

potential recruits. The 'Training Classes' have been abolished and there is no move to revive them.

PAPER LAID ON THE TABLE

**ANNUAL REPORT OF THE EMPLOYEES'
STATE INSURANCE CORPORATION FOR
1957-58**

THE DEPUTY MINISTER OF LABOUR (SHRI ABUJ ALI): Sir, I beg to lay on the Table, under section 36 of the Employees' State Insurance Act, 1948, a copy of the Annual Report Of the Employees' State Insurance Corporation for the year 1957-58. [Placed in Library. See No. LT-925/58.]

**ALLOTMENT OF TIME FOR CON-
SIDERATION OF THE REPORT OF
THE COMMITTEE FOR THE PRE-
VENTION OF CRUELTY TO ANIMALS**

MR. CHAIRMAN: I have to inform Members that under rule 153 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I have allotted one and a half hours for the consideration of Dr. W. S. Barlingay's motion in respect of the Report of the Committee for the prevention of Cruelty to Animals.

**THE INDUSTRIAL DISPUTES
(BANKING COMPANIES) DECISION
AMENDMENT BILL, 1958—continued.**

DR. P. J. THOMAS (Kerala): Mr. Chairman, I was speaking yesterday about the unfairness of applying the all-India index of cost of living, for deciding on the question of dearness allowance for the employees. I find that the Labour Appellate Tribunal presided over by Mr. Jeejeebhoy had also doubted the advisability of using this all-India index of cost of living. I find on an examination that since 1949, the variation in the index of cost of living has been different for different parts of the country. While

in the North it has not been very large until lately, in the South there have been quite a few variations. For instance, in some towns of South India including Andhra, it has been of the order of 27 per cent, even 37 per cent, while in other towns it is only 10 or 15 per cent, so that there are variations even in regions which are considered to be fairly analogous. Therefore, it is much more fair to prepare the index for the different States and also to utilise the existing ones. There are already cost of living indices for different towns, for various industrial towns all over India. Not to use these, I think, is really unfair to the labouring classes. What may happen is that labour in certain parts of the country would benefit while others may be losing; therefore the application of the all-India figures is not justified, in my opinion.

The payment of such D.A. is a product of World War II. Couldn't we go further than that and incorporate this in the basic wages for different industries and different classes of employees? Of course, this must be related to the profits, the Award Banks and others are making. I think it would be fairer to both parties if basic wages are fixed rather than harp back to the old principle of dearness allowance which was fixed during the War. There is so much of agitation going on and this fixing of the cost of living index is also a difficult proposition. Even the statisticians have said that the figures are questionable. Even if there are very capable persons available, it is very difficult to get the material. Therefore, Sir, we must now base our remuneration to employees on a different basis, on a more suitable basis, that is to say, the basic wage to be recast.

The hon. Deputy Labour Minister speaks of two associations of bankers having agreed to the proposal. I hope he would tell us which those associations are. Because in the part of the country which I represent, there

[Dr. P. J. Thomas.] are also several Award Banks. I do hope that the interests of that part of the country will be properly looked after by the associations which he has got in mind. I find that my part of the country, where there are numerous small banks, very small ones—these banks somehow or other collect the savings of the poorer people, poor agriculturists and also give them loans at reasonable rates of interests—have been very badly served by the Reserve Bank in this matter. This is because the interests of that part of the country have been tagged on to wider areas whose problems are very different. I hope only the Award banks are concerned about the payment of dearness allowance but even here, we should certainly start upon something more basic, something more stable and give up this cost of living index unless we have cost of living indices worked out for each area, each State, separately.

That is all I have to say.

SHRI RATANLAL KISHORILAL MALVIYA (Madhya Pradesh): Mr. Chairman, I rise to support the Bill. The scope of the Bill is very limited and most of the arguments which have been offered by my hon. friends in the Opposition do not suit the Bill. They could be the subject of another comprehensive Bill or a Resolution or anything else. So far as this Bill is concerned, it is only to improve upon a certain portion in the Report of the Bank Award Commission and to give relief to the workers, I believe, temporarily. The Bank Award Commission provided that if there was an increase of ten points in the average cost of living index within a period of six months, an increase in dearness allowance will be allowed. It happened Sir, and it has been pointed out by the Deputy Minister in the Lok Sabha that in the period before July there had been a rise of 9.87 points in the average all-India cost of living index, but the

workers had not been given any relief, because according to the Award bank employees are to get the prescribed increase in dearness allowance only when the index rose by ten points. It is to give relief to the workers in such circumstances, even where the index rose appreciably, though not to the extent of ten points, that this Bill has been brought here, and it is to provide the necessary relief where it is sought by the workers and justified in the circumstances. It has been said by some friends here and in the other House and also there is a general comment on the dearness allowance, and I think, Sir, the subject deserves comments in general, and it requires improvement. The system of dearness allowance which is prevalent at present is not very suitable to the working class and deserves an amendment as early as possible and I believe, Sir, the various labour conferences, which are being held, are taking account of this fact. I feel that the Central Pay Commission which has been set up and which is holding enquiries at present is likely to give weight to this vexed question of dearness allowance and may also include a part of dearness allowance in the basic wage, which is very necessary in the existing circumstances as we are certain, Sir, that the cost of living index is not going to come down to touch the pre-war level or even the level of 1944. Therefore, I feel it necessary that the dearness allowance allowed to the extent of the increase in the cost of living index number over that of the year 1941 should be added to the basic wage of the employees.

Now, Sir, so far as this Bill is concerned, its scope is limited in that proportionate adjustment of the dearness allowance payable to bank employees for variations in the cost of living index can be made at intervals of less than six months, and it is to mitigate the hardship caused to the workers in case there was an appreciable rise in the cost of living index

level even if the period was shorter than six months. When the bank employees felt such hardship they came to an agreement with their employers. The State Bank of India and the employees working in this Bank have chalked out a formula by which they would get some relief in case there is a rise in the index level even to the extent of five points. The two banking associations have also agreed to follow suit. As I have said just now, Sir, the time lag of six months for a change in the dearness allowance, I mean for an increase or decrease in the dearness allowance, is very long and the points fixed for this increase are also on the high side. The agreement, therefore, between the employers and the employees has been that after every three months account will be taken of any increase in the cost of living index level, and if the increase had been even to the extent of five points, they would be allowed a proportionate increase in the dearness allowance.

I think, Sir, the Bill is a very appropriate measure and the remedy suggested in it for the temporary relief of the bank employees is desirable. I do not mean to suggest, Sir, that the comments which have been offered on the desirability of amalgamation of the dearness allowance with the basic wage and the other reliefs in the shape of increase in dearness allowance may not be considered or may not be allowed, but the scope of this Bill being limited we can at present speak only to that extent, and we can either support or reject the Bill. So far as the Opposition is concerned, if they reject this Bill the workers are definitely going to undergo hardship. The privilege that is allowed by this Bill to the employees to get their dearness allowance adjusted after every three months by reason of an increase in the index level by five points will be lost to them if we oppose this measure. Representing labour interests in this House, I think

this Bill is in favour of the labour, I mean the bank employees, and I would request the Opposition to support it, because it is definitely giving relief to the workers. Now with the assurance which the Government has given that the powers that they are taking under this Bill will not be invoked by them without consulting the parties and that no announcement will be made unless the parties have consented to an increase or decrease in the dearness allowance, it is sufficient guarantee for the workers that the Government will always make an announcement under the powers taken by them only when they are affected by the cost of living index. Sir, with this guarantee, the workers add to their strength, and I am sure the Deputy Minister who is in-charge of labour interests, who has suffered in his earlier life, who started his life as a labourer, will not sidetrack the interests of workers and there will never be any occasion when the workers will not be heard sympathetically or will not get a square deal from him. Under the circumstances I am sure Sir, that the Bill is for giving relief to the bank employees and it will be accepted. I support this Bill.

While on this subject, Sir, I would like to draw the attention of the Government that it is high time now that steps are taken by Government to expedite the relief sought for by emerging dearness allowance in basic wage, and as I have already said, I beg to suggest that steps be taken to include dearness allowance in basic wage and it is high time that this were done. In this connection I would like to say that the system of preparing the cost of living index number be also changed in that generally the index number is prepared on the basis of the prices which are prevailing in the big cities. I do not see they are the same all over India. I am aware of the fact that in certain industrial areas the cost of living index is based on the prices prevailing in the cities.

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[Shri Ratanlal Kishorilal Malviya.] Working in the labour field, my experience of the past ten years is that the prices prevailing in some industrial areas are generally higher than those prevailing even in large cities like Bombay, Calcutta, Delhi, Nagpur, Jabalpur or any other big city.

SHRI P. D. HIMATSINGKA (West Bengal): Are not there industrial areas in the big cities?

SHRI RATANLAL KISHORILAL MALVIYA: But I am talking of those mining areas situated in far off places, in forests and hills, and there the prices are generally higher than those prevailing in the cities and I am sure that these dearness allowances fixed on this index number do not suit many of the areas. Therefore, I will request the Government that some change in the system of preparation of index number be adopted whereby they have a clear picture of the actual rise in prices in such areas which are situated far away from the cities.

SHRI S. C. KARAYALAR (Madras): What is the alternative suggestion the hon. Member has in mind for fixing index numbers?

SHRI RATANLAL KISHORILAL MALVIYA: I have just made a request that prices should be collected from these areas and a separate index number should be prepared for them, because they definitely deserve more relief.

SHRI P. D. HIMATSINGKA: Different amounts in different areas; is that the suggestion?

SHRI RATANLAL KISHORILAL MALVIYA: The suggestion is this that where prices are definitely higher, if necessary, a separate index number should be prepared so that proper relief could be provided to the workers working in such areas where the prices are higher. With these words, I support the Bill.

SHRI H. P. SAKSENA (Uttar Pradesh): Mr. Chairman, Sir, I rise to give my additional support to the measure. There is a saying that where a man and a woman agree, no kazi is needed; no priest is needed for the performance of the marriage. When the two parties concerned in the matter have agreed and have come to a solution of the problem, where is the necessity for others to poke in their nose?

Sir, two very wholesome improvements are being made in the Bill just before me—the Industrial Disputes (Banking Companies) Decision Amendment Bill. If the points happen to be little less than 10 they have been reduced to 5. Now, there is no prospect of any reduction because the prices are soaring higher and higher. For that reason I plead with my hon. friend, Mr. Nair, who yesterday apprehended that there might be some reduction in the dearness allowance, that there is no such prospect. The dearness allowance could only be reduced when the cost of living index goes down to what it was in 1944. So there is absolutely no prospect whatsoever and we should not be fancying things. All the same I would beg of the Government to give an assurance that in case it so happens, in case the unexpected does happen, even in that case, the dearness allowance will not be reduced because certainly, humanly speaking, speaking from the point of view of a human being, it is difficult to imagine a person's emoluments being reduced and cut down because certain necessities of life happen to become cheaper, notwithstanding the fact that I know that there are no prospects of anything going down. Our Prime Minister has been dinning into our ears that we are condemned to hard labour. Personally I am convinced that we are condemned to a life of very high prices. There is no prospect of anything coming down and we shall only be having higher and higher prices.

as time goes on. So I would beg of my friend, Mr. Abid Ali, to give an assurance that there will never arise a case when the dearness allowance will be reduced.

Sir, my friend, Mr. Himatsingka, yesterday talked of very unpleasant things, very unpleasant even from my point of view, because the banking employees who have been given very generous and benevolent treatment by the Banking Commission Award are still resorting to the old tactics of go-slow strike and pen-down strike and all that. This is undignified. In the first place it is undignified for the employees of a great country like India and of a great business enterprise like banking, to be indulging in such childish and trivial things like go-slow strikes and pen-down strikes. My friends on the opposite who plead for no reduction in the dearness allowance, should also plead with them and then and then alone will they justify their being in the Opposition. They should plead with them to the effect that these tactics, these injurious and harmful tactics, should be given the go-by.

SHRI PERATH NARAYANAN NAIR (Kerala): Is it the point of the hon. Member that 90 per cent of the employees have adopted a go-slow policy now?

SHRI H. P. SAKSENA: I do not visit banking concerns, and I cannot say from my personal experience whether they are resorting to that practice or not, but I suppose that there is some truth in the statement that my hon. friend, Mr. Himatsingka, made yesterday.

SHRI PERATH NARAYANAN NAIR: It is too sweeping a statement.

SHRI H. P. SAKSENA: Now, he is here to verify and affirm my statement that they are still resorting to those practices. I must unequivocally confess that I am ashamed of them, although I am not a bank employee.

SHRI P. D. HIMATSINGKA: The employees of the United Bank of India are doing it.

SHRI H. P. SAKSENA: Now, Sir, he praised the good intention quite all right. Well and good, coming as it does from that side. But then he complained of practice. What is wrong with the practice? The Award has been implemented in its entirety. So, there is no trouble so far as implementation of the Award is concerned. So, there is no need for doubting and suspecting the intentions of the Government.

SHRI P. D. HIMATSINGKA: Heads thy win, tails ybu lose.

SHRI PERATH NARAYANAN NAIR: My difficulty is that the all-India cost of living index, based on averages, has shown a tendency to go down, which does not represent the realities of the situation.

SHRI H. P. SAKSENA: That may be another thing. But then I remember the days—just a comparison will not be unpalatable to my friends on my right—there was a time when the bank employees had no fixed hours of work. They used to work from morning till ten o'clock or eleven o'clock or midnight even, without getting any extra allowance for this extra work. There was a time like that also. And now if you go to a bank you will find that at 4 o'clock everybody is out. And then they did very important work. The two sides of the account books, the cash books, etc. should tally. Before that nobody could leave the bank premises. But all that is gone and things are very rosy, very good for the bank employees. As I said some time ago, if I were not in Parliament and if I were seeking some employment, I would be going to a bank to get an employment, to get richer and richer and richer. Thank you.

SHRI MULKA GOVINDA REDDY (Mysore): Mr. Chairman, I would like to offer some remarks on this

[Shri Mulka Govinda Reddy.] Industrial Disputes (Banking Companies) Decision Amendment Bill, 1958. As we all know, in India since 1939, since the commencement of the Second World War, prices of foodgrains and other articles which are necessary for life are going up and up with such speed that there is no knowing where the prices will stop increasing. 1944, the base year, has "been taken into consideration for calculating the basic wage and dearness allowance, especially with regard to the bank employees. Even that base we are not going to dream of. The prices are going up. In addition to this, we have embarked upon developmental activities. The First Five Year Plan has been over and we are in the midst of the Second Five Year Plan.

[MR. DEPUTY CHAIRMAN in the Chair]

And we are all certain that a number of five Year Plans will have to be undertaken by Government and with the increasing activities under a planned programme, and with Government resorting to deficit financing, the prices of articles will go up and the inflationary tendencies will be there. It is dead certain that the prices of foodgrains or any article of necessity will never, under any circumstances, reach the level of 1944. I would like to impress, therefore, that this dearness allowance, which is meant to be a temporary allowance for a particular purpose to neutralise the cost of living that has gone up because of the rise in prices, has become almost a permanent feature. I, therefore, urge that this dearness allowance, at least a major portion, should be merged in the basic pay of the employees. It is not only the employees of the banking concerns, but the employees of the State Government*! and the employees of the Central Government have all along put up this plea that a major portion of the dearness allowance should be

merged with the basic pay. By doing that the employees in the banking concerns as well as the employees in other Governmental concerns will be benefited to a large extent, and the Government are not going to lose anything just at present. They will have to pay either in the form of basic pay or basic pay plus dearness allowance the same amount, but certain benefits that will accrue if this major portion of dearness allowance is merged with basic pay will be denied if that is not merged with the basic pay. Mr. Justice Gajendragadkar, in his report, has stated clearly that a rise in prices will have a greater adverse effect on the lower income groups, working in the bank³ as well as in other Government departments. That is why he has evolved a formula that for a particular class of employees, bank employees, a certain proportion or ratio should be calculated in arriving at the dearness allowance—the rise in the dearness allowance that has to be accorded to the bank employees. In his report he says if the average all-India cost of living index for the half year ending June—December of any year should rise or fall by more than ten points as compared to 144—1944, base year 100—the dearness allowance for the succeeding half year will be raised or lowered by one-seventh of the dearness allowance admissible at the index level of 144 for each variation of ten points. For the category of clerical staff, one-seventh of the basic pay of the bank employees will be raised in the dearness allowance for a rise of every ten points in the cost of living. What I would like to impress on the Government is here the bulk of the emp[^]ees are there and the cost of living will have great adverse effects on this large chunk of bank employees. This one-seventh that has been allowed under this formu'a will not be sufficient to neutralise the rise in prices of necessary articles. This question of amending this particu'ar section is there, that every rise or fall of ten points in the cost of living should, within

three months or quarterly, allow the bank or the bank employees to get either a rise or fall in the dearness allowance calculated on the basic pay sanctioned. I therefore urge, Sir, that instead of one-seventh, one-fifth of the rise should be allowed. If that is done, a large section of the bank employees who are getting less than the minimum wage will be benefited.

For the second category of the employees, the subordinate staff, one-tenth of the rise is allowed. Even here I would urge that it should be increased to one-seventh, so that the high cost of living that is going on today will be offset by the rise in the dearness allowance that has been suggested by me.

Another point to be taken into consideration is this. The all-India cost of living index is not so perfect and is not so reliable, as has been pointed out by the previous speakers. On another occasion the statistical figures that have been supplied to us have been questioned. Many a time this cost of living index that has been shown in the governmental register does not really reflect the actual cost of living that is obtaining in particular areas. Many a time cost of living is calculated on the basis of wholesale figures. I would, therefore, urge that the Labour Ministry should interest itself in calculating this cost of living index on a more rational, reasonable and realistic basis. Many a time this all-India cost of living index is so deceptive with regard to particular regions. So, while a more scientific method of approach in calculating the cost of living index should be devised, the cost of living in a particular region where a particular bank is situated will be more reliable for being taken into consideration than the all-India cost of living index for the year or quarter in question, for fixing the dearness allowance for particular employees in a particular area.

I therefore urge, Sir, that the major portion of the dearness allow-

ance should be merged with the basic pay of the employee, and the ratios that have been given by this Bank Award Commission should be so altered that the clerical staff will get one-fifth and the subordinate staff one seventh.

I have done, Sir.

THE DEPUTY MINISTER OF LABOUR (SHRI AMD ALI): Sir, I have not been able to appreciate the suggestions which have been made by some hon. Members who have participated in this discussion that under no circumstances, whatever may be the decrease in the cost of living index, the dearness allowance should be reduced. Sir, hon. Members might have gone through the report of the Commission. On page 64 it says:

"I would like to add in this connection that I consulted both bankers and employees in regard to two formulas for adjustment of dearness allowance which I have just recommended. Employees on the whole agreed with my formula, while there appeared to be a difference of opinion amongst bankers on this point."

We have not made any change in this formula which has been agreed to by the workers. We are not making any change in that. What we are suggesting is that, as I explained yesterday and as my hon. friend from Calcutta has further explained, six months' period has been reduced to three and ten points to five. So, if it is for the good of the workers, they may accept it, and if the workers' representatives feel that the power which we have taken should not be exercised—now, I may remind the hon. Members that in the Bill we have not fixed the formula; what we have said is that Government may have power by notification to fix, as I have already explained, the formula without changing the ratio, that is six to three and ten to five. I may again submit that this was done after consulting the interests concerned. Now, if the work-

[Shri Abid Ali.] ers' representatives feel that the formula suggested is not acceptable to them—although they are already committed to it, I say again that they are at liberty even now to tell us that we should not make any change—we will accept their suggestion. In case the workers themselves feel that they will be benefited by this change, then we will exercise this power, and not otherwise.

Sir, the last speaker was mentioning about inaccuracies in the index figures and all that. Whatever is the basis of this index, for or against, the basis is the same. It rises on the same basis and goes down on the same basis. Therefore, the complaint which the hon. Member was making has no justification.

SHRI MULKA GOVINDA REDDY: I said that there was inaccuracy in the cost of living index that was being prepared by the Government, that the Labour Ministry should take care to see that it was done on a more scientific basis and that these inaccuracies did not creep into the cost of living index that was being calculated today.

SHRI ABID ALI: I was submitting that the basis was the same. There may be inaccuracy, but that inaccuracy may be continuing even. I don't say that there can be no inaccuracy, but that is both for rise and fall. As the hon. Member knows, we have already made an announcement that we will have a more scientific study of this index. That will take some time. In the meantime, the present basis will continue.

Again, a complaint was made that this was done on the basis of the all-India index, whereas in Calcutta and Bombay there were differences. But, as I have said, it is an all-India Bank Award enforced on an all-India basis in the various banks to which this is applicable. Therefore, it should be on an all-India basis, and it is agreed to

by the workers representatives themselves. The local index is applicable to the workers in the local undertakings to which an all-India award is not applicable. The same basis is for the coal award which is applicable on an all-India basis. Therefore, it is not possible for us, now at this stage, nor are we prepared, to make any change in the ratio so far as the basis is concerned. The hon. Member said that it was some negative suggestion. I have not been able to appreciate that as well. What I was saying was that the workers would lose Rs. 3/8, but if this amendment is not accepted by the workers, then they may lose Rs. 7. To the extent of Rs. 3/8 they will be gainers.

! About merging of dearness allowance, hon. Members are aware that when 50 per cent, was merged for the railway and other employees, again there was an agitation because house-rent collection went up. So far as those who are governed by the Employees Provident Fund scheme and other enactments are concerned, wage means dearness allowance inclusive for overtime and provident fund and other purposes. Hon. Members are aware of that. Therefore if, after this amendment has been accepted to change the definition of 'wage' which includes dearness allowance, complaints are made, they have not got any force. Of course, still, if completely this dearness allowance is merged with the wage, the workers will be gainers to some further extent. But the hardship which was previously experienced is not now in existence.

During the discussion, this point came up about 'go-slow', strikes and other things. Certainly, sometimes, bad influences do prevail and bank employees are more sensible and educated and they understand which things are good or bad. An attempt is being made through tripartite conferences, etc. about discipline; code of conduct etc. Ours is a vast country

3813, *Sea Customs* [18 SEP. 1958]
and in some corner, sometimes undesirable things do happen. It is for hon. Members also to try and see that in all industries—particularly in banks—discipline prevails. Everybody should be dutiful. They should get all that they deserve. But the safety of the undertaking in which they are working also should always be borne in mind. Sometimes, things do happen which should not. Particularly in the banking industry where crores of rupees are handled in a day, if indiscipline is introduced, it will become very risky not only for the institution, but for the workers also. I hope the people who are able to prevail upon them will appreciate the necessity of having happier industrial relations in this institution as well.

Lastly, I must submit that the suggestion that we are imposing something on the workers should be out of the minds of hon. Members because we are not having any intention of that kind. As we have said earlier, if this will not be acceptable to the workers, we will not make any announcement; we will allow the things to continue as they are prevalent at present. But I may repeat that if they feel that it is in their interests, they can approach us or we will invite them, consult them. But once this scheme is accepted—three months and five points—then an occasion may come when in the other scheme also, as I was explaining yesterday, the rise may go to 9'90 in six months' period and still the workers will not be getting any increase. But, according to this, in three months if it reaches a five-point rise, they will be benefited. But if it goes down in three months' period by five points on the basis of 1944—IOO, then certainly, there will be a reduction because we are not mak'ng any change in the ratio in the basis which has been agreed to by the workers, recommended by the Commission and accepted by Parliament. We have no intention of changing the basis.

(Amendment) Bill, 1958 3814

With these words, I submit that this motion be accepted.

MR. DEPUTY CHAIRMAN: The question is:

"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 motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause by clause consideration.

Clause 2 was added to the Bill.

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

SHRI ABID ALI: Sir, I move:

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

THE SEA CUSTOMS (AMENDMENT) BILL, 1958

THE DEPUTY MINISTER OF FINANCE
(SHRIMATI TARKESHWARI SINHA): Mr. Deputy
Chairman, Sir, I beg to move:

"That the Bill further to amend the Sea
Customs Act, 1878, as passed by the Lok
Sabha, be taken into consideration."

This is a simple Bill designed solely in the interest of trade, to mitigate the undue hardship resulting from a strict enforcement of the law relating to certain controls under which goods coming into or going out of this country are required, in certain circumstances, to be covered by licences or permits, and their clearance through the customs cannot be permitted until