

[Shri V. Prasad Rao.]

would come out of this measure. So, I think these things will be borne in mind when the provisions of this Bill are going to be actually implemented.

SHRI N. KANUNGO: Sir, I reciprocate the feelings and the arguments which have been put forward by Mr. V. Prasad Rao and here I must thank him for the enormous help he has given in the Select Committee and also in the discussions in the House.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

THE INDUSTRIAL DISPUTES (BANKING COMPANIES) DECISION AMENDMENT BILL, 1958

THE DEPUTY MINISTER OF LABOUR
(SHRI ABTD ALI): Sir, I beg to move:

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

The "bank dispute has a fairly long and protracted history. It is not necessary to repeat it here. The House is aware that the recommendations of the Bank Award Commission were accepted by the Parliament and enforced by the Industrial Disputes (Banking Companies) Decision Act, 1955. In its report, the Commission laid down certain formulae about the adjustment of dearness allowance, payable to the staff, keeping in view the variation in the cost of living index. According to the formulae, dearness allowance for the clerical and subordinate staff can be adjusted, if the average all-India cost of living index for the half year ending June or December rises or falls by more than 10 points as compared to 144

(1944-100). The dearness allowance for the succeeding half year is raised or lowered by 1/7th and 1/10th of the dearness allowance admissible at the index level of 144 for clerical and subordinate staff, respectively, for each variation of 10 points. It will be noticed that the formulae provide for changes after intervals of six months for variation of 10 points in the index level. Representations have been made to Government that much hardship is caused to the workers if the index level rises considerably, but does not actually reach 10 points. The interval of six months is also considered to be a long period.

In December last, the State Bank of India recognising the necessity for adjustment in the dearness allowance basis, entered into an agreement with the representatives of its workers. This permits adjustments being made quarterly instead of six-monthly and also for every variation of 5 points in the index level. Other bankers are also agreeable to accept the modification on the lines agreed to by the State Bank of India.

This Bill is intended to vest the Government with powers to modify the formulae so that adjustments could be made to remove the hardship just mentioned by me. Of course, the intention is to remain within the framework of the existing scheme of dearness allowance. The House will, no doubt, appreciate that it is not desirable to change the ratio recommended by the Commission, which was also unanimously approved by the Parliament. However, before making any modification for the adjustment of dearness allowance, Government will consult the representatives of the parties concerned.

With these words, I commend that the Bill be taken into consideration.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill further to amend the Industrial Disputes (Banking Companies) Decision Act, 1955, as

passed by the Lok Sabha, be taken into consideration."

SHRI PERATH NARAYANAN NAIR (Kerala): Mr. Deputy Chairman, the hon. Deputy Minister has explained that this Bill has been brought in response to the representations made by the bank employees who have been feeling hardship in regard to the way in which the formula relating to the payment of dearness allowance has been working during the last 5 years. Now, as far that intention goes it is to be welcomed. But in actual practice, I will ask whether the implementation of this particular provision is going to mitigate the hardships felt by the bank employees? We approach it in a negative way. In an academic sense, it may mean some relief because under the formula now in vogue as the Deputy Minister explained, it is a six-monthly period, half-yearly period and for a variation of 10 points. So, taking the base figure at 144, it may fall down to 135 or it may go up to 153. When there is this variation of 19 points there will not be any readjustment in the dearness allowance. That is really a hard case. According to the new provision the period will be quarterly and the variation points will be 5 which means in effect that whereas increase or decrease in the dearness allowance under the existing formula will be Rs. 7 of the basic figure, that is from Rs. 50 to 57½, or there may be a fall or rise of Rs. 7½, according to this amendment, it may be that the reduction will be Rs. 3½. The increase also may be Rs. 3½ and this adjustment can be made every 3 months but I want to ask hon. Minister even theoretically speaking, what will be the effect on the 80,000 bank employees in this country if according to this provision, certain bankers take it into their heads to reduce the dearness allowance, say even by Rs. 3½? Wow, the present formula is in vogue and within that framework that ratio is maintained but can we contemplate with equanimity that any class of employees in this country, when the

cost of living is rising in every respect, will accept any reduction in their dearness allowance, let alone these bank employees, 80,000 of them who are organised in their own sphere? Now, what is the actual situation in the country? The bank employees of course have been obliged to accept this adjustment. It has been a statutory . . .

MR. DEPUTY CHAIRMAN: It has been decided on the basis of the cost of living index.

SHRI PERATH NARAYANAN NAIR: That is exactly where the bank employees have their grievance. Now, the dearness allowance in regard to several other categories of employees in the country is calculated under particular method. Under this Gajendragadkar Award this dearness allowance is linked to the cost of living index based on averages.

MR. DEPUTY CHAIRMAN: Which is the same for all clauses.

SHRI PERATH NARAYANAN NAIR: It is not. Of course, the base year in this case is 1946 but in other cases it is mostly the war year of 1939 or even 1940. That itself makes a difference. Apart from that, the regional cost of living indices show a tendency to rise. You take the Bombay figure or the Calcutta figure. They go on rising. Here the anomaly is that this all-India cost of living index based on certain averages—that alone—shows a tendency to decrease. Now, the misgivings felt by the bank employees are based on facts. How do you explain this? You know as a matter of fact that there is rise in the price of food. The prices of essential articles are going up but all the same you are faced with this that the all-India cost of living index based on averages, shows a tendency to fall.

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I SHRI P. D. HIMATSINGKA (West Bengal): Is not the award applicable to the whole of India?

SHRI PERATH NARAYANAN NAIR: To bank employees. Now, If particular employees are made to suffer . . .

MR. DEPUTY CHAIRMAN: We are now concerned only with bank employees.

SHRI PERATH NARAYANAN NAIR: In the implementation of this particular provision, naturally there is the human problem . . .

MR. DEPUTY CHAIRMAN: It is an agreement, is it not, between the employees of the banks and the employers?

SHRI PERATH NARAYANAN NAIR: What applies to other categories of employees must be made applicable to these also. During the last 5 years . . .

MR. DEPUTY CHAIRMAN: That means you want to go back on the agreement?

SHRI PERATH NARAYANAN NAIR: No.

MR. DEPUTY CHAIRMAN: That is the implication.

SHRI PERATH NARAYANAN NAIR: If we look at it in a hypothetical way it will be difficult. What will be the actual effect of implementing this? Suppose, some bankers take it into their heads to reduce the dearness allowance, what will happen? May I ask the hon. Minister—is he prepared to give an assurance that a minimum dearness allowance which these people are receiving now, will not be reduced under any circumstance? Now, the whole cost of living is increasing and I may also remind the House, as the hon. Minister said, that this banking dispute has been a long and protracted one. They have been putting up a stout struggle to get some betterment in their emoluments and dearness allowance.

We know that in the case of other categories of employees the dearness

allowance is linked from point to point to the rise in the cost of living index. But that is not the case here. Moreover, the grievances and the representations made are all founded on facts and the Gadgil Committee and several other committees have suggested that there must be an improvement made in the present method of calculating and working out the cost of living indices. And they have made their suggestions. The Ministry of Labour in the case of industrial workers and the Home Ministry in the case of the middle-class employees, these two Ministries are working out a new and a more reliable method for arriving at the cost of living figures. And now even this Award—the Gajendragadkar Award—will come to an end by March next year and the Government will be obliged to review the whole thing and when they review the whole thing they will have to bear in mind certain considerations about the whole question of dearness allowance. For example, it has been said that dearness allowance is connected with the increase in the cost of living. For the last two years cost of living is going up. Dearness allowance is intended to be a kind of temporary increase over the basic pay to meet the higher cost till normalcy is obtained. But our experience has been that during the last twelve years, the prices have gone on increasing and there is no sign of their coming down. Certain responsible committees appointed by the Government have themselves agreed that after the war, prices have tended to stabilise at 160 or 170 per cent. That being so not only the bank employees but other employees have been clamouring for merging at least a portion of the dearness allowance with their basic pay. The Government has been obliged to concede at least a part of it so far as the Government employees are concerned and for the Central Government employees they have granted a temporary increase of Rs. 5 in their dearness allowance. So they knew and they accepted that the cost of living was going up and increasing. But here in the case of these parti-

I have only to mention one or two more things broadly. The hon. Minister will be obliged to review the whole case since the whole Award will expire by March next. I want to know how far the Government have proceeded with their investigation. This is a broad question. The question of the merging of the dearness

allowance with the basic pay has been there and this question cannot be postponed any longer. Therefore, it will be in the fitness of things to assure the House that with regard to these employees, there will be no reduction, because for the past twelve years the cost of living has been increasing and there is absolutely no indication that there will be any reduction. The Gadgil Committee has accepted it and it is time that the whole thing is implemented. I want the hon. Minister to say what the Government has been doing about these things. These figures of regional cost of living indices and these all-India cost of living index based on these averages, these have led to all sorts of difficulties. And the suggestion has been made that a national all-India index, more reliable and more satisfactory, to the needs of the present situation has to be worked out. Some work is proceeding along these lines in the different Ministries, I am told. But I would urge upon the Minister also to tell us what progress has been made in this direction, because the whole question is coming up in a broad way and all the various categories of employees are directly concerned with this. I would request the hon. Minister to tell us how he means to tackle this problem which has been thrown up by the economic situation.

SHRI P. D. HIMATSINGKA: Mr. Deputy Chairman, I was trying to follow the objections of the hon. Member Shri Narayanan Nair, but I have not been able to understand what is his objection. The Bank Award Commission made a report which was codified in 1955 which provides that if there is an increase in the average cost of living index by 10 points, there will be an increase in the dearness allowance. And if there is a decrease to the extent of 10 points there will be a corresponding decrease in the dearness allowance. The employees represented that it was very hard on them if the prices increased considerably, though not by 10 points throughout a period of six months, but' to that extent or a little

[Shri P. D. Himatsingka.] short of it throughout a period of three or four months, and that if the period fell short of six months they did not get any benefit. As the cost of living had increased, as mentioned by my friend just now, they had already got the benefit; originally the dearness allowance was Rs. 50 and because the cost of living had increased, at present it is Rs. 54-14 n.P. Now the employees wanted that, instead of making them wait for six months and the increase in the cost of living to go up by 10 points, let the basis be an increase by 5 points and over a period of three months. Therefore, if there is an increase to the extent of 5 points only and over a period of three months only there will be an increase in the dearness allowance. Similarly, if there is a decrease to the extent of 5 points there can be a corresponding decrease in the dearness allowance. It is based on the Bank Award and it covered all the banks in India barring a few which had been excluded, and therefore the question of dearness allowance concerns all the employees of all the banks throughout India. Now, if the cost of living index level increases in certain areas but decreases in certain other areas you cannot take up the question of dearness allowance areawise, but if you make it applicable to the whole of India, the cost of living to be taken into consideration should be the average cost of living of the whole of India, as has been recommended in the Award of the Bank Award Commission. Sir, why should it be funny to think of a reduction? If the dearness allowance has been increased on the basis of a formula, then certainly if the index level falls, there ought to be a decrease also.

Sma PERATH NARAYANAN NAIR: If the all-India average falls.

SHRI P. D. HIMATSINGKA: Exactly so. They get the benefit when the all-India average increases. Otherwise the original amounts payable to them should stand. As a matter of fact there is one very significant differ-

ence between the bank employees and other labour. Sir, as you know, in no industry there is—what can be called, this grade; there is no increment of salary or wages year by year on a fixed basis, whereas in a bank, under this Award, a clerk who enters on a pay and allowances of Rs. 85 goes on getting more and more till he reaches the figure of Rs. 280, from Rs. 85 to Rs. 280, the annual increment being Rs. 5 in the first three years, then Rs. 6 in the next two years, then Rs. 7, Rs. 8 and so on, the increment rising up to Rs. 15 a year. Where else do you find this yearly increment? It is in no other labour. That important factor is being ignored when opposition is being put forward to the amendment that has been proposed by the hon. Deputy Minister for the benefit of the employees. It has been mentioned by them that the banks should not reduce the dearness allowance. If that were so, this amendment will act only to the benefit of the employees because if there is an increase in the cost of living index to the extent of 5 points they will get the benefit and if there is a decrease it may be that the Government will not reduce the amount. But you cannot have it one way, a onesided decision only, when it is governed by an Award affecting all the banks, an all-India Award which has been accepted by the Government and on the basis of which this legislation is being enacted. Sir, as you know the working cost of the banks has increased very considerably and it is added to the cost of practically every industry. If the cost of running a bank goes up by even one per cent, it means additional cost of one per cent, to the industry, and that affects the price of every commodity, and therefore, one has to be very careful in seeing to it that money does not become dearer than what it is at present. Sir, there is another very important thing to be noticed. As you know, Sir, even now some banks are paying more than what the Award provides to be paid; but even then in certain places the employees resort to, what is called, pen-down-strike or go-slow tactics and so on. As a matter of fact, it is timr

Government takes up a definite attitude to see that if the employees want the help of the community to better their prospects and their position, they should render adequate service for the amount they are paid. Otherwise, Sir, it is a one-sided game, you go on increasing the salary and you do not get proper work turned out. As a matter of fact, if you now take statistics you will find that persons who were doing work, say, to the extent of 20 points, have been now doing 10 points, and to the extent of 10 points that they do not work during office hours, they want to do it on the basis of extra time devoted to it. They do it like that and they get double the amount. This is what is happening in the banks and this is adding to the cost of running the banks. These facts are being forgotten by our friends who champion the cause of the employees and they are not placing these facts before the House. The House knows how the strikes had been carried on to the detriment of the employees and to the detriment of the general community. It was because certain persons not connected with banks, persons from outside, became the leaders of the employees, and they did not care for the effects of a prolonged strike on the community and on the employees themselves.

SHRI PERATH NARAYANAN NAIR:
That is a general allegation.

SHRI P.D. HIMATSINGKA: That is not a general allegation; that is admitted, and as a matter of fact the bank employees realised later on that they had been misled. Therefore, Sir, the present amending Bill is in the interest of the employees, and I can't not understand what possible objection can be raised to its being accepted.

DR. P. J. THOMAS (Kerala): Mr. Deputy Chairman, I am not against bank employees being given allowances on the basis mentioned in the BUI, but I fear that . . .

SHRI V. PRASAD RAO (Andhra Pradesh):
You don't agree?

DR. P. J. THOMAS: I am not against them, I said.

Banks in India are not all of the same category. There are large banks and there are small banks and there are huge differences between the large banks, like the State Bank of India, the Central Bank of India and the small ones. These large banks get very large deposits paying very low rates of interest, and some deposits bear no interest at all, absolutely free of interest, whereas the small banks have to pay comparatively higher rates of interest for the deposits they get and thus their costs are very high, and as pointed out by the previous speaker, these banks will not be able to bear the additional cost involved.

I come from a part of the country where there are very small banks, and those banks have been garnering the savings of the people and giving them credits on reasonable terms in a way you cannot find in any other part of India. As such I think, to have any kind of general level of all-India cost of living for the fixation of dearness allowance for the whole of India is not at all fair. Secondly, Sir, on the question of all-India index numbers of prices, there again I doubt whether it can justly be taken as the basis for purposes of this Bill even though it is the average all-India cost of living index. Now, Sir, in some parts of the country the cost of living is much higher. For instance, take the price index of food. The prices are probably higher in certain parts, lower in other parts. Therefore, we have to base this increase in dearness allowance on the local cost of living figures, not on the basis of the all-India cost of living index. After all, this country is not a small country and the prices vary considerably in the different regions and in the different parts of the regions. For example, just at present we know very well the high price of foodgrains prevailing in northern India and I do not think prices have gone up so much in the south. In any case to base an increase or decrease in dearness allowance on

[Dr. P. J. Thomas.]

the all-India cost of living index is, to my mind, not justified. I am doubtful whether it will do even justice to all if you take the average all-India cost of living index. Bank employees in certain parts of the country may benefit a great deal whereas employees in other parts may have to lose. In any case the banks are affected. All these would add to cost and this will have repercussions on industry and business. The hon. Deputy Minister has assured us that the two associations of banks were agreeable to the change. I do not know which are the associations he meant. I have a great complaint to make in this regard. There are the banks of Kerala of which I shall say

something. The conditions of Kerala are very different from the rest of India, and I know most parts of India.

MR. DEPUTY CHAIRMAN: You want more time, Dr. Thomas?

DR. P. J. THOMAS: Yes, Sir, I shall take more time.

MR. DEPUTY CHAIRMAN: Then you can continue tomorrow.

The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at five of the clock till eleven of the clock on Thursday, the 18th September 1958.