

I would also like to draw your attention to the fact that four hours have been allotted for the consideration of the Industrial Disputes (Banking Companies) Decision Amendment Bill, which has only two clauses and no amendments. So far as the Industrial Finance Corporation Amendment Bill is concerned, it has got 14 clauses.

**Mr. Speaker:** That matter will come up before the Business Advisory Committee.

**Shri T. K. Chaudhuri:** I know. But the discussion on the first Bill may collapse. What then?

**Mr. Speaker:** Then the other one will be taken up. We will consider it at that time.

#### INDUSTRIAL DISPUTES (BANKING COMPANIES) DECISION AMENDMENT BILL

**The Deputy Minister of Labour (Shri Abid Ali):** I beg to move:

"that the Bill to amend the Industrial Disputes (Banking Companies) Decision Act, 1955, as passed by Rajya Sabha, be taken into consideration".

This Bill is intended to give effect to the Government's decision on the recommendations of the Travancore-Cochin Banking Enquiry Commission. This Commission was set up in pursuance of the recommendations made by the commission appointed to examine the financial position of banks incorporated in the former State of Travancore-Cochin in relation to its economy and make recommendations in regard to the terms and conditions of service of their employees.

The Government of India announced the decision on the recommendations of the Commission in March

1957, accepting almost all recommendations relating to the terms and conditions of service of bank employees. There are 160 banks in the State, out of which 17 have branches outside the State and are covered by the Bank Award. The remaining banks are non-Award banks. An important recommendation of the Commission is that the exemption from the award granted to these banks in respect of their branches constituted in area IV, that is, towns having a population of less than 30,000, may be withdrawn so far as banks not covered by the Award are concerned. The Commission also stated that for the implementation of the Award, the State Government is the appropriate Government under the Industrial Disputes Act, 1947, in respect of these banks. Therefore, the Government of India forwarded these recommendations to the State Government for necessary action. According to our information, excepting these award banks, all other award banks have given effect to the recommendations of the Commission in anticipation of Government's legislation. One of the three banks gave the assurance to implement the award by 8th November 1957. We asked our Conciliation Officer to persuade the remaining two banks, namely, the South Indian Bank and the Catholic Syrian Bank also to implement these recommendations. These two banks have, however, informed the Conciliation Officer, regretting their inability to implement the recommendations without legislation.

As soon as this Bill is passed into an Act, I hope these two banks also will follow suit. The Bill also contains provisions regarding payment of all arrears due to the workmen in terms of the recommendations of the Commission.

With these words, I commend the Bill for acceptance by the House.

**Mr. Speaker:** Motion moved:

"that the Bill to amend the Industrial Disputes (Banking

[Mr. Speaker]

Companies) Decision Act, 1955, as passed by Rajya Sabha, be taken into consideration".

Shri Prabhat Kar (Hooghly): Sir, while I welcome this Bill, although it has come late, I am unable to understand why Government has made an amendment changing the date of Retrospective effect from 1st April 1954 to 1st January 1955.

The Travancore-Cochin Banking Enquiry Commission was appointed with a view to enquiring into the working and the financial position of the Banks in the Travancore-Cochin State and to ascertain whether the terms and conditions of service of workmen of the banks to which the provisions of the Industrial Disputes (Banking Companies) Decision Act, 1955 apply should be modified and if so, in what respects, having regard, *inter alia*, to the effects which the terms and conditions of service that may be recommended by the Commission are likely to have on the general economy of the area."

Not only that: the Commission was asked to recommend—having regard to the facts ascertained, what steps should be taken for strengthening the banking business and for the reorganisation or reconstruction of the banking structure in the area, including the amalgamation of units or, where appropriate, the elimination of units which cannot usefully survive.

12.32 hrs.

[PANDIT TRAKUR DAS BHARGAVA in  
the Chair]

The Commission having gone in detail into the working of the banking system in the Travancore-Cochin State recommended that retrospective effective date in respect of these banks should be from 1st April 1954. Now, in page 101 of the Commission's

Report, which was published in August 1956, the Commission said:

"In the light of the observations we have made above regarding the 4 "C" class Award banks, we make the following recommendations in respect of them:—(1) In the case of the South Indian Bank, Ltd., Trichur, and the Catholic Syrian Bank, Ltd., Trichur, the exemption in respect of area IV in the Travancore-Cochin State should be withdrawn and the Labour Appellate Tribunal decision restored with retrospective effect from the 1st April 1954 in the same manner and subject to the same conditions as laid down in the Industrial Disputes (Banking Companies) Decision Act, 1955."

Now when a Commission which was given full power to go into the details of the working of the banks had come to a decision that the retrospective effect so far as the service conditions of the employees should be from 1st April 1954 there is no reason why Government should change it to 1st May 1955. We have seen that whenever Government interferes in labour disputes and amends the awards of recommendations of Commissions, it always does it to the detriment of the interests of the employees.

Apart from this, this Bill is coming before us in November 1957. This measure will have retrospective effect from 1st May 1955. Clause 3(a) of the Bill stipulates as to how the arrears of payment should be made. This is so far as payment is concerned. When an award comes into operation it comes with all the service conditions. During this period the employees were left completely at the mercy of the employers and so many violations of the provisions of the award have been made by the employers. What steps have been taken, what action has been taken by Government, to incorporate those items

also into the Bill so that the real award becomes effective from 1st April 1954. Whatever action has been taken by the employers during this period in violation of the terms of the award should be immediately rectified and if the employers do not take such steps, steps should be taken by Government to see that these are implemented.

So far as the monetary aspect is concerned, the payments may be made. But in the meantime, many employees have been dismissed; many employees have suffered in many ways in the hands of the employers. What steps have been taken by Government to protect them? The Report of the Commission was published in July 1956 and the Bill to give legal effect to it is coming before us in November 1957.

Apart from all this, during the period of reorganisation of States, some of the Banks have become State Banks and the Association sent information to that effect to Government. Three of the Banks, the Trivandrum Permanent Bank, with headquarters at Trivandrum, the Marthandam Commercial Bank with headquarters at Trivandrum and the Nadar Mercantile Bank with headquarters at Travandrum have become two State banks and automatically they should come within the purview of the Award. But no provisions are made in this Bill to see that these three banks come within the purview of the award and the employees get the benefits of the award and other conditions of service. In fact, the names of these banks were sent to Government in July 1957; but in the Bill which has come before us, we do not find any mention of these three Banks, although legally they should come within the purview of the award.

The Commission consisted of eminent persons like Shri Ramunni Menon, Dr. P. J. Thomas and Prof. M. L. Dantwala. They visited the different parts of the State and submitted a detailed report about the working of

the banks, about their financial position and made certain suggestions as to how the banking system should be improved. In Travancore-Cochin there were as many as 169 banks working in different parts. They made particular recommendations about the emoluments of the employees. But strangely enough instead of granting this small concession, Government do not want to put the Travancore-Cochin bank employees on a par with other bank employees.

The Gajendragadkar award gave a decision that the retrospective effect should be from 1st April 1954. But as it was not possible for Mr. Gajendragadkar to go into the details of the working of the banking system they had suggested the appointment of a Commission. The Commission was appointed. The Commission recommended that these employees should be put on a par with other bank employees and given the benefit from 1st April 1954. There is no reason why after this recommendation there should be any change made by Government to the detriment of the interests of the employees and the retrospective effect date changed from 1st April 1954 to 1st January 1955. The bankers met the Labour Minister in a deputation, and I do not know whether at the behest of the employers this change has been made. Anyway, I would appeal to the Labour Minister that he should not make any change in the recommendations of the Travancore-Cochin Enquiry Commission's report, and particularly there is no reason why this day of retrospective effect should be changed from 1st April 1954 to 1st January 1955. It is a question of only nine months. To the employees, the emoluments for these nine months is a very great amount, but to the employers it is not. Further, unnecessarily this gives the impression to the employees that whenever Government amend any recommendation, they always decide in favour of the employer.

[Shri Prabhat Kar]

I would, therefore, request the Labour Minister to make an amendment to this Bill and make the date 1st April 1954 instead of 1st January 1955 and the amount should be paid to the employees as recommended by the commission.

With these words, I would request the Labour Minister to make this amendment to the Bill.

Dr. K. B. Menon (Badagara): I am surprised at the small amendment that is brought before the House when colossal problems involving the financial structure of the State and the banking facilities of the State have been brought more than once to the attention of the Government by the various commissions that the Government themselves appointed. Are we to understand that Government, by bringing such a small amendment on a matter of minor importance, is completely ignoring the serious issues that banking in Travancore-Cochin, i.e., Kerala today, is facing? I would, therefore, like to place before the House and before Government as a reminder very briefly some points from the reports of the various commissions that Government appointed from time to time.

As a result of constant agitation both by labour as well as by the public, the Government in 1952 appointed the Sastri Commission to go into the pending disputes in the banking industry. The recommendations of that commission were so unsatisfactory that the Government was compelled to refer all the issues to a labour appellate tribunal. That tribunal made certain amendments to the Sastri Award, particularly in the wage structure. Again, on the basis of that report, the Government passed an order I believe in 1954 wherein Government, while accepting some of the recommendations of the labour appellate tribunal, stated that the recommendations would not apply to areas where the population was less than 30,000. There was still agitation

on the subject, particularly on the exclusion of areas having a population of less than 30,000. The whole issue was again referred to the Banking Enquiry Commission which also submitted its report I believe in 1955.

Before going into the conditions affecting the employees, I would like to say a few words about the Government order restricting the application of the recommendations of the labour appellate tribunal to areas with less than 30,000 population. I am afraid this was a very undesirable order, for it undercuts the very basis on which labour disputes are settled. The wage structure, the conditions of employment etc., are not based upon the size of the population, upon the areas or the location of places, but they are based upon the price structure and various other considerations. I am even doubtful whether that order of the Government would stand the test of a trial in a court of law. Apart from that, I would like to say that it is very unfair to employees, for it discriminates between employees in certain groups of banks and others.

According to this order of the Government, out of the 161 banks in Travancore-Cochin State, only 17 come within the scope of the recommendation. The result of this is that obvious discrimination is made between those who are employed in the 17 banks and those who are employed in the remaining 144. This, as I said, is very unfair and undercuts the very basis on which problems of industrial disputes are handled.

I would like to point out also the role that the banks in Travancore-Cochin State have played. They have not played the role that banks are expected to play in the reconstruction or in the development of areas. One of the reasons why Travancore-Cochin State was excluded from the scope of the earlier commission was that in Travancore-Cochin State it was claimed that the banks made loans almost exclusively on land, but facts do not

support that contention because most of the banks are thriving on what are known as *kuris* and *chit funds*. Probably many outside the State may not know what they are, and I may have something to say about it before I conclude. They also thrive on moderate small-scale and medium-sized commercial and trade transactions. Very few loans are given on land exclusively.

In the second place banks are expected to play an important role in the development of industries, and I am sorry to say that the banks in Travancore-Cochin State have made very little contribution in this direction. They have not rendered any sizeable help to the two important industries in that State, namely, coir and cashew industries. Most of the business in that State, or most of the loans advanced by the banks there are made on an individual basis. I am even inclined to say that these banks, excluding the 17, are uneconomic banks, run on unsound lines and are to some extent family concerns. If they are uneconomic, it is only natural to expect that competition in the business field would beat them out, or if they are running against public interest it will be the duty of the State to see that such banks do not function.

Coming to the employment conditions in these banks, I would like to say that they are very deplorable. From the very fact that most of these banks are family concerns, it is easy to understand what the employment conditions in these banks would be. The minimum wage that the Labour Appellate Tribunal had recommended was Rs. 45 plus Rs. 20, that is 65, which I feel, is the minimum subsistence wage. But the wages or the salaries that are paid in these banks are extremely low. About Rs. 15 to Rs. 25 are paid to—I do not want to use the words 'menial servants'—the lowest paid hands like attenders and

others. The clerks' salaries range all the way from Rs. 25 to Rs. 40. I think these are extremely low wages, and these wages are there because many of these banks are excluded from the recommendations of the Labour Appellate Tribunal.

So far as dearness allowance is concerned, I would like to say that in many cases, dearness allowances are not paid at all, and where they are paid, they are paid at as low a rate as Rs 8 a month. There are no fixed rules regarding the payment of dearness allowances in these banks which are excluded from the recommendations of the Labour Appellate Tribunal. When one considers the low wages and also remembers the fact that no dearness allowance is paid, one can understand what the condition of the employee is.

Coming to working hours, in many banks, even in the banks that are within the purview of the recommendation of the Labour Appellate Tribunal, seventeen banks, the working hours run from nine o'clock in the morning to seven o'clock in the evening. It is very common that in these small banks which are outside the recommendations of the Labour Appellate Tribunal, these 144 banks, there are no rules regulating the hours of work, no rules regulating the payment of dearness allowance, no rules regulating leave, and no rules regulating the running of the bank in general. That is why I have said that these banks are run mostly as family concerns.

With regard to the working conditions, I would like to point out that some of these banks are located in unhealthy localities and in dingy rooms with no air and with no ventilation. These are the conditions in which the banks in the Kerala State are run. My submission is that by upgrading the salaries, the problem of the banking industry in the Kerala State will not be solved. A much more thorough-going study and overhauling is necessary, and that can be

[Dr. K. B. Menon]

done, I feel, only if the whole banking industry is taken over by the State.

I have not said anything so far about the *kuris* and chit funds, about which I said I would say a word or two before I conclude. These *kuris* and chit funds are peculiar institutions developed in the Travancore-Cochin State. I have nothing against these *kuris* and chit funds as such, but I have much against them as they are run. Instalment payments are made to these *kuris*, and if one instalment is defaulted, the man loses his right, and in many cases, whatever the man has paid is confiscated by the bank or by the person who runs the chit or the *kuri*. There are many fraudulent ways adopted by the banks in the running of these *kuris* and chit funds, wherein the innocent and the helpless and the unknowing public are victims. The whole system of the *kuris* and chit funds should be scrutinised by a commission or committee appointed by Government. I do not know whether the Travancore-Cochin State ever appointed any such committee. But there were demands for it, and it was almost a public scandal. It has been regulated to some extent now, but it needs very much more regulation and control. As any good institution can be perverted—the idea of the chit fund and the *kuri* may itself not be a bad idea—I feel that they should be strictly controlled, and the banks running such *kuris* and chit funds should not be allowed to exploit the innocent and ignorant public.

As I said, mere upgrading of wages or mere granting of a particular salary to the employees of one or two banks by pre-dating the Act, and by making amendments to the Act is not enough. The financial and banking structure of the State needs a complete and thorough overhauling, and I would even go to the extent of saying that considering the conditions of the Kerala State, so far as its finances are concerned, it may not be bad if

we thought even of the nationalisation of the whole banking structure in that State.

**Shri Narayanankutty Menon (Mukandapuram):** This Bill is the epilogue of a very dramatic series of events, in which the casualty was none other than a Member of the Cabinet, the ex-Labour Minister. This Bill has been sought to be introduced to legislate upon the recommendations of a second committee.

**Shri B. S. Murthy (Kakinada—Reserved—Sch. Castes):** May I know which ex-Labour Minister the hon. Member is referring to? There are two ex-Labour Ministers.

**Shri Narayanankutty Menon:** I am referring to Shri V. V. Giri, now His Excellency the Governor of Uttar Pradesh.

**Shri Abid Ali:** Promoted.

**Shri Narayanankutty Menon:** Even though this legislation was very much anticipated, it discloses certain fundamentals of the labour policy of the Government of India itself.

The history of the disputes in the banking industry was a history in which Government had played a very decisive role, a more important role than they had played in any other industry. When the original dispute between the bank employees and the bank employers arose about six years back, the dispute was sought to be settled by the interference of the Government of India by appointing a quasi-judicial commission, which went into the entire question of the capital investment of the industry, the capacity of the industry to pay and also the absolute minimum wages and service conditions that the bank employees should enjoy in this industry.

As everybody knows, because of the unfortunate death of the original chairman, another judge was appointed, and the commission reported about

the desirability of a uniform service condition. Bank employers took serious objection to implementing the terms of that award. Then, many serious things happened, and Government had to come into the picture and exercise for the first time the extraordinary power given to the executive to interfere with the decision of a judicial or quasi-judicial authority, and Government have been much pleased to interfere on behalf of the bank employers. After every available piece of evidence has been placed before the commission, and after the commission composed of a very eminent judge of the Supreme Court has come to the conclusion, still the doors of Government have been open to the bank employers to submit their case once again overruling the decision of that judicial authority, and Government interfered on behalf of the bank employers.

13 hrs.

Even then discrimination was made out and the bank employers in the erstwhile Travancore-Cochin State were summarily exempted from the operation of the provisions of that award. The reason given at that time was that the system of banking in that area stood upon a different consideration and the banks there might not be in a position to pay the grades that had been awarded by the Bank Award Commission. Whatever might be the truth of that allegation, later on with much delay, another Commission was appointed. That Commission went into the question and recommended that certain banks also should be included within the purview of the award. Now the hon. Minister says that the Government made a recommendation or request to the bank employers that they should implement the terms of the recommendation of the Second Commission, and the hon. Minister quotes it as unfortunate that the bank employers were not in a mood to listen to the sermons or request made by the Government to implement these awards.

In answer to a question in the last session, the Minister said that the Government had written in very grave tones to the bank employers to implement the awards, and the answer given by the bank employers at that time was, 'we are not in a position to implement; we are not prepared to implement; if you want, you legislate'. That reply was received and months have passed, and the product of that series of deliberations and consideration, after two Commissions have inquired into the matter, is this Bill. And even in this Bill when the unreasonable reasonings taken up by the second Commission have been accepted, we thought that at least that small recommendation of the second Commission which is entirely in favour of the bank employees would be accepted. But even then, the Government came in with their executive-judicial mind and interfered with the recommendation of that Commission, and instead of the recommendation having effect from April 1954, they have cut it down to January 1956. We are not in a position to understand what prompted or provoked the Government to interfere with this small, meagre recommendation as regards retrospective effect involving a negligible amount of money that these banks will be asked to pay, irrespective of the fact that two judicial tribunals have determined that these banks have got the paying capacity.

To conclude on this point, I must submit that the policy adopted by this Government has resulted in this situation whereby, whenever the employers are on the war path and when requests flow in and when those requests are turned down, the reports do not have the value on which they are written and the Government keep quiet. On the other hand, when the bank employees had submitted their case before the country, long before the original bank award, when even not much to their satisfaction or to the satisfaction of any reasonable

[Shri Narayanankutty Menon]

man, there were enough provisions in the old award and also in the Act of Parliament to the effect that if at all disputes arose between the bank employers and employees later on, the Government were under obligation to refer them to certain tribunals, even in that case when hundreds and hundreds of disputes are pending, when conciliation officers throughout the country are taking up those disputes, when conciliation fails and the bank employers refuse to concede those demands and when these papers are forwarded to the Union Labour Ministry, in spite of all this for the last 3½ years all the cases that have been referred from the erstwhile Travancore-Cochin area and also from the Kerala area are having a very nice sleep in the dockets of the Labour Ministry!

When the employees on the one side demand justice, that something imposed upon the employers should be done categorically injustice has been done by the bank employers both by way of victimisation and by cutting emoluments. When Government are approached by the employees to get these matters referred to a tribunal, the Government refuse to appoint a tribunal. Under the provisions of the original Act, if a dispute cannot be settled it should be referred to the Regional Tribunal. Where is the Tribunal? Unfortunately today, the Government have not even thought of one; there is no Tribunal existing anywhere in the southern area where all these disputes are accumulating today. Why? When Government thought it fit to amend the Bill for incorporating a recommendation of this Commission, when the Government fully know that many disputes could not be settled and with the harbouring of those disputes there is discontent, which has gone to the point, in certain cases, of strikes in banks, why did not Government think it fit to incorporate certain provisions or act under

the old Act by appointing a Tribunal and referring these matters to them?

I hope when this Bill is being discussed and when this point is put before the Labour Ministry, this delay in referring all these points, especially in the southern area where not a single dispute has been referred, for settlement will receive immediate attention at the hands of the Ministry and a Tribunal, if not already existing, will be appointed to consider these disputes and settle them—as is the case in other parts of the country—so that much strife could be avoided in the banking industry there.

The last point concerns the whole basis of the Bill. What was the original reasoning of the Commission that the banks in the T.C. area were not in a position to pay as the banks in other areas in the country? It is true that even though all the reasonings of the Commission could not be accepted, as my hon. friend preceding me pointed out, certain of their recommendations and conclusions will have to be admitted. The Commission originally said that there was something seriously wrong in the whole banking industry in the T. C. State. If you go into the details, there is nothing specially wrong with the banking structure of the T. C. State. If there is anything wrong with the structure of the industry, the way in which the industry is running, the whole trouble is prevalent throughout the banking industry in India; there is no separate feature or aspect particularly to the banks running in the T. C. area which should be condemned and which you do not find in other banking systems in other States of the country. If they could find out those faults which do exist in the banking industry as a whole, certainly that defect will have to be rectified, especially at this time when banks refuse to pay their employees and when banks under the Second Plan are supposed



to play a very major role in the industrial make-up of our country. Is it not just to say that all this trouble could be avoided if the Government have more grip upon the banking industry as a whole and, therefore, more controlling and directing hand on the economy as a whole.

It is not just because that these banks are refusing to pay their employees that we demand nationalisation. Now in every sector of the country and also in the industries, we find there are serious difficulties and the Government most often come to this House and say 'we are helpless, because the banks are behaving in a particular way.' We found recently that food prices have increased throughout the country in many places because of the indiscriminate advances by banks. What does this show? This shows that the banking system in India, accumulating the entire capital of the country, the most volatile and mobile capital of the country, refuse to behave in a fashion in which Government want them to in the interest of the community. Therefore, the banking system as a whole has forfeited the confidence of the country. In the interest of the Five Year Plan and the national economy as a whole, Government should decide upon a means whereby the misbehaviour of these banks could be controlled. The only answer to this question is obvious. In spite of the fact that many restrictions have been placed by the Reserve Bank of India, even today many banks are able to play mischief, and it is quite out of place to go and ask them to behave properly.

Therefore, on this occasion I seriously plead that all these defects could be avoided and the banking system of our country could be put on a sound footing and also many problems arising in the course of the Second Plan could be dealt with more efficiently by only nationalisation of the banking structure.

I conclude by referring to the question of the employees generally. The

old bank award which governs the conditions of service of the employees, the Government will seriously understand, has become obsolete. The strike that arose in Calcutta when the Government marched in with a very ridiculous type of...

**Shri Abid Ali:** On a point of order. This Bill has nothing to do with the strike in Calcutta or the employees there. The scope of this Bill is very much limited. It concerns the employees in Travancore-Cochin area in the banks mentioned therein. I was not intervening so far, but when from general issues he travels to Calcutta, I submit that it is entirely irrelevant.

**Shri Narayanankutty Menon:** I referred to the Calcutta strike because, if I am not to refer to it when this Bill is being discussed, I won't be able to discuss it at all. This Bill is the direct outcome of the original award.

It concerns a particular section covered by the original award. And, the direct cause of the Calcutta strike was only that the provisions of that original award were inadequate and that there should be a separate and fresh reference to determine the quantum of dearness allowance in terms of the rising prices.

I was only submitting that this amendment is so inadequate and it is high time that the Government found out some means to neutralise the rising prices and the cost of living index so that the emoluments originally recommended when accepted would not be found inadequate. Some provision should be made whereby the Government would be able to meet the situation in a better way.

**Mr. Chairman:** The objection raised is that so far as the original award is concerned, the general conditions in the country cannot be relevantly referred to by the hon. Member at length. I have heard the hon. Member. He has referred to the original award and all these things. When a Bill is before the House, there are certain matters which can be gone into, for instance,

[Mr. Chairman]

the attendant circumstances. Therefore, I did not interfere so far. But, at the same time, the hon. Member must realise that so far as the contents of the present Bill are concerned, they have a narrow scope and I do not think the whole banking system could be gone into at length. He has already made—I should be inclined to say—inroads into the spheres which are not germane. He has done much more than is necessary. I will not allow him to go further into the matter, *in extenso* and discuss the entire banking system of the country, though all these things can remotely be relevant. But, we must have a balance and, therefore, I will request the hon. Member to confine himself to the contents of the Bill.

**Shri Narayanankutty Menon:** I will confine myself to the contents of the Bill.

The Government has come with an amending Bill which gives certain service conditions to the employees of the Travancore-Cochin area. I submit that these conditions that have been incorporated in the Bill have become out-dated because those recommendations made by the original award are sought to be introduced in the year 1957.

If three or four years before a Commission found that certain service conditions should exist—so far as the emoluments of the employees are concerned—in the banking system, it cannot hold good now in any way to be implemented in the year 1957. Because the Government has taken so much time, the original conditions have become so obsolete today. Therefore, it is high time that the Government thinks over the matter of settling the dispute in the ex-Travancore-Cochin area—because some situation has arisen in Calcutta—and try to find some means to avoid the similar situation being created here also. Certainly, Government should have a new approach for settling the disputes that have arisen.

13.14 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Before I conclude, I would appeal to Government to remove the defects in the implementation of the original award. It was the refusal of the Government to refer these disputes to a Tribunal. The new situation has arisen because of the rise in the cost of living and the absence of a provision whereby the increase in the cost of living might be adequately neutralised by the new conditions. Every time the cost of living index increase we may have to refer the dispute to another tribunal. To avoid such a situation, I think Government will evolve a new policy as far as the Bank employees are concerned and see that justice is done to these employees and those cases which have not been referred to a Tribunal should be referred to a Tribunal as soon as possible.

**Pandit Thakur Das Bhargava (Hissar):** I wish to ask one or two questions of the hon. Minister. Objection has been taken on behalf of many hon. Members and the hon. Minister has been invited to give reasons why he wants to change the date. So far as the changes in the emoluments are concerned, they ought to have taken effect from 1st April, 1954 but the Bill seeks to substitute for that date, the 1st of January 1955.

I waited for the hon. Minister to give some reasons why he has changed the date. But, so far, I have not been able to understand why the changes have been made.

In a matter of this nature, where an award has been given by a high authority appointed by Government, there is no reason why Government should seek to make changes in it. Ordinarily, I would not expect the Government to make any changes. I know there is a provision in the original Act by which the Government is empowered to make any alterations, if it so pleases, in the award. But,

it does not mean that they can do so without giving any reasons. The rule in such cases is that Government should give effect to the award as far as it can. Some reason should be given why there should be a change in the date so far as these poor bank employees are concerned. I have not heard any reason so far and I would respectfully ask the hon. Minister to give reasons why he has changed the date.

**Shri Achar (Mangalore):** Mr Deputy-Speaker, Sir, I wish just to say a word about this retrospective nature of the amendment. No doubt, the recommendation was to give effect from 1st April, 1954, but the Government has thought it fit to accept it from 1st January, 1955 and not from 1st April, 1954. I expected the hon. Minister to give reasons as my predecessor asked referring to that aspect.

I wish to draw the attention of the House to only one aspect of the question. Often it has been said—and especially today there was severe criticism—that it ought to be retrospective from an earlier date. Whenever a new statute is proposed, we should remember the general principle that it should not be retrospective. The people, whether it be ordinary people or associations or banks, take it that the *status quo* would continue and they do not expect any law to take retrospective effect. From that aspect, I suppose the Government's attitude to give effect to it from a later date is acceptable.

Very often it is very light-heartedly said that when a law is changed it should be given effect to from long past. That would certainly work out some hardship and it is that aspect which I want to refer to. Whenever a new law is passed, the general principle should be that it should have effect only from the date it is actually assented to by the President. But, however, in cases of this kind, where there has been another recommendation, I can understand it being taken back to some prior date, but the later the better. From that point of view,

I support this amendment to give effect only from a later date, namely, from 1st January, 1955.

**Shri Abid Ali:** I had expected that this innocent and non-controversial Bill will go through without any discussion on the opening day of this winter session of Lok Sabha.

**Mr. Deputy-Speaker:** There might be other reasons also.

**Shri Abid Ali:** I thought so it being the first item on the agenda but, somehow or other, hon. Members opposite who chose to participate in the debate have surveyed (Shri B. S. Murthy—the *whole panorama*) all that has happened concerning this Bank dispute during the last years, which, as I said earlier when you were not here, most of that, was quite irrelevant. Neither here nor in the Rayja Sabha, amendments to the clauses that were objected to were submitted and all that they have stated was not very reasonable.

I may refer to the question put by Pandit Bhargava. This was not arbitration or adjudication. There was only a commission of enquiry appointed by the Government of India. The Government accepted almost all the recommendations of the Commission with only this minor change objected to by my hon. friend from Punjab. That is the change of date for making these arrears payable retrospectively. It has been made only in respect of two banks—the South Indian Bank and the Catholic Syrian Bank. Instead of making it applicable from April 1954, the date has been January 1955.

That proves that we were earnest to carry out the recommendation of the commission. When this change was made there were substantial reasons. We should certainly take into consideration the financial position of these banks and we have to consider whether something very substantially wrong may possibly result because of any action of ours. That has to be done in the interest of the industry

[Shri Abid Ali]

and the employees working there. So, this little change had to be made.

The policy of the Government, as suggested by the Member from Mysore is generally to follow the recommendations of these adjudications, arbitrations or even commissions. Unless it becomes absolutely necessary, we do not interfere with them.

The hon. Member from Bengal has said that two banks have become two State banks. About that we have not received any information up to this time and in case these two banks are entitled to come within the sphere of the Central industrial machinery, they may write to us. They will be given due consideration.

**Shri Prabhat Kar:** I have got a copy of the letter from the Secretary to the Government asking us to send the information and we have sent the information.

**Shri Abid Ali:** That very fact shows that we are responsive to the suggestions that are made. If the details have already come, they will receive consideration. If they have not come, they will be considered after they come.

The complaint of delay and suffering of employees because of dismissal, discharge, etc. was made. This Bill concerns only the emoluments and arrears and not the general service conditions or discharge or termination of service. Such persons are at liberty to bring these to our notice and the Industrial Disputes Act remains applicable to them.

**Shri Prabhat Kar:** The award exempted the employees from the operation of certain things. The award relates not only to pay, emoluments or other things. It also includes service conditions, categorisation of the employees, procedure for the termination of their service, procedure for making a temporary man permanent. These provisions have not been applied here; they have been totally exempted.

**Shri Abid Ali:** I do not agree with that point of view. After the passing of this Bill here and when it becomes law, the emoluments will be made applicable to them. So far as the other matters are concerned—discharge or dismissal and so on—they continue to be governed by the Industrial Disputes Act. That is the position. No more interruption please.

**Mr. Deputy-Speaker:** That should suffice. Twice the hon. Member has interfered and this cannot be allowed to continue.

**Shri Prabhat Kar:** That is wrong information. I am not talking of the Industrial Disputes Act. If it is wrong, there may be other remedies.

**Mr. Deputy-Speaker:** For the present we have to accept what the hon. Minister says, because the hon. Member has not got any authoritative document at present.

**Shri Prabhat Kar:** I have got a copy of the Commission's report.

**Mr. Deputy-Speaker:** Unless that is discussed, how can we say all about it.

**Shri Prabhat Kar:** Here it has made it clear. They are debarred from the scope of the award. I am not referring to the Industrial Disputes Act. I have said that the scope of the award has been completely taken away; these employees have been taken out of the purview of the award. The award covers not only emoluments it also covers service conditions. All those benefits had not been given to these employees. This Bill brings the employees within the scope of the award. Here is a provision that the employees will get something. What about their service conditions. It is also within the award itself. That is the point. I am not saying that they are not within the scope of the Industrial Disputes Act. But, the award itself has given certain rights.

**Mr. Deputy-Speaker:** The hon. Member may now resume his seat

The point is that there were certain other recommendations also of the commission which are not being given effect under this Bill.

**Shri Abid Ali:** So far as this particular recommendation of the commission is concerned, except what we have already mentioned, we have not made any other change.

**Mr. Deputy-Speaker:** Were there no other recommendations?

**Shri Abid Ali:** There were. Now, the hon. Member from Kerala has said that the dearness allowance—I do not know the name of the bank—is only Rs. 8. It has not come to our notice so far and it is not possible that there is a bank which pays only Rs. 8 as dearness allowance because the emoluments had already been stipulated. He made complaints about working hours and dearness allowance. He even said that they are in unhealthy surroundings, not to speak of factories, particularly in Travancore-Cochin. He considers that no clients would go there. Some of the hon. Members opposite start criticising things and say all that can be said without having any relation to realities.

One hon. Member stated that there is no tribunal for the south. Our industrial tribunals go to South. There are not enough cases to justify the establishment of an independent tribunal for the South. The tribunal is situated in Bombay and whenever a few cases accumulate, the judge himself goes to the extreme South and takes up the case there. Further, we entrust some cases to State tribunals. The intention is that as far as possible, the tribunals should go to the nearest possible place where the employees are situated so that the cost of travel and other inconveniences could be avoided. That has been our policy and that is what is being done. Therefore, the complaint about the non-existence of a tribunal in the South has no justification at all.

The complaint that we have not referred any dispute to adjudication

or any interpretation,—the complaint regarding the South—is also not correct. There have been cases which came to our notice and which deserved being referred to either for interpretation or adjudication. I have got some of the items here already with me. So, I do not know from where these hon. Members get these cock-and-bull stories and go on repeating them here, as if with a feeling that there is no one to explain the correct position. It would be a healthy affair if hon. Members try first to have a little verification about the statements which they feel they are called upon to make here.

This Bill, as I submitted earlier, has a very limited scope and still reference has been made to the Calcutta strike. The position of Calcutta strike was a result of the making of the employees themselves. They never wanted us to intervene in this matter and they wanted to have a strike, and they were believing that through strikes they will be able to get what they wanted. As a matter of fact, the item is covered by the award and it has been pointed out on several occasions previously too. If they felt that they will get what they wanted through direct action, and if they did not get that, they should not blame us. They had a strike for 31 days, and they could have continued for another 81 days and we did not interfere in that. But when they felt that the workers themselves were demanding that the union leadership should come to this decision, namely, that the strike should be ended, then they asked the Government to intervene. The Chief Minister of West Bengal convened a meeting and he was helpful to them to end the strike and certainly, with the help of the Chief Minister of West Bengal, they got a fair deal. When they felt that they would not be able to continue the strike and felt that the strike was cracking, they should be thankful to the Chief Minister of West Bengal and the Government of West Bengal and the industrial relations machinery of the Central Government for having

[Shri Abid Ali]

come to their help and got them back into the employment in the Calcutta banks. That they should come here and criticise it is very unfortunate.

With these words, I request the House to accept this amending Bill.

**Mr. Deputy-Speaker:** There is one thing that I wanted to bring to the notice of the House and particularly to the notice of the hon. Minister. I did not interfere, but it struck me that it was not a very healthy thing to say wherefrom the Members got their cock-and-bull stories. That would really, rather, take the level of the debate lower.

**Shri Abid Ali:** I am sorry.

**Mr. Deputy-Speaker:** That would react in the same manner, and then perhaps we may not be able to keep up the level of the debate that is required in the House. That is all I wanted to say.

**Shri Sadhan Gupta (Calcutta-East):** I do not know where the cock came from. The bull comes from the Ministers' Party symbol.

**Mr. Deputy-Speaker:** Unless both are combined. Now, I shall put the question.

The question is:

"That the Bill to amend the Industrial Disputes (Banking Companies) Decision Act, 1955, as passed by Rajya Sabha be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** Now, there is one amendment which has been just now received from Shri Narayanankutty Menon. Is he in his seat? He is absent. Even otherwise, because it has been received late, it could not be taken up unless it was accepted by the Treasury Benches.

**Shri Sadhan Gupta:** Regarding this question, I hope you are not ruling it as a precedent. It so happens on the first day of the session. People do not have an opportunity of submitting any amendments in time, because many of them have to give it on Saturday or Sunday, and there is no opportunity. So, on the first day, the rules may be liberalised.

**Mr. Deputy-Speaker:** Therefore, my first question was whether Shri Narayanankutty Menon was present. That was my first question. I will now put the question. The question is:

"That clause 2, clause 1, the Enacting Formula and the Title stand part of the Bill".

*The motion was adopted.*

*Clause 2, clause 1, the Enacting Formula and the Title were added to the Bill.*

**Shri Abid Ali:** I beg to move:

"That the Bill be passed".

**Mr. Deputy-Speaker:** Motion moved:

"That the Bill be passed."

**Shri Prabhat Kar:** As I said at the beginning, I would appeal to the Labour Minister once more. This Bill has given the employees the right to deal within the scope of the award from 1-1-1957 in one case and from 1-1-1956 in other cases. This measure enabled the payment of money which the employees are going to receive, but the award stipulates, apart from the financial commitments, the rights and privileges of the employees. I would request the hon. Labour Minister to see that when this Bill is passed, which will give effect to the proposal from 1-1-1955,—during the period between 1-1-1955 and after the passing of the Bill—any breach of the provisions of the Bill by way of dismissal or non-compliance with any provisions of the Bill, would be dealt with properly, and also see that those

cases are redressed. The award not only grants certain rights and certain privileges but also lays down certain procedures for dismissal of the employees or retrenchment of the employees or any other action. Thus, there are certain obligations to be discharged both by the employers and the employees, in between this period, and they have to be observed properly.

During this period, the employers have acted sometimes according to their whims and there have been cases when the employees have been dismissed and demoted and exploited because of the small salary that they have been receiving, and because they will get more now they have been retrenched. All that has been done arbitrarily without even taking recourse to the procedure laid down in the award. But legally, the award has become binding on the employers and the employees from 1-1-1955. During this period, whatever has happened—I know there are many cases which are pending in the Labour Departments—and if such cases are brought to the notice of the authorities, I would request the hon. Labour Minister to see that those cases are properly dealt with, and that the employees do not suffer because of the late passing of this measure in November, 1957. That is the request that I make to the Labour Minister.

**Shri Abid Ali:** That is the intention. This Bill says that the employees will be entitled to arrears and to what other things they are entitled to. In case there is any injustice done, of course, legally we can take action depending on the merits of the case. That will of course receive our due consideration.

**Pandit Thakur Das Bhargava:** May I make one observation? The hon. Minister was pleased to tell us that there were financial reasons. Of course, the reasons must have been financial, or there should have been some other reasons also. But I would

like the hon. Minister to be pleased to give us concretely the basic reasons, mentioning the amount of finances involved. What is the amount and what is the detriment to the workers? All these details we wanted to get. To say that there are financial reasons, does not improve matters at all. No details were given either during the debate, or at the beginning or subsequently. We expected that. It was for that reason that no amendments were moved. I myself wanted to move some amendment to say that the date shall revert back to April, 1954. But I thought that the Government must have very good reasons for doing that. I would like to know the reasons, the amount involved and so on. Even now at this stage the hon. Deputy Minister can enlighten the House what is the amount involved and the reasons.

**Shri Abid Ali:** I have already explained it.

**Mr. Deputy-Speaker:** He wants to know why retrospective effect should not be given from 8 or 9 months earlier.

**Shri Abid Ali:** I will give the necessary information to the hon. Member.

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

“That the Bill be passed”.

*The motion was adopted.*

---

#### INDUSTRIAL FINANCE CORPORATION (AMENDMENT) BILL

**Mr. Deputy-Speaker:** The hon. Finance Minister.

**Shri T. K. Chaudhuri** (Berhampore): I have already drawn the attention of the hon. Speaker to the fact that the Industrial Finance Corporation Report was laid on the Table of the House only today and before we can study this report, it is rather difficult to take part in the debate.