट भाई को हमारे साथ सहानुभूति नहीं है। मेरी सरकार से प्रार्थना है कि इस रेलवे के पास जो बहुत सी जमीन पड़ी हुई है, वेस्ट लैंड पड़ा है वह जमीन गरीब लोगों को मिलनी चाहिये। इस के अलावा यह जो एक करोड़ और अस्सी लाख रुपये देना है, उसका ज्यादा से ज्यादा बंटवारा हमारे गरीब लोगों के लिए होना बहुत आवश्यक है और साथ ही यह भी बहुत जरूरी है कि हमारे जो मजदूर वर्कर्स हैं उनको रिट्रेंच नहीं करना चाहिये।

**Mr. Deputy-Speaker:** The hon. Member suggest that the gratuities earned by the various employees ought not to be paid to them but should be distributed to Scheduled Castes people.

श्री पी० एन० राजभोज : मैंने तो सब वक और मजदूरों के लिये ऐसा कहा है। बस मैं और अधिक न कह कर समाप्त करता हूँ और उम्मीद है कि मिनिस्टर महोदय मेरे सुझावों को स्वीकार करने की कृपा करेंगे।

**Shri R. K. Chaudhuri (Gauhati):** Sir, I certainly welcome this as a piece of commendable legislation. I think it should be a part of the policy of the Government that as soon as practicable all private railway lines which are now operating in India should be taken over by the Government, I do not grudge this

railway being taken over and the advantages that would accrue to the people of the Bombay State. But I want to know what has been done in this connection with regard to the various private lines which are even now operating in West Bengal, namely Arrah-Sasaram Light Railway and Barasat-Basirhat Light Railway about which mention was made on the floor of this House by our Deputy Minister Mr. Guha. In this connection I should like to express my gratitude to the Government taking over the famous T. B. Railway,—the Tezpur-Balipara Railway in June 1952. My hon. friend on my right was complaining that in this Railway the passengers had to travel in wagons instead of in railway compartments. But I should like to tell him that we have been running the Tezpur-Balipara Railway on somewhat co-operative lines where the passengers also lend a helping hand in moving the train. Passengers had to get down at a particular place and they pushed the train so that it could go. We had run that line on a very co-operative basis! I think hardly a complaint was mentioned that the passengers had to travel in railway wagons. What I want to know from the hon. Minister is this: what are the terms on which the staff of the Tezpur-Balipara Railway had been taken over by the Government? Are the terms as favourable as they have been given to the other Railway staff or are they less favourable? I am constrained to ask that question because everything that concerns Assam is always treated in a stepmotherly fashion. I want to know whether we are going to place it on the same footing as the Government is doing in respect of the staff of this particular Railway.

I also want to talk on another thing—it may not be quite relevant but I should mention it. I wish to draw the attention of the hon. Minister to this that there has been no improvement in that line of the Railway—Tezpur-Balipara Railway, no line of improvement of which we had such rosy hopes. We thought that as soon

as Government takes over these lines, we shall see a real and material improvement, a substantial improvement; but, so far as my information goes, that improvement has not taken place for the benefit of passengers as yet.

I have nothing more to say. I will only ask the hon. Minister—advise the hon. Minister, rather—to treat all these things on the same footing. No differential treatment ought to be made between the staff of the Tezpur-Balipara Railway and the staff of Barsi Light Railway, which seems to be very much if the speech of my hon. friends there could be considered. It seems to me that the Government has an extra soft corner for this particular Railway. What I want to say is that the Government should not be partial. I think they would not be partial and would take into consideration the staff of the Tezpur-Balipara Railway in these things.

**Mr. Deputy-Speaker:** I would ask hon. Members not to take more than five minutes.

**Shri Namblar:** Sir, there are very important points.

**Shri V. B. Gandai** (Bombay City—North): Sir, almost all the speakers who have preceded me, with the exception of Shri Frank Anthony and the last speaker, Shri Chaudhuri, have made a point to suggest that Government should do something to secure from the Barsi Light Railway Company payment of 50 per cent. of the reserve for the benefit of the workers of that Railway. I am all for anything that can be done to benefit the workers; but in this particular case a point has been made by all the speakers that preceded me justifying it on all possible grounds, on the ground of economics, on the ground of certain legal decisions, certain awards of industrial courts, and on grounds of equity, social considerations and all that. I am one of those who although sympathising with the objective in this case, am unable to

agree with the reasoning and also with the economic<sup>s</sup> of their claim. Much is made about the award given in the two cases of the Kanpur Electricity Company and the Madras Tramways Company by the industrial courts who dealt with those cases. But we should also remember that there are other awards given by other industrial courts in similar matters which have not accepted this principle of the workers' claim for a share in the reserve. I am one of those who feel seriously disturbed at this kind of doubt thrown on a perfectly and economically sound position in respect of reserves. If we must do something for the benefit of the workers surely it should be done and there could be other ways without trying to make a dangerous precedent of this kind. The hon. Member, Shri N. V. Gadgil, has suggested that in this particular case the matter should be referred to an adjudicator or to an industrial court. I really do not know at what stage the negotiations between the Government and the Company now stand. If it is possible to do that, to follow the course suggested by Shri N. V. Gadgil, I would certainly urge the Government to do so. In this case some of us who would have liked to deal with this subject a little more intelligently, are suffering from a handicap and that handicap is that the Government has placed in our possession information which is very meagre. Since yesterday I have been trying to locate how exactly the matter stands in respect of negotiations. It is a very important matter; it is a matter which involves crores of rupees; which involves the transfer of the Railway Company from private management to the Government. What information do I get? Here in this Bill, in the objects and reasons for the Bill, we know what we have been given. It is so precious little. Then, I thought I would find some information in the Railway Board's Annual report which was circulated to us only last week. I find that the Railway Board's report disposes of this very important matter in exactly three and a half lines and

[Shri V. B. Gandhi]

this is the information we get from that report:

"It was decided to purchase the Barsi Light Railway with effect from 1st January 1954. This is a narrow gauge line 202.57 miles long operated by the Barsi Light Railway Company Ltd. incorporated in England."

On the basis of this precious information, what answer are we to make to those friends here who are making those novel suggestions of claiming a share in the reserve for workers? Government could certainly have anticipated that a discussion on this and other relevant matters was bound to come up before this House and it would certainly have helped us if the Government had given some idea as to the stage at which the negotiations at present stand and also as to what are the bases of the valuation and what are the salient features of the agreement under which this transfer is taking place.

Finally, I would repeat that anything that can be done to promote, and to secure, the interests of the workers should by all means be done, but as regards this new principle of justifying a share in the reserve on economic grounds, I am sorry to say that some of us are very sceptical.

**Shri Nambiar:** Sir, I wholly agree with the points raised by my hon. friends Shri Vittal Rao and Shri Gadgil. Added to them, I want a clarification from the hon. Minister, and that is this. In clause 4 of the Bill it is stated that "the moneys paid to the Central Government under section 3 shall be utilised by the Central Government to effect payment to employees of the Company re-employed by the Central Government... etc." The question of re-employment does not arise here at all. These employees were already in employment, they were in service under the company management. Today they are transferred to a new employer or a new manager. That does not mean

that these men are to be re-employed. They continue in employment and they must have all the benefits to which they are entitled under the previous management. But it is not clear here. Therefore I want a clarification from the hon. Minister that they will continue in their service and that the continuity will be there for calculation of gratuity, provident fund and all other benefits. They say that certain provisions are to be made and money is required. To what extent that advantage will go to the employee, I must know. If the Government take the stand "we were nowhere in the picture, we are coming into the picture only now, therefore their employment previous to this cannot be taken into consideration"—if that is the attitude of Government, we cannot accept it. They must have the continuity of their service and all the benefits accruing therefrom.

Coming to the question of bonus, here is something like the liquidation of a company. The assets and liabilities are to be taken over by the new employer. When that is done and when the company take all the dividends and also gets value for the scrap material that is left, why should they not be asked to give a portion of their profits to the employees in the form of bonus? Certain friends on the other side are saying that they cannot understand the question of paying bonus. Of course they cannot! Employees for having put in long service must have a claim on the profits, and that is what is known as bonus. And they are claiming it. If hon. Members on the other side say they cannot understand what is the principle of paying bonus, that is a very strange position. We find in the Statement of Objects and Reasons no provision for bonus; only gratuity and provident fund are provided for. I therefore strongly press that there must be an additional provision for payment of bonus to the employees.

Coming to the last point, namely the question of reserves, the company



is taken over by the Government of India. There is a reserve kept for the future advantage of the company. Hereafter that Barsi Light Railway Company does not exist. Then the reserves naturally should flow to the new management. When the assets and liabilities are taken over, whatever reserves there are in cash go to the Company and the scrap material goes to the Government of India! I cannot understand the principle. Behind this way of dividing the assets and liabilities. Therefore the reserves also should go to the Government of India, legitimately they are entitled to them, and there is no justification on the part of the Government of India to relinquish their claim on the reserves.

Sir, these are the important points that I wanted to make and the hon. Minister may be pleased to satisfy on these points.

**Shri U. M. Trivedi (Chittor):** Sir, on a point of information. In the **Statement of Objects and Reasons** to this Bill it is mentioned that for the purpose of continuity of service of the employees this imposition is to be made. When the word 'continuity' has been used there, why has the word "re-employed" been used in clause 4? What is the idea behind it? The hon. Minister may kindly enlighten us on that point.

**Shri Alagesan:** Sir, I thank the hon. Members for their valuable observation though I think much of it fell beyond the scope of the Bill.

**Some Hon. Members:** Sir, the Minister is not audible.

**Shri N. V. Gadgil:** There is enough of catering on the Railways; speak loudly.

**Shri Alagesan:** When I was hearing Shri More I felt that that speech should have been delivered before 1952 December. In fact, he was pleading that this railway, where travel conditions are so difficult, should be taken over by the Government. Shri Gadgil has been pressing upon this House and the Gov-

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ernment that this line should be taken over by Government. It was decided to give due notice under the contract and then take over this railway. It has been taken over and it is being worked by us from 1st January, 1954.

After we have taken it over we have seen to it that the travel conditions are made as comfortable as possible. I may tell the hon. House that we have sent there about fifty more coaches from the various Railways and those coaches are being used on this particular line.

The point was raised whether bonus should be given and whether the reserves which have accrued as a result of the labour of people who have worked that railway—whether a part of it at least—should go to the workmen. Here it is a very short point, and within the few minutes at my disposal I think I should not labour it too much. Sir, this is governed by an agreement. Under clause 43 of the contract dated 1st August, 1895 the purchase price payable to the Company in England, in sterling, is to be a sum equal to the total amount of capital expenditure in sterling incurred by the Company with the sanction of Government on the undertaking, capital expenditure in rupees being converted into sterling for this purpose, in accordance with the arrangements from time to time mutually agreed upon.

**Shri S. S. More:** Sir, since he has referred to the agreement, will it be laid on the Table of the House?

**Shri Alagesan:** As per this agreement we have no claim to the liquid assets of the Company. We have to pay the purchase price and take over the other assets. We have a claim only to them.

The other points, I should think, are not very relevant. It was said that it is after.....

**Mr. Deputy-Speaker:** Will the House have a copy of the agreement?

**Shri Alagesan:** Sir, even now I have got the full text of clause 43 of the agreement. But it is put in legal

[*Shri Alagesan*]

language, is very involved, and I think no purpose will be served by my reading it out.

**Mr. Deputy-Speaker:** Not now. A copy may be placed in the Library so that whichever hon. Member wants to see it may be able to do so.

**Shri Alagesan:** Most surely, Sir. A copy of the contract may be placed in the Library.

Sir, in this connection I would like to urge only one point which is very relevant. Maybe we are now in a position to run railways efficiently. There is no difficulty about it. But still we are in the stage of inviting foreign capital to participate in the industrial development of our country. That aspect, I think, has been very lightly brushed aside. Especially I was surprised that the hon. Member *Shri Gadgil*, who has got such a long experience behind him, should have lightly thrown a suggestion: why not be generous at another man's cost. At this stage when we want to invite foreign capital and want to take their aid, I think we should not do anything which should disturb their confidence. (*Shri S. S. More:* Whose confidence?) in our ability to respect contractual obligations. (*An Hon. Member:* British and American imperialists!) That should be my answer to the question posed by several hon. Members.

The question of the *Tramway Company* in Madras, etc. was brought into the picture. As you are aware, Sir, there the company has ceased to exist. It has gone out of existence.

**Shri N. V. Gadgil:** This Company has also gone out of existence. Why don't you agree to adjudication?

**Shri Alagesan:** I mean the service itself has gone out of existence in Madras, whereas this is continuing.

**Shri S. S. More:** What about the *Kanpur Electricity Company*?

**Shri Alagesan:** I have no knowledge of that particular company, Sir.

The question of staff was raised. I may inform the hon. Members that all

the staff, almost all of them, are being taken over. A committee went into this question of staff and they have all been fitted into the various grades. Almost all of them have been re-employed or taken into service. There is absolutely no dislocation in that sense. This naturally leads to the question, supposing the services of those employees had ceased on the 1st day of this year, then what are the amounts that would have been payable to them by the Company under these various heads, gratuity, leave reserve and so on? That we are recovering from the Company. A question was raised whether the company had been paying income-tax. Surely, they have been paying, and last year they paid to the tune of Rs. 5 lakhs.

**Shri T. B. Vittal Rao:** We want to know, for the whole fifty years how much they have paid.

**Shri Alagesan:** I do not know the figures for half a century. I have got only the figure of last year and I think I can only inform the House of that.

There is nothing more for me to add as I am anxious that this Bill should be passed today.

**Mr. Deputy-Speaker:** The question is:

"That the Bill to impose upon the *Barri Light Railway Company, Limited*, an obligation to make certain payments to the Central Government, be taken into consideration."

*The motion was adopted.*

**Clause 2 — (Definition)**

**Mr. Deputy-Speaker:** I will now take up the clauses.

The question is.....

**Shri S. S. More:** I will take only five minutes, Sir. There is an amendment by me given to the Preamble.

**Mr. Deputy-Speaker:** I know. The Preamble comes last.

**An Hon. Member:** It is already 4.30 P.M.

**Mr. Deputy-Speaker:** Let me proceed. Whatever time is taken up now in the unofficial period, that will be made good after seven o'clock.

**Shri Gadgil:** This railway was never known for any speed, but the Bill in respect of the railway is rushing swiftly.

**Mr. Deputy-Speaker:** Hon. Members went on as slowly, if not more slowly, as the railway. As a matter of fact, there is nothing here. The amendments are all out of order.

**Shri S. S. More:** You promised to give me time on that account. Have you changed your mind like the management of the Barsi Railway?

**Mr. Deputy-Speaker:** Let not the Chairman be compared to any of these things. Now I have been compared to the management of the Barsi Railway. Let it go. I merely gave my first impression. I am giving the time.

The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

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

**Shri S. S. More:** Sir, I will take some time.

**An Hon. Member:** Do please.

**Mr. Deputy-Speaker:** Order, order. We are on the point of order.

**Shri S. S. More:** I want to satisfy you.

**Mr. Deputy-Speaker:** First of all let me state my doubts. There are two items here, gratuity and provident fund. Bonus is not an item which is contemplated in this Bill. How is it relevant to introduce this amendment?

**Shri S. S. More:** In order to satisfy you, Sir, on this particular point, I would refer you to rule No. 117 of the Rules of Procedure. But as we are to

go to another business, will it not be much more convenient to adjourn it to the next day because, otherwise, I will have to hurry up with the arguments.

**Mr. Deputy-Speaker:** This will stand over.

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MOTION RE FIRST REPORT OF THE COMMITTEE ON PRIVATE MEMBERS' BILLS

**Mr. Deputy-Speaker:** The House will now take up the other matter. There are four Bills relating to amendment of the Constitution. There was a motion moved by Shri Altekar that the House agrees with the First Report of the Committee on Private Members' Bills. Mrs. Renu Chakravartty could not finish her speech the other day. She wanted a few minutes more. The House was impatient, but she wanted to have some more discussion. The Chair agreed that it can be continued the next day and finished within five minutes. That order stands, that agreement stands.

**Shrimati Renu Chakravartty (Basirhat):** Mr. Deputy-Speaker, I would like to bring one point to your notice and that is that the recommendations which have been made in the Report actually go against both the spirit of the Constitution and the rights granted under the Constitution as well as the rules of procedure guiding the functions of the Committee to examine Private Members' Bills. According to article 368 in the Constitution every Member has the right to amend the Constitution and the only limitation put by the Constitution is that it is required to have two-thirds of the Members of the House present and voting. Beyond that nobody else can put any sort of limitation on the right of Members to bring forward amendments to the Constitution. Now, on that ground the Rules of Procedure have been framed. I would like to say that the functions of the Committee, as they have been enumerated, are, firstly, to examine every Bill seeking to