

THE INDUSTRIAL DISPUTES
(BANKING COMPANIES) DECISION AMENDMENT BILL, 1957

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

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

This Bill is to give effect to the Government's decision on the recommendations of the Travancore-Cochin Banking Inquiry Commission. As hon. Members will recall, this Commission was set up in pursuance of a recommendation made by the Gajendragadkar Commission to examine the financial position of banks incorporated in the former State of Travancore-Cochin in relation to its economy and make recommendations in regard to the terms and conditions of service of their employees. The Commission consisted of Shri K. Ramunni Menon as Chairman and Shri P. J. Thomas and Prof. M. L. Dantwala as Members.

Banks incorporated in Kerala have peculiar problems of their own. The State's economy is predominantly agricultural. There is a vast educated and not very rich middle class. Consequently, the banking units here are very small in respect of paid-up capital, reserves, total resources, etc. Most of them have not been able to declare any dividend. There are 160 banks in the State of which only 17 with branches outside were covered by the Gajendragadkar Commission Award.

One of the tasks assigned to the Travancore-Cochin Banking Inquiry Commission was to ascertain in respect of banks covered by the Award whether the terms and conditions of service of their workmen should be modified and if so, in what respects. In regard to the banks not covered by the Award, the Commission was

required to examine the terms and conditions of service of their workmen and make appropriate recommendations.

I do not wish to burden the House with detailed information regarding the recommendations made by the Inquiry Commission. Government has already announced its decision to accept all the recommendations with a relatively minor modification in respect of two units.

As regards the banks covered by the Award, our information is that only four banks have not yet implemented the recommendations of the Commission. The passing of this Bill will ensure that all these Banks also fall in line with the others. So far as the banks not covered by the Award are concerned, the Commission has recommended a minimum wage for their employees. These recommendations have been forwarded to the State Government for necessary action. We have also put into the Bill provision regarding payment of all arrears due to the workmen in terms of the recommendations of the Commission.

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

MR. DEPUTY CHAIRMAN: Motion moved:

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

SHRI PERATH NARAYANAN NAIR (Kerala): Mr. Deputy Chairman, this Bill certainly meets, to some extent, the demands of the bank employees. It is true.

[THE VICE-CHAIRMAN (SHRI M. B. JOSHI) in the Chair]

The Government seeks to meet those demands very belatedly. The Inquiry Commission referred to by the

[Shri Perath Narayanan Nair.]

hon. Minister had given its recommendations in August last year. More than one year has elapsed by now, and the Government is only now moving in the matter. It is something that they have come forward with this Bill just now, but then it will be passed only in this House. The hon. Minister knows and the House also must know that although these two banks come within the scope of this Bill, they have refused to implement the recommendations of the Commission because they are not statutorily compelled to do it. They have got the necessary resources to do it. We know the balance-sheets of those two banks; they are making profits and they are in a very good position, and they can afford to pay, but because there is no statutory obligation on them, they have refused to implement these recommendations.

Now at the fag end of this session the Government comes to this House with this Bill. Supposing we pass it, what will happen? For any enactment to have the force of law, it must be passed in both the Houses, which is not possible now. I am very much concerned because even if we pass this Bill here and go through this formality of passing it in this House, it may not have any effect on the banks concerned because they stand on strictly legalistic grounds. They want some statutory compulsion. Therefore I would like to know from the hon. Minister if he can consider the question of promulgating an ordinance for giving effect to these provisions. I do not know whether any persuasion by the hon. Minister would have any effect on them, because they have proved recalcitrant. Although this Bill has been brought forward in a very belated manner and in a very tardy manner before this House, still I am inclined to support it. But I am still afraid that, because the other House cannot consider this Bill and pass it now, the implementation of these recommendations will again be delayed. That is why I suggest to him

the question of promulgating an ordinance because it is such a very reasonable demand and there is no question of the other House not accepting it. I do not think any amount of persuasion will have any effect on them.

Then, Sir, there is another thing. I am not going into the details of peculiarities of the banking system in Kerala, but still those peculiarities have to be studied. If we want to evolve a proper credit structure in this country, we have to pay attention to the problem of banks there also. I am not going into all the aspects which the Inquiry Commission has raised. But merely referring the whole question of emoluments etc. to the State Government and asking them to fix minimum wages will not be a proper solution at all, because I wonder whether some of these small banks can be called 'banks' at all in the matter of their banking transactions. They allow very little credit. They can probably be described as merchants doing some Hundi business. Therefore unless some steps are taken to amalgamate these various small units, I think the question of providing credit for our commercial and other commodities will not be solved. That is one point which must engage the attention of the Government because we have to see the way in which these small banks function there. They give credit only on the security of immovable property, and for medium term and short term accommodation for trade and commerce they are not prepared. That is the position. Therefore, I say that all these various aspects require to be looked into and require to be looked into immediately.

Then, Sir, there is one other point. there are about three banks in Kerala to the functioning of which I would like to draw the attention of the Government. The former Government of Travancore-Cochin had their dealings with these banks; they had made certain minimum deposits with these

banks and they had also stood guarantee to the amount of, say Rs. 50 lakhs or Rs. 75 lakhs. Now these three banks function separately. I cannot say whether they are properly managed or not. But all sorts of criticisms are made about their management. They are not making any profits also. Again, the suggestion comes that if these three banks, in which Government have direct interest, in which Government have their deposits and also they have stood guarantee, are amalgamated, it will not only be to the advantage of the service conditions of the employees there, but it will go a long way to supply the necessary credit facilities in that part of India. That point, I think, has been touched generally in the Banking Inquiry Commission. But only these points have been referred to the State Government, and nothing more is done. Now, you have to look at it from a wider point of view of banking in this country. I am bringing these points to the notice of the hon. Minister.

Then, Sir, there is one other point. A slight modification is made here. Under the recommendation of the Commission, retrospective effect had to be given with effect from April 1, 1954, and that retrospective effect should have been made available to the employees of these banks. Now, why it has been changed to January 1, 1956, is beyond my comprehension. These banks are quite well-to-do banks and they can easily afford to pay retrospectively. It is not because they cannot pay, but their case is that they cannot pay because they are not obliged to pay under the law. So, Sir I cannot understand why this modification has been made to the disadvantage of the employees. To that particular thing I am opposed, and for the rest, even though the Bill is belated, I welcome it. But the Government should go one step further and see that at least through an ordinance—if this cannot be got passed through the other House—these recommendations of the Commission are

implemented without any further delay, because already one year has passed. Thank you, Sir.

[MR. DEPUTY CHAIRMAN in the Chair]

SHRI ABID ALI: There are 160 banks, as I have mentioned earlier. Of these 143 have no branches outside, and therefore the Government of Kerala has to attend to the question of wages of the employees in these banks. The suggestions which the hon. Member has made should be made to the Kerala Government and not to us. As I have submitted earlier, the other banks have already implemented the provisions of the recommendations. Only 4 banks have not yet implemented these recommendations. Therefore it became necessary to bring forward this Bill. Otherwise, we thought that it might not at all be necessary and the other 4 banks also might implement the decision. Therefore, the complaint which the hon. Member has made is entirely misplaced.

With regard to the other thing which he said about bringing the Bill at the fag end, even for this much effort had to be made to get it passed here, and the intention was that, if the Bill is passed here, the banks concerned will take it for granted that since the Rajya Sabha has passed it, the other House also would pass, and that may be sufficient inducement for these banks to implement. Of course, so far as our industrial machinery is concerned, it is there and we will make every effort to persuade the banks concerned to implement the provisions. I hope we will be able to do it. But if they do not do it, so far as the getting of payment with retrospective effect is concerned, of course the workers will not get till the other House passes this Bill, but they will get it ultimately. Delay of course will mean some hardship to the workers, but cannot be helped.

SHRI PERATH NARAYANAN NAIR: In case they refuse, an ordinance can certainly be brought forward.

SHRI ABID ALI: Hon. Members object to ordinances, but on the other hand they want us to bring in ordinances. They cannot have it both ways.

MR. DEPUTY CHAIRMAN: The question is:

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

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up the clause-by-clause consideration of the Bill. There are no amendments to clause 2.

Clause 2 was added to the Bill.

Clause 1, the Title and the Enacting Formula 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.

MR. DEPUTY CHAIRMAN: The House stands adjourned *sine die*.

The House adjourned *sine die* at forty-three minutes past four of the clock.