

Government also came into the picture, the Government also, to both for the promptness with which the Tariff Commission has submitted its report on the one hand and the Government and the House have taken their decisions thereon. As a matter of fact, a second Bill during the very same session shows that not only were we concerned with merely taking prompt executive decisions but that we were also anxious that we should come to the House for sanction in as quick a time as possible.

With these words, Sir, I commend the Bill.

SHRI PERATH NARAYANAN NAIR: I had referred to the unconscionable disparity between the selling price recommended by the Commission in respect of titanium products and the actual retail selling price in the market.

SHRI MANUBHAI SHAH: The hon. Member was not present here when I was answering. Now, again it is not possible to repeat the whole thing.

THE VICE-CHAIRMAN (SHRI M. B. JOSHI): The question is:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. B. JOSHI): We shall now take up clause by clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill.

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

SHRI MANUBHAI SHAH: Sir, I move:

"That the Bill be returned."

THE VICE-CHAIRMAN (SHRI M. B. JOSHI): The question is:

"That the Bill be returned."

The motion was adopted.

#### THE PAYMENT OF WAGES (AMENDMENT) BILL, 1957

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

"That the Bill further to amend the Payment of Wages Act, 1936, as passed by the Lok Sabha, be taken into consideration."

As the House is aware, the parent Act was originally enacted in 1936. Its working over these years has naturally revealed some difficulties. There have also been many significant developments in the labour field since 1936. The amendments now incorporated in the Bill aim at improving the administration of the Act and bringing it in line with the requirements of the labour situation as it exists today.

As the hon. Members will see, it is proposed to extend the scope and coverage of the Act, remove certain difficulties and ambiguities in the definitions, allow for some essential deductions and finally to effect improvements in the procedure.

The Act as it stands today applies only to persons whose wages do not exceed Rs. 200 per month. This wage limit was fixed in 1936. The pattern of wages has since undergone a considerable change, particularly because of the introduction of the dearness allowance. The wages even of workers in the lower wage groups today often go beyond Rs. 200 per month, but this does not mean that they are no longer in need of protection under this Act. Our Workmen's Compensation Act and the Employees' State Insurance Act are already applicable to all per-

[Shri Abid Ali.]

sons whose monthly wages do not exceed Rs. 400. It is now proposed to raise the wage limit in the Payment of Wages Act also to the same level.

Again, the Act does not at present apply to labour employed in the construction industry. This industry, as hon. Members are aware, has now assumed great importance and is employing more than a million workers. It is very necessary that these workers should be given the protection of this law. Accordingly, the scope of the Act is proposed to be extended to this sector of employment also.

The definition of the term "wages" as given in the Act has given rise to some difficulties, particularly in regard to interpretation. One such difficulty relates to the question whether wages revised through awards of adjudicators, etc., come within the purview of this Act. The second difficulty relates to the question whether the term "wages" should include bonus of all kinds. Now, bonus, as hon. Members know, may be of different categories. It may relate to a share in surplus profits earned by an establishment and may not be a direct remuneration for work done. It may also be based on the output and attendance and automatically earned by the employees on fulfilment of specified conditions. Bonus in this form is really part of wages and should be fully protected under the Payment of Wages Act. The definition of the term "wages" has accordingly been recast in order to make it clear and comprehensive.

Another amendment seeks to authorise certain deductions from wages. Under the Subsidised Industrial Housing Scheme, houses are let out to industrial workers. To enable collection of rents it seems appropriate that provision be made to permit deductions of rents from the wages of the workers concerned.

Another provision in the amending Bill permits the workers to pay their insurance premia through deduction from their wages provided they authorise the employers in writing to do so. I hope hon. Members will agree that with the nationalisation of the insurance business this amendment will be absolutely safe and, in fact, be a matter of convenience for the workers. On similar considerations, the present Bill permits deduction for subscription to Government securities like the National Plan Loan, National Cash Certificates and deposits in the Post Office Savings Bank.

I do not propose to go into the details of all the amendments proposed. I may, however, invite the attention of hon. Members to one other important amendment which seeks to permit attachment of the property of the employer for purposes of recovery of arrears of wages.

As stated earlier, the principle purpose of the amending Bill is to extend the benefits of the Payment of Wages Act to a larger number of workers and to make its administration speedy and effective.

I commend the Bill for the consideration of the House.

THE VICE-CHAIRMAN (SHRI M. B. JOSHI): Motion moved:

"That the Bill further to amend the Payment of Wages Act, 1936, as passed by the Lok Sabha, be taken into consideration."

SHRI PERATH NARAYANAN NAIR (Kerala): Mr. Vice-Chairman, I am glad that this Bill embodies distinct improvements over certain other provisions in the parent Act of 1936. Some of the observations I wish to make on this Bill are with a view to make the provisions a little more effective and a little more comprehensive.

[THE VICE-CHAIRMAN (SHRI RAJENDRA PRATAP SINHA) in the Chair]

Within the limited time at my disposal, I shall confine myself to three or four main points. It is an improvement that workers earning wages up to four hundred rupees have been brought within the purview of the Bill. Formerly, it was only rupees two hundred. One suggestion that I have to make is that this limit be increased to five hundred rupees per month for this reason that in the definition of workers under the Industrial Disputes Act this limit of Rs. 500 is accepted. Now, in regard to labour legislations, it is all to the good that a certain uniformity is brought about in the provisions of the various Bills. Under the Industrial Disputes Act, workers earning up to Rs. 500 get relief under that Act. Now, if that limit is applied to workers coming under this Bill, it will be good. Now, some of the categories especially the middle class who get between Rs. 400 and Rs. 500 will be denied the easier and simpler method of getting relief under this. If they are excluded from the purview of this Bill, naturally they will have to have recourse to the industrial tribunals and that is a costly and cumbersome procedure. So, that is my first suggestion. It would be better if that limit is raised.

Again, the Bill applies to all factories and such other establishments and industries as the State Governments notify from time to time. Now, a large number of establishments have been so notified by the State Governments, but a vast section of the workers still remain outside the purview of this Bill. So, I have given notice of an amendment to see that this Act applies to all establishments to which the Industrial Disputes Act applies. Now, the difficulty has been pointed out that after all the implementing authority are the States and it must be left to the States and it will not be proper for the Central Government to make the application of this Act to all classes of workers.

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My point is that the State Governments are discharging the responsibility of administering the Industrial Disputes Act. They have the machinery under that Act to go into these things and so if we extend the definition of this Bill and bring all establishments to which the Industrial Disputes Act applies within the purview of this Act it cannot be argued with any reasonableness that the State Governments will be put to further difficulties or extra difficulties in administering that. Now, in the present stage in the country, especially to bring relief to vast sections of unorganised workers, it would be quite good if, without leaving to the State Governments to notify from time to time, we include—as factories have been included and some other establishments have been included—all establishments to which the Industrial Disputes Act applies. That will be a distinct improvement. It will make it more comprehensive.

Now, construction workers, electrical workers have all been brought within the purview of this Bill and it is good. But still in the matter of motor transport including lorries, they have been left out and it is necessary that that class of workers also are brought within the purview of this legislation.

Then, with regard to the definition of wages, there has been an improvement. These awards and agreements have been included as part of the wages which workers can reasonably claim under this Act. The hon. Minister has referred to the question of bonus. It is a ticklish problem. It is a very difficult problem also. Of course, bonus agreed to has been included in this Bill. Because a satisfactory formula has not been found to this very ticklish question of bonus, so many working days, man days, have been lost and that has been the one major cause of industrial disputes and disturbances in this country. Now, the hon Minister himself knows that in regard to certain very major industries, in regard to certain very

[Shri Perath Narayanan Nair.]  
major establishments, certain provision, certain formula has been worked out and it has given satisfaction to workers and it has led to industrial truce being maintained in those establishments. Now, this question, I know, has been discussed over and over again and at the various tripartite conferences. If we go a step further, if the parties—labour, employer and especially the Government—put their heads together, it is possible to arrive at a formula. I am not suggesting that such a formula can be included in this Bill which is only procedural. It must find provision in some other substantive enactment. But my point is that in regard to this question of bonus, the earlier we are in a position to arrive at an agreed formula, the better it is for our industry and to that the efforts of the Minister and the Government must be directed.

In regard to the wages there have been certain exemptions, reductions. For example, travelling allowance, gratuities, all these have been excluded from the purview of this Bill. Now, the hon. Minister and the Department must know that this question of travelling allowance and other things is a source of such headache to the workers. In the railways, for example, six months or eight months, a lot of time is taken for this travelling allowance and other things. They have to incur expenditure and when they are short of money, they have to have recourse to money-lenders. And then if there is absolutely no provision which would enable these people to realise their T.A. bills within a measurable period, one month or even a period of fifteen days and if the employers and owners go on delaying them, that will be working such hardship. So, my suggestion is that this travelling allowance must be part of the Bill and that exemption be not there. The same in regard to gratuity also. Now, Sir, whatever benefit is given under the provisions of this Bill to the workers, specially the salaried workers and the

middle class employees; is literally being taken away by certain provisions in this Bill, for instance, those relating to withholding of increments and of promotion, lowering of the stage in the time-scale and suspension. Those things come under disciplinary provisions, I am not suggesting that discipline must not be maintained and disciplinary measures must not be taken. But when you give adequate protection against the lump sum monetary fines and other things, it must naturally extend to increments and promotions, which through the efflux of time the workers are entitled to.

Sir, I know the hon. Minister will say that for the enforcement of disciplinary measures there are various standing orders. Standing orders are there. But in many of these standing orders specially in the railways, adequate opportunity is not given to these workers to show cause why such punishment must not be inflicted. It is all very well to say that these people can appeal. The chances of their getting redress by appealing through the departmental processes which have been laid down are very very limited, and the hon. Minister knows that in some of the railways, specially in the North Eastern Railway, within a period of two months in 1955, I think from May to June, over 712 punishments of withholding increment have been given. This withholding of increments is a double punishment because there is no time limit. It may extend to one year, two years, six years or seven years, and during that period when the increment is withheld, the poor workers is also denied of his promotion. So, to penalise in that way is not fair. Sir, I am told that in 1944 there were conflicting decisions of the courts because in the parent Act this was not clearly defined, and it led to different decisions. The Bombay High Court, for example, held that the incremental scales formed part of the wages, whereas some other High Court, I think it was the Punjab High Court, held that the

incremental scales are beyond the purview of the definition of wages in the Act. Now, there has been that difficulty, and in some railways workers have been having the benefit. Sir, my information is that the Bill in 1944 was circulated and then nothing was heard of it. Most probably, I think public opinion was definitely against that.

Now this amendment has been necessitated, and this will work a lot of hardship on the salaried employees. I have brought forward some amendments seeking the deletion of these provisions mainly in the interest of these employees in the railways and other Government establishments where adequate opportunity is not given to the workers to show cause why such punishments must not be inflicted on them. They are precluded from seeking relief in the courts. Of course the relief is there from lump sum monetary fine, but that is taken away if increment is withheld for a number of years together.

One other main point which I have to bring to the notice of the Minister is in regard to the implementation of this Act. Under the Industrial Disputes Act of course there have been special tribunals appointed to administer that law, and it is well that it is so because civil courts which are used to administer the civil laws of the land will naturally find it difficult because the concept of social legislation is rather different from the concepts of civil laws to which they are accustomed. I am not meaning any reflection on the civil courts, but these labour legislations presuppose that the workers must have some sort of speedy relief and cheap relief also. The civil courts with all their procedural delays and other things will mean so much hardship to the workers. So, my suggestion is that it will be better that the administration of this measure also is left to the industrial tribunals. I know the Minister has got his reply that after all the industrial tribunals are rather few and far between in the

country, and that civil courts will be nearer. But the actual experience is that when these cases under the Payment of Wages Act are brought before the various civil courts, there are conflicting decisions, there is absolutely no uniformity, there are differing interpretations, it has made for much confusion in the actual administration of these matters. Suppose, the whole law is administered by the industrial tribunals who have been following the real concepts of social legislation and if some rulings are given, they will be capable of universal applicability throughout the State. That is not the case now because different civil courts at different levels give varying interpretations. So, to avoid these things, we can have industrial tribunals at suitable places, and the number and scope of these tribunals can be increased. It will not be beyond Government to constitute such tribunals. That is one major suggestion which I have to make in regard to this Bill.

For the rest, the inclusion of the construction workers and the electricity workers, and the definition of wages to be made more comprehensive—these are good features. But if Government accept some of the suggestions which I have made, it will go a long way to make the Bill more effective and more comprehensive.

[MR. DEPUTY CHAIRMAN in the Chair.]

SHRI B. K. MUKERJEE (Uttar Pradesh): Mr. Deputy Chairman, I stand to welcome this Bill not only because it is a definite improvement upon the existing conditions, but it has been a long felt want of the workers. Some of the amendments as have been incorporated in this Bill were necessitated by the amendment of the Factories Act, and the Factories Act was amended in the year 1948. Since then the Payment of Wages Act needed certain 3 P.M. amendments. But, unfortunately, this amendment, though contemplated even by the Gov-

[Shri B. K. Mukerjee.]

ernment could not come before this House for changing the principal Act. This Bill extends the scope of the provisions of that Act to a larger number of workers. That is, those who were not covered up till now by that Act will come under the operation of the Act when this is amended—I mean the workers in construction industries. The wage limit has also been raised from Rs. 200 to Rs. 400, though I am not sure in my mind whether this raising of the standard of wages was actually needed at this stage or not, though it was felt several years before. Under the present conditions, we expect that some disparities between the workers and the officers will be removed. If any attempt is made to remove the disparities, I am sure in my mind that many of those officers or people who are in the administration of industrial concerns who enjoy very fabulous salaries today will have to come down and will be receiving their salaries within the limits as we are putting today. Even under the present conditions, the officers who are in power, the officers who are actually administrators, will also get less than Rs. 400. But, in the very near future, we expect that a majority of the officers will be getting salaries not very much above this figure of Rs. 400. As our country is not in a position to pay more salaries to the workers, the salaries of the officers will also be within the limit of Rs. 400 or Rs. 500.

The definition of the term 'wage' has also been recast to prevent any adverse interpretation detrimental to the interests of the workers and this is an improvement upon the existing condition. There are also deductions of house-rent and insurance premium and certain other things to enable the workers to save a little amount for any bad days. This is also a welcome measure though I do not subscribe to the idea as has been expressed by the hon. Deputy Minister when he moved this Bill. According to him, the provision for deduction of insurance premium is due to the fact that

the insurance business is now under a corporation. But I think he does not see the feelings of the workers or people at large in this country today. We have been demanding this not because insurance business will be managed by a corporation or by Government officials. Workers are not so much interested in going in for insurance policies now because they are fully aware that, though at the time of deduction, it will be easy because payment will be made through the salary bill—but when the insurance money will have to be repaid on claim to them, it will take an enormously longer time. Therefore, people are not very much interested in taking insurance policies these days. But it has been the demand for many, many long years and it is a good sign, that insurance is being encouraged and workers will insure their lives as ordinary policy-holders and get their deductions made through their salary bills.

There is another very beneficial provision made here—the attachment before judgment. It is a definite improvement over the existing condition, because it takes an enormously long time in the courts to settle any case. By the time the court gives a decree in favour of the workers, the employers do not have any money or any property and they cannot pay. Therefore, it is a welcome measure and it is a definite improvement on the existing position.

These are all points for which I welcome this measure. But there are some lacunae left in this Bill. Some of them are major omissions and some minor, no doubt. In regard to the major omission, I am doubtful whether it is within the knowledge of the framers of this Bill. This Bill has not extended its scope of application to a section of workers—it has excluded from its operation or protection, about one hundred thousand workers in the railway running sheds. I know it will require scrutiny of the definition of 'old' and 'new' Acts.

This definition has been changed because the Factories Act has been changed in 1948. Now, Sir, the 1934 Factories Act did not exclude the workers in the railway running sheds. But now they have been excluded. Under the new definition of 'factory' they say "..... but does not include a mine subject to the operation of the Indian Mines Act, 1923 or a railway running shed." But let us go to the 1934 Act. What does the definition of 'factory' say in that Act? It says that 'factory' means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power or is ordinarily so carried on but does not include a mine subject to the operation of the Indian Mines Act, 1923. In the 1934 Act mines were excluded from the definition of 'factory'. Therefore in the principal Act in section 2(ii)(d) mines were incorporated. Now, in the 1948 Act running sheds as well as mines have been excluded. But mines have been incorporated in the principal Act. But nowhere do we find the mention of railway running sheds. But this railway running shed is really a factory with manufacturing process, with power and employing more than 10 persons or 20 persons. Therefore, it is to be treated as a factory. But the framers of this Bill have excluded the running sheds from the operation of the Payment of Wages Act. I do not know whether it was within the knowledge of the Deputy Minister that by this new definition of 'factory' we were going to exclude entirely about 100 thousand workers in the railways' running sheds. I therefore wish the hon. Deputy Minister to look into this question and make adequate provision to protect about 100 thousand workers employed in the railway running sheds by giving them adequate protection under the Payment of Wages Act. This is my request and submission to the House.

Now, Sir, the previous speaker dealt with this subject of stoppage of increments as a punishment. I do not subscribe to the view that he expressed. But this item also needs a careful and thorough scrutiny by the framers of this Bill. Now, Sir, in clause 5 of this Bill the stoppage or withholding of increments has been legalised. I must make it clear that I have got no objection if a man is penalised and as a penalty his increment is withheld or he is even demoted. But the annual increment in a time scale of pay is a condition of service which is both express and implied. Therefore if any authority does not grant the increment whenever it is due to a person, that authority commits a breach of the provisions of this Payment of Wages Act. Therefore it should also be provided for in clause 5 of this Bill that unless a man is penalised by an order in writing, whenever his increment is due, it must be granted to him, failing which the penalty provided under this enactment must be imposed on the employer. That is what I want. This is a lacuna. If we make withholding of increments or demotion as legal under this law, we have got to make it also legal that if without any order in writing the increment of a person in the time scale of pay is withheld, the provisions of this Act must come into operation and the penalty provided under this law must be imposed on the employer. Under section 7(2) of the principal Act regarding deductions which may be made from wages, all sorts of provisions have been made say, even, for the insurance premium. But I find the sub-clause (j) remains as it is, that is, any dues from any worker for the co-operative societies cannot be deducted unless that society has got the approval of the State Government. The registration of co-operative societies is a State subject and when any society is registered under the Co-operative Societies Act, the approval of the Local Government must be there and then again, when the society is formed, it is registered. Again, the members of the

[Shri B. K. Mukerjee.] society have to approach the local authorities *de novo* for a sanction and it may take years and in the mean time all the dues from the workers cannot be deducted through the salary bills. This is the defect which many of the co-operative societies had experienced during these years and I wish that this is also amended and it must be made clear that as soon as a co-operative society is registered, it will get the status to request the employer to deduct the money due from the workers to the co-operative society.

(*Time bell rings*)

Again the co-operative societies are to be encouraged in this country and Government is encouraging them. If the Government wants that co-operative societies among the workers in factories must be formed, they must get the necessary support and sanction from the authorities. Therefore as soon as a society is formed and registered, it must be construed that it has the sanction or approval of the local authorities and when they send a requisition to the employer for the deduction of the workers' dues to the society, it must be deducted and sent to the co-operative society. Thank you.

SHRI SONUSING DHANSING PATIL (Bombay): Mr. Deputy Chairman, I welcome the several welcome features of this Bill and while doing so, I will make a few observations. We are observing a distinctive wide gap and disparities that are being created by our labour laws in the industrial and non-industrial section. But clearly these gaps we are creating will have an adverse effect in the other sectors which are otherwise disorganised or unorganised. I have no quarrel with the progressive features of this Bill because the Bill is more or less of a procedural character and not of a substantive character but while criticising the Bill the hon. Member opposite raised the point and made a sort of a

grievance about the disciplinary deductions that are embodied in the present Bill. I would have been more happy had the Member suggested how to tighten up the belt because his complaint as regards the disciplinary measure or deductions are not so much in consonance with the regimentation of labour laws elsewhere we find. In the industrial sector, unfortunately for us, our labour laws are not integrated or co-related with the quantum of production and this is a lacuna which we find in our labour laws but we have to march with the progressive laws of other countries and while doing so, we are giving the utmost consideration to democratic considerations. While doing so, we are creating on the other hand a very wide gap as I earlier stated and that is the danger which I am foreseeing. However, whatever the welcome features of the Bill are there, the Bill goes in a very substantial degree to take up the cases of those persons who were not upto this time covered by the Payment of Wages Act. Now, the range is enlarged to the extent of Rs. 400 and almost all supervisory character or category are covered. Almost all supervisors and semi-workers' classes are now being covered and that is a welcome feature. The other welcome feature is the construction industry. I am afraid whether in covering that industry we are not increasing the cost of the Second Plan because it has a sort of an adverse effect on the payment of wages which the several contractors have to pay and I am not taking the r cases. But the question is, whenever this consideration is taken into account, then the cost of construction also goes up but in fact we find that these contract labourers, according to the Payment of Wages Act, are not covered. Now the construction industry is being covered. There also we find that there is a lot of breaches and false muster-rolls are submitted. People sign their rolls even though they don't get paid. Certain salutary checks are necessary. That is being covered. Now the



range or ambit of the definition of 'wage' is also being amplified to cover the wages under the awards. That was a moot point which needed inclusion. Then there are very important reasons why the question of attachment before judgment which was lacking in procedural matter is now embodied. I can quote two very clear instances of two big industries in my part of the State. That is the Bharat Vanaspati concern at Pachora in Bombay which stopped its working but they have not paid wages and I am afraid that there are a number of encumbrances created for that firm. That way the payment of the wages of the workers are in jeopardy. So also there is another case—Gaiindalal Mills. For the last 3 years the wages of the workers are not paid and there is no sufficient guarantee how that may be covered. To avoid such instances, a salutary provision of having an attachment before judgment is all the more necessary. But I would invite the attention of the hon. Mover of the Bill that this should have been more or less brought in line with the provisions made in the Civil Procedure Code Order 38 Rule 5. Of course, in Section 17A which is now being considered, sub-clause (ii) says that the provisions of C.P.C. will apply but they are circumscribed by clause 1 and there a discretion is given to the authority that if the aims of justice are not defeated, then he may or may not give the order of attachment and he will have to first give an opportunity to the employer to explain his case. Of course, that is one of the very sound principles of civil law that a person who is affected must be given some opportunity but in these cases there are possibilities of avoiding the payment because when the industry or factory or establishment comes to that position, it means that it is in a financial danger. To protect the workers against such contingencies, it would have been better had the opportunities afforded to the employers not been there. If the court thinks, these things may be interpreted in both ways. I am

afraid it should have been made very clear.

Next, I come to other questions. I have some experience of payment of wages cases. Though it is summary procedure on application, still the delay in giving effect to the decision is large. That can be avoided and it is being avoided now by giving certain broad things in the Bill. The **Act gives ample scope** to have several deductions whether on account of disciplinary action or otherwise, also for insurance premia and if the workers can subscribe to Government securities, that is also being given. Some hon. friends have made a grievance about deduction of insurance premia. But that is a most welcome provision and if our workers can save more and thus safeguard the interests of their families, that is all the more desirable.

The question of bonus, as the hon. friend opposite said, is a ticklish one. In this particular Bill, that part is both excluded and included. The question is whether the bonus is in the terms of employment or not. If it is specifically not given, then the question comes whether it can be included. Again, the Bill is part of the substantial law and howsoever we may look at that question, whether it is included here or elsewhere, it has got two sides. It is part of the profits which the industry gets and the question is whether it should be distributed equally or whether there should be equitable distribution. To my mind, the question of bonus must have some relation to the direct part which the worker plays in making the profit, that is to say, how many work-days he has actually worked, with what efficiency he had worked and so on, because productive efficiency and the particular conduct which the worker has observed or the discipline which he has observed, they are very essential to safeguard the interests of the industry. It is quite fair that there should be equitable dis-

[Shri Sonusing Dhansing Patil.]  
tribution instead of equal distribution, because the industry has to survive and it does not survive only with the sweat of the brow of the labour. It has also certain basic principles on which it must depend. But that is a different proposition with which we are not very much concerned just now. But since the question was raised I had to say something about it.

I feel that our labour laws, whatever we have got in the country, are sufficiently well in advance of the times. Labour laws in this respect, seem to have almost stolen a march over the other laws and I am afraid if this pace goes on, then we will be creating a great gap between this sector of our life and the other productive sectors, like agriculture or the non-industrial sectors and the latter will suffer greatly. Therefore, in future, when we are enacting something with reference to labour, we will have to keep in mind whether we should not go slowly, even though pace is very desirable, in the interest of social justice, because labour is mainly responsible for creating wealth in the country. Even then industrial labour must not enjoy a sort of very superior position by which the other sections of labour will be having a sort of heart-burning or competition. That is what we have to avoid. We should try to keep the proper balance. Otherwise, the biggest-industry—agriculture—which is not governed now will greatly suffer and agricultural production will be very badly affected. That is the fear. So all these considerations will have to be taken into account while we come up with amendments to labour laws. But these present amendments are needed—they are overdue because this Act was passed in 1936 and now after 21 years we are coming up with certain amendments—and these are very essential.

Sir, whenever any conditions are imposed on the worker, he is always

given an opportunity to put in his say, either through the model standing orders which are provided or other provisions. Even the Payment of Wages Act provides in sub-section (3) of section 8 that opportunity should be given to the workers. I see that all these safeguards are there and because the Payment of Wages Act does not embrace a number of workers who are left outside the pale of the Industrial Relations or other labour laws, it cannot be made a grievance here as some of the hon. friends who take a deep interest in labour work seem to feel. There are specific laws enacted in favour of labour in organised industries, but there are no laws in favour of the unorganised industries shop establishments, etc. These categories are excluded and they are excluded on purpose, because the administration of certain laws is with the State Governments. If the State Government concerned feels that the application or implementation of those particular laws is not necessary they may decide so, or apply them if there is good reason. Take, for instance, the question of applying labour laws to agriculture. Whether they should be applied or not depends on the State and the State will have to deal with its own problems there. But the question of the minimum and fair wages for the country, the over-all fate of labour, will have its own consideration in the context of the all-India problem and in that context, as far as the rural conditions, the predominantly agricultural condition of this country is concerned, we should avoid creating a wide gap between the different labour sections. If we have to work, we have to adjust ourselves to the circumstances existing in the country and not unnecessarily increase the cost of the Plan also. That is one of the dangers.

With these remarks, Sir, I support the salutary provisions of this Bill and even though certain categories are not included in it, there is ample scope in this Bill to extend it to those

categories also. With these remarks, Sir, I support the motion.

SHRI ABID ALI: Sir, from the discussion it was evident that so far as this particular Bill is concerned, there was nothing to be said against it. All that the hon. Members have said was in favour of it. Of course, some other matters have been brought into the discussion which had no relation to the actual Bill now under discussion.

Just now my hon. friend from Bombay was saying that the wages should be related to production. That is true and in a large number of categories, wages are related to production and gradually the system is going towards that end. But then a large number of workers have to be paid on daily wages or time-rated basis. The complaint which the hon. Member has made I can appreciate, that the workers in the fields should be given a fair deal as well. At the same time, the hon. Member should realise that what he was suggesting concerns the idea of fair wage or living wage which at present is limited to a small arena. Everyone should get at least a minimum wage. Still in some of the industries, of course, in a very limited extent, it has not been possible to secure the application of the minimum wage principle.

The remarks of my hon. friend opposite also contained criticisms which had no relation to the working of this Act, the parent Act. What he was thinking was as to what the worker should get, what should be the bonus, and what should be its form. But all these questions have nothing to do with either the parent Act or this amending Bill which is under discussion. What is wage has been defined; but what should be the wage is another matter. Promotion, worker should get. If he is entitled to promotion he gets promotion and that is covered by the Minimum Wages Act. When promotion is not given then for that there are other remedies.

While the hon. Member was discussing the definition of the Payment of Wages Act, he was perhaps under some wrong impression. Of course, there should be as much as possible industrial truce in every sector and section and attempts are being made in that direction. Bonus has been fixed in certain areas. In certain other cases, the attempt has been to make the workers and employers, with the help of the Government, if possible, or with the help of the industrial courts, to come to an understanding with regard to the quantum of bonus. That cannot, therefore, be brought here. As hon. Members are aware, this matter was discussed in the Indian Labour Conference and, as I declared the other day, we are trying to refer this question to wage boards, and, if possible, they may give us some suggestion regarding the basis for fixing the quantum of bonus. Let us hope that that attempt will succeed.

About insurance, Sir, some hon. Members have complained. What we are providing through this amending Bill, is to authorise the employers to deduct premia if workers authorise them to do so. It is not that insurance premia can be deducted by the employers without the consent of the worker concerned. Instead of the worker remitting the money to the Insurance Corporation or going there and then paying it, he is being given this facility of authorising his employer to act as his agent. If he does not like or is not inclined, it is his pleasure and nobody can compel him. Formerly we were not authorising the employers to deduct the insurance premia because there were some insurance companies which were not very much stabilised and there were some insurance agents who were giving a very rosy picture about the working of some of the concerns and thus they were able to get the premium from the workers. Afterwards, the second or the third premium will be paid by which time the workers will come to know about the

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position of the insurance company and would stop further payments. That way, he was a loser. That safeguard was necessary at that time but now, as hon. Members know, the Insurance Corporation is working on different and stabilised basis and, therefore, no risk exists. As to the complaint of my hon. friend from U.P. that years are passed before this insurance amount is returned to the insured person, I have to say that we should find out as to how many years have gone by since the insurance business was taken over by Government?

SHRI B. K. MUKERJEE: That is not correct. Our demand has been for many years but you have taken so long to take a decision. It has nothing to do with the Corporation.

SHRI ABID ALI: In other words, the hon. Member is giving his approval to this amendment and I am happy.

SHRI B. K. MUKERJEE: I never opposed that amendment. It is a misunderstanding. I said that this is a good provision and I also welcomed it.

SHRI ABID ALI: Thank you very much. I am obliged.

With regard to the suggestion that these cases should not go to civil courts, I may submit, Sir, that in a big State like Bombay, industrial courts are situated in Nagpur Sholapur, Ahmedabad and Bombay whereas the workers are residing and factories are situated in every part of the State. In some cases, the workers will have to travel more than 100 miles to go to an industrial court to attend to these matters. Even their representatives will find it difficult to travel that much; the representatives of the trade unions will find it difficult to attend to these cases in far off places. Therefore, we are giving these powers to the civil courts. It may be possible, in some distant future, to

give authority to, industrial courts as well but, however, this power of the civil courts must continue for the convenience of the workers.

So far as other things are concerned, namely, early disposal of cases, etc., I am one with the hon. Member's suggestion that these cases should be disposed of quickly whether in the industrial courts or in the civil courts. The cases of the workers concerning compensation and other matters should be attended to with speed and disposed of within the least possible time. Regarding penalties, the provision is that it should be on good reasons and without that, there cannot be any penalty. An explanation should be obtained according to the service rules and the standing orders. All these should be followed and without that, it would not be possible for any employer to deduct wages or inflict any fine.

About co-operative societies, a suggestion was made by hon. Members that when co-operative societies are formed, the employer should have the authority, if the workers say so to deduct the amount of the subscription but this Act cannot define what a co-operative society is. I can only say, where a co-operative society exists under the Act and rules framed by the State Governments, then the workers will have the power to authorise their employers to deduct the subscription for the co-operative societies from their salaries.

Regarding the doubt in the mind of my hon. friend from Bombay, I may point out the portion which occurs on page 5, which says:

"Except in cases where the authority or court is of opinion that the ends of justice would be defeated . . . .".

Now, an employer would be given an opportunity to explain whether attachment should be issued before

judgment or not. That is mentioned here but, if the authority feels that the issue of such a notice will be to the prejudice of the workers then such notice need not be issued. That has already been provided for.

With regard to the doubt in the minds of my hon. friend from U.P. that a hundred thousand workers of the railways are excluded from the operation of this Act, and deprived of its benefits, I may submit that the workers in the running sheds are covered by this Act and they can certainly take advantage of the Payment of Wages Act whenever occasion arises. About that there is no difficulty. With regard to travel allowances, I would like to know how many workers go on travel and how many of them can take advantage of that. The railway workers get advances also before undertaking a travel. He says that if they are not covered by this Act, then they will have to go to the money-lender and all that but no complaint on this account has come to our Ministry. It has not come to our notice that because they could not get the benefits of the Payment of Wages Act, their payment has been held up. At least I have not received any such complaint. With regard to the railways, that is another matter. They have got a joint committee and so many internal adjudications are being undertaken. More than anything else, they can get advances there. Therefore, this difficulty which the hon. Member feels exists, at least so far as I am concerned and so far as the information with me is concerned, is non-existent.

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

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Payment of Wages Act, 1936, 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 of the Bill.

*Clause 2—Amendment of section 1.*

SHRI PERATH NARAYANAN NAIR: Sir, I beg to move:

1. "That at page 1, line 12, for the words 'four hundred', the words 'five hundred' be substituted."

MR. DEPUTY CHAIRMAN: The clause and the amendment are now before the House.

SHRI PERATH NARAYANAN NAIR: The amendment is to raise the limit from 400 to 500. Now, my point is that this must be and can be brought in line with the limit prescribed in the Industrial Disputes Act. I know that in the matter of the Employees' State Insurance Act, the four hundred minimum is insisted in regard to social legislation. This most-favoured interpretation, that if a certain benefit extends to a portion or section of the workers, then it is only natural and proper that that benefit must be extended to the whole section should be applied here. So if the section in the Industrial Disputes Act is more favourable to the workers, it is only proper that the hon. Minister must take that limit and not be guided by the provision in the Employees' State Insurance Act, which is not so very favourable to the worker.

SHRI ABID ALI: Sir, the Employees State Insurance Corporation and the Act under which it works is very much popular with the workers. They like it. Wherever this has not been extended, there are objections coming, even from the unions to which the hon. Members opposite belong. They want that this should come about and it is of great benefit to them. When such is the case, why such a remark was made, I was very much surprised. As I have said earlier, the Workmen's Compensation Act and the Employees' State Insurance Act have fixed a limit of Rs. 400

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and this Bill being very much related to those two Acts, the same limit has to be fixed accordingly.

MR. DEPUTY CHAIRMAN: The question is:

1. "That at page 1, line 12, for the words 'four hundred', the words 'five hundred' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

*Clause 3.—Amendment of section 2*

SHRI PERATH NARAYANAN NAIR: I move:

2. "That at page 1, at the end of line 17, after the words and figure 'the Factories Act, 1948' the following be inserted, namely:—

'and includes any establishment to which the Industrial Disputes Act, 1947 applies'."

3. "That at page 1, for lines 19 to 21, the following be substituted, namely:—

'(1) For item (a), the following item shall be substituted, namely:—

(a) tramway or motor transport including lorries;

(1A) for item (c), the following item shall be substituted, namely:—

(c) inland vessels, whether mechanically propelled or not;".

4. "That at page 3, lines 6 to 16 be deleted."

MR. DEPUTY CHAIRMAN: The clause and the amendments are before the House.

SHRI PERATH NARAYANAN NAIR: Sir, the first thing is that the definition be made more comprehensive to include all aspects to which the Industrial Disputes Act applies. It has been pointed out that after all it is the State Governments who have to administer the Act and they will notify those establishments to which this Act shall apply according as they think it necessary. Now, Sir, the State Governments have accepted to administer the Industrial Disputes Act and the wages and the categories of workers are included there. They have already the machinery to do it, and as we have accepted a social welfare State and the social objectives all these benefits must be extended to all the sections of workers. Now what happens? In the matter of unorganised industries and establishments, where there is no proper trade union working naturally the State Governments will not be obliged to extend the law on their own. They are not anxious to bring within the purview of this Act such establishments unless there is a strike or loss of production. Now when the Central Government accepts this, that these reform measures must be there, it is only fair that under the provisions of this Act itself it automatically gets extended to those workers, to those establishments under the Industrial Disputes Act also. So far as I can see, there is no administrative difficulty and the States will not have any objection. I think the hon. Minister would accept this.

MR. DEPUTY CHAIRMAN: Any reply?

SHRI ABID ALI: To all the amendments, Sir?

MR. DEPUTY CHAIRMAN: Yes

SHRI ABID ALI: With regard to the first amendment giving it the coverage that has been mentioned in the Industrial Disputes Act, I may mention that in a way the substance of the first amendment has already been rejected by the House. Again

this amendment seeks to give wider coverage, but the Industrial Disputes Act does not fix any limit. There, the workers, even those who are technicians and others, are defined as workers, whose salary may be much more. This Act, it may be appreciated, Sir, is administered by State Governments. They should have elaborate machinery, bigger than what is at present available, if this amendment is accepted. Again, Sir, I may submit that this amendment has been discussed in labour conferences on several occasions and this point also was put forth and according to the decisions arrived at there we have adopted these amendments.

About the second amendment, Sir, the definition of an industrial establishment already covers the tramways and motor omnibus services in the States. I will give the names of the States and then the hon. Member will be convinced that this second amendment is not necessary. In Assam, Bihar, West Bengal, Madras, Delhi, Andhra, Mysore, Tripura and Punjab their motor omnibus services are covered already by the notifications issued by the State Governments. In West Bengal, Tripura and Delhi the tramways are covered. In Punjab Government transport and private transport companies are covered and in Delhi motor goods transport services are covered. In Orissa motor vehicles plying under stage carriage permits and public carrier permits are covered. So a large number of these sections are already covered. Therefore it is not necessary to have any amendment and whatever could be covered has already been covered.

MR. DEPUTY CHAIRMAN: What about deletion of lines 6 to 16?

SHRI ABID ALI: As regards employer's contribution to any pension or provident fund . . .

SHRI PERATH NARAYANAN NAIR: About travelling allowance I have already had occasion to say.

SHRI ABID ALI: I have already mentioned, Sir, that I am not accepting them

MR. DEPUTY CHAIRMAN: The question is:

2. "That at page 1, at the end of line 17, after the words and figure 'the Factories Act, 1948' the following be inserted, namely:—

'and includes any establishment to which, the Industrial Disputes Act, 1947 applies.'"

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

3. "That at page 1, for lines 19 to 21, the following be substituted, namely:—

'(1) for item (a), the following item shall be substituted, namely:—

(a) tramway or motor transport including lorries;

(1A) for item (c), the following item shall be substituted, namely:—

(c) inland vessels, whether mechanically propelled or not;"

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

4. "That at page 3, lines 6 to 16 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Clause 5.—*Amendment of section 7.*

SHRI PERATH NARAYANAN NAIR: I move:

5. "That at page 3, lines 26 to 40 be deleted."

6. "That at page 3, lines 32 and 33 be deleted."

7. "That at page 3, after line 40, the following be inserted, namely:—

'Provided that any deduction from the wages shall be considered as deduction from the wages under this Act if such deduction has been made without giving reasonable opportunity to show cause against such deduction and exceeds half of the wages.'

MR. DEPUTY CHAIRMAN: The clause and the amendments are before the House.

SHRI PERATH NARAYANAN NAIR: Sir, as I had already occasion to point out in the first reading, this relates to disciplinary measures. Not that I am against disciplinary measures being taken, but when action is taken under the various standing orders and service rules, in the case of a very large number of establishments adequate opportunity is not given to get the explanation from the people, to give them notice to show cause why these punishments must not be inflicted on them. Of course there is some provision for a sort of appeal, some sort of joint committees and other things, but anyone who has got actual experience of the working of these joint committees and other things will testify to the fact that it is ever so difficult for the low-paid employee to get any measure of relief from the service committees or tribunals or from whatever the procedure that is prescribed there, and they are naturally precluded from going to court also. As I pointed out, the primary object of this Bill is to secure relief to the workers from lump sum monetary losses, fines and

all that. Now under the guise of executive action, without giving a proper opportunity for the workers to offer their explanations and other opportunities and without giving them adequate opportunities to appeal also, it places a severe hardship on them. So I am opposed to the provision.

SHRI ABID ALI: Perhaps these words in line 27 "for good and sufficient cause" have escaped the attention of the hon. Member. So this safeguard is here, and again, as I have submitted earlier, there are the standing orders and service rules and everything should be done according to the regulations. Therefore there is no justification for the amendments.

MR. DEPUTY CHAIRMAN: The question is:

5. "That at page 3, lines 26 to 40 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

6. "That at page 3, lines 32 and 33 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

7. "That at page 3, after line 40, the following be inserted, namely:—

'Provided that any deduction from the wages shall be considered as deduction from the wages under this Act, if such deduction has been made without giving reasonable opportunity to show cause against such deduction and exceeds half of the wages.'

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.



Clause 5 was added to the Bill.

Clauses 6 to 8 were added to the Bill

4 P.M.

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: Motion moved:

"That the Bill be passed."

SHRI B. K. MUKERJEE: I want to make an appeal only. The appeal is this. Whereas I said that I find no provision in the amending Bill now to cover the workers in the railway running sheds, the hon. Minister says they are covered. Unless there is a notification under sub-section (5) of section (1) of the Act, they are not covered. This is what I find now. So, my request to the hon. Deputy Minister is to make it possible that a notification under sub-section (5) of section (1) is made to cover these people in this Bill and give them the protection.

SHRI ABID ALI: As I have already submitted, these workers are covered and in case my friend . . .

MR. DEPUTY CHAIRMAN: He is not quite clear as to how they are covered.

SHRI B. K. MUKERJEE: They are not covered. I say according to the law they are not covered.

SHRI ABID ALI: I was giving an assurance to my friend firstly that they are covered, because they are not de-notified. They are not covered by the Factories Act. That is true. But many workers who are not covered by the Factories Act are covered by this Act and I know a large number of persons are going to the payment of wages authority, who are

working in the running shed. But still I give this assurance to him that if any such cases are brought to his notice and if he will bring them to my notice, I will rectify the defect, if there is any.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

# THE CITIZENSHIP (AMENDMENT) BILL, 1957

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI B. N. DATAR): Mr. Deputy Chairman, I beg to move:

"That the Bill to amend the Citizenship Act, 1955, as passed by the Lok Sabha, be taken into consideration."

The object of this Bill is to introduce in the First Schedule certain new countries, namely, Ghana, the Federation of Malaya and Singapore. You might have seen that so far as the Citizenship Act is concerned, we have laid down very clearly that in respect of those countries mentioned in the First Schedule action will be taken only provided there is a request from the country concerned and that too that request has to come to us under section 2 (1) (c), where the citizenship or nationality law has been defined so far as the other States are concerned. And then, I would point out that in section 12 it has been made clear that whenever any such action has to be taken so as to enable the citizens of another country to apply for citizenship by registration in India, then the declaration that has to be made has to be on a basis of reciprocity. And this has been made very clear in section 12(1). The Central Government may, by order notified in the Official Gazette make provisions on a basis of reciprocity for the conferment of all or any of the