
PART-III
HIS SELECT SPEECHES IN PARLIAMENT

LABOUR WELFARE

INDIAN TRADE UNIONS (AMENDMENT) BILL, 1946^{*£}

Sir, I beg to move:

“That the Bill further to amend the Indian Trade Unions Act, 1926, be referred to a Select Committee consisting of Shri N.M. Joshi, Prof. N.G. Ranga, Pandit Balkrishna Sharma, Shri Vadilal Lallubhai, Shri T.A. Ramalingam Chettiar, Sreejot Rohini Kumar Chaudhuri, Mr. P.J. Griffiths, Mr. A.C. Inskip, Sardar Sampuran Singh, Shri S.C. Joshi, Miss Maniben Kara, Shri S. Guruswami, Shri Muhammad Nauman, Shri Ahmed E.H. Jaffer, Seth Yusuf Abdoola Haroon and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Sir, I do not want to make a long speech on this subject. The Bill deals with a subject which is not altogether new. It has engaged the attention of the Central Government since 1940 when it was discussed at a meeting of the Provincial Labour Ministers. Thereafter, the Provincial Governments were formally consulted and the views expressed in reply were rather divergent. After considering the replies and discussions in the Second Labour Conference in January 1941 it was decided to proceed with legislation and the Provincial Governments and organisations of employers and workers were consulted in the form of a draft Bill. In the light of replies received, a revised Bill was prepared and circulated to Provincial Governments in August 1943 and a Motion for circulation was adopted by this House the same year. That Bill was not however proceeded with and was allowed to lapse. The Provincial Governments were again consulted on some substantial points and a new Bill was ultimately prepared. This is the Bill which is now before the House. I think it will be agreed that voluntary recognition of Trade Unions though commended by the Royal Commission on Labour has not proved successful and in many disputes which have come to the notice of the Central Government, one common point in dispute related to non-recognition of a particular union of workers. It was difficult in many cases, in the absence of statutory provisions to compel the employer to recognise the Union, while it would have also been embarrassing to do so by persuasion when no rules or conditions have been laid down subject to which a Union will be entitled to

* *Central Legislative Assembly Deb.*, 29 and 31 October 1946.

£ Making a Statement as the Minister of Labour while moving the Indian Trade Unions (Amendment) Bill, 1946.

recognition. We have therefore come to the conclusion that the time has come for a statutory provision by which trade unions fulfilling certain conditions should be entitled to be recognised by the employers. The Bill provides for such a statutory recognition by the appropriate Government which in the case of Unions in the central sphere will be the Central Government and the Provincial Governments concerned in regard to trade unions in the provincial spheres. The principal object of the Bill is that a trade union fulfilling the conditions provided in clause 28(d) will be entitled to recognition by the employer and one of the important conditions is that the Union should be a representative trade union. Another important condition is that the Unions seeking recognition must have been registered under the Trade Unions Act for at least twelve months prior to its application for recognition. This salutary provision will prevent too many trade unions being formed hastily and applying for recognition straightaway. Opinions have been expressed that a trade union seeking recognition must contain not less than a prescribed percentage of workers in the undertaking or industry. In a Central Act which should meet the requirements both of the Central and the Provincial Governments, when conditions may be different in different areas, some elasticity is most desirable. For instance, where the Union is of workers of one single factory, it may well be desirable to provide for membership on a larger proportion of workers than in an industry scattered in different areas. For this purpose provision has been made that a trade union shall be deemed to be representative trade union only if it satisfies such conditions as may be prescribed by the appropriate government. The ultimate ideal to be aimed is to have one strong single union truly representative. But it may not be practicable to achieve it immediately. For some time to come, there might be more than one recognised Union. But Provision has been made in clause 28(g) of the Bill by which among others, the industrial court set up for the purpose will have the power to withdraw recognition of a trade union if satisfied that it has ceased to be a representative trade union. This provision along with that of clause 38(d) will give power to the appropriate Government to impose suitable conditions so as to ensure that a large number of rival trade unions do not spring up thereby damaging the cause of workers instead of furthering it. If a statutory provision is made for recognition of trade unions and for giving such recognised unions certain rights and privileges, it is equally essential that such unions should also realise certain fundamental obligations. Therefore certain practices by the trade unions have been defined as unfair practices and any recognised trade union guilty of unfair practice will be liable to have its recognition withdrawn. The unfair practices will be for a majority of the members of the Union to take part in an irregular strike or for the executive of the Union to advise or actively to support or to instigate irregular strike. It is not of course the intention to forbid declaration of strikes in a regular way in conformity with rules made by the Union laying down

the procedure for declaring a strike. Also it will be unfair practice if the officer of a recognised union submits any return containing false statements. It is realised that while some responsibility and obligations are put on the members and executives of recognised trade unions, some essential conditions should be imposed on the employers also in regard to their dealing with such Union. Therefore interference with the rights of workmen to organise, form, join or assist trade unions, interference with the formation or administration of any trade union, encouraging or discouraging membership of any trade union by discrimination against the employees concerned, penalising workmen for making allegations or giving evidence in enquiries or proceedings relating to matters connected with dealings of recognised trade unions or any failure to comply with the mandatory provisions relating to rights of recognised trade unions have been declared as unfair practices by employers. Provision has been made for punishing with fine an employer who is guilty of an unfair practice. The punishment should fit the crime and a provision has been made that a union whose recognition has been withdrawn can apply *de novo* for recognition on the expiry of not less than six months from the date of withdrawal of its recognition. To inspire the utmost confidence of both parties the Bill provides that except where there is agreement, the ultimate decision regarding recognition will be settled by the appropriate government after receiving the recommendations of the industrial court to be set up for the purpose. The industrial court will consist only of persons who are qualified for appointment as Judges of High Courts.

Sir, some might criticise that the provision in clause 28(d)(h) which allows the appropriate government to prescribe further conditions to be fulfilled before recognising trade union gives rather wide powers to the appropriate government. Here, again, as I have said before, the Central Act should be reasonably elastic so that the appropriate Government will be empowered to frame rules on various matters the nature of which may vary in order to meet local requirements in any particular province. Quite apart from the obvious desirability for legislation for statutory recognition of trade unions, there is another important factor which makes such a legislative enactment essentially necessary. A Bill for dealing with industrial disputes has already been introduced in this Session and one main feature of it is that the provisions will go to operate where the appropriate government is satisfied that in regard to a dispute by the workers, the workers making the application really represent those employed in the industrial undertaking concerned. A system of statutory recognition of trade unions would considerably assist in judging whether a body of workers making an application do really represent the majority or a sufficient percentage of workers in the industrial undertaking concerned. In fact one Provincial Government in its Industrial Relations Bill which was recently passed has included provisions relating to the recognition of unions in the Industrial Relations Bill itself. It is, however, a matter mostly

of convenience whether this would be more suitable than an amendment of the Trade Unions Act as proposed in the present Bill. The Government of India has come to the conclusion that in the matter of central legislation the procedure we propose will be more convenient.

Sir, with these words I commend that the Bill be referred to a Select Committee.

Mr. President, Sir*[£], I do not want to enter into a lengthy debate at this hour in the House. Different speakers from different parts of this Honourable House have expressed their opinion on the different aspects of the measure before the House and the objections raised by certain sections have been met by other sections of the House and my task has been rendered less difficult to a very great extent. As regards the salient features of the Bill, I shall never take credit for the same, because, the Bill was introduced by my predecessor. I shall readily agree that there is sufficient scope for the improvement in the Bill and I shall try my best to meet all reasonable points, that have been raised now, in the Select Committee. But, there are certain points on which I think, if Government were to yield, it will be detrimental not only to labour but to the industry as well. On those points, I am afraid I am not going to yield. The purpose of the Bill as I conceive it, is not only to give some benefit to labour alone but to industry as well. Labour and industry are inseparable factors, the one depends upon the other. One cannot work without the other, and therefore, each has got to look to the interest of both. If industry looks to the interest of labour, it is in the interest of industry itself. Similarly if labour looks to the interest of industry, I may say, it is not merely in the interest of industry but it is in the interest of labour as well. Sir, the very idea of collective bargaining, if I may be permitted to say so is not only in the interest of labour but it is also in the interest of capital it is also in the interest of industry.

My honourable friend Mr. Griffiths, when he was very analytically criticising the various points in the Bill made a remark that I may feel distressed by his remarks. I may assure my honourable friend that I did not feel distressed in the least. But I may very well urge upon him that the industrialists should mark the signs of the time, they should realise that the time has come when they cannot afford to ignore the demands of labour. The time has come when they cannot afford not to recognise the organisation of

* *Central Legislative Assembly Deb.*, 31 October 1946.

£ Replying during the Debate on the Indian Trade Unions (Amendment) Bill, 1946.

workers unless they are forced to do so. If I may say so, Sir, many of the disputes that arise between labour and industry and between employers and employees are on this issue of recognition of unions. If one were to analyse and study the large number of strikes that have become a common feature of the day, one will admit the fact unhesitatingly that in the majority of cases, the dispute arose on this question. Where the workers are organised sufficiently, the management is forced to recognise them, but after the relation between them has deteriorated to a very great extent. That ultimately results not only in strike, but it leads to great suffering to labour and also entails great loss to capital and over and above that great inconvenience to the consumers at large. So, Sir, the Government of today cannot afford to be silent spectators of the disputes between employers and employees because it is not only these two parties who suffer but it is the public at large, the nation at large and the consumers at large who also suffer. Sir, the Government have got to interfere in these matters. I am afraid, Sir, this measure ought to have been on the statute book long before. If some objections are raised today by one party or the other I have to say that they are not realising the signs of the times.

With regard to the motion for circulation moved by my honourable friend, Shri Ishaq Seth I submit that the Bill has been before the country for the last six years,—though not in this identical form,—and its principles have been discussed more than once. They have been discussed by the various Provincial Governments, by employers' organisations and Workers' organisations, and other bodies. On certain points, of course, opinions are divergent as they are here, but on a measure like this we cannot—at least I cannot—conceive of complete unanimity. And the fact that from this measure neither the workers nor the employers are fully satisfied shows that the measure is not partial to one side or the other. The measure is one which seeks to give certain rights to labour but at the same time it also wants that industry should not be placed at a handicap.

While initiating the debate my honourable friend, Dr. Zia Uddin Ahmed introduced certain fundamental things. I,—and, as he reminded me, the class I come from,—feel that it will be a happy day indeed when these principles would be adopted in this country and the economic set-up of the country started on these lines. He talked of nationalisation, failing which, national socialism. I do not want to express any opinion on these two principles. But I may say that if any change in the economic set-up were to be effected, the class I come from and the community I represent will not lose anything. It is the community which stands to gain by any such economic reconstruction. But we have not got to look at these things and wait for such times as the differences between employers and workers, between capital and labour and between the exploiters and the exploited are removed. We cannot afford to

wait till then and let things take their own course. And, therefore we have to devise some measures in the existing circumstances in the four corners of the economic structure of our present society to safeguard the interests of labour and also to see that the industries prosper with a view to catering to the needs of the country. And, this is a measure which seeks to improve the relation between the employers and the workers. I believe many of the differences which arise between the employers and their workers can be resolved if chances were taken for mutual negotiation, discussion and conciliation between them. And for that we have got to devise some machinery. The employers employing hundreds and thousands of workers cannot afford to discuss questions with each and every one of them, and it will not be expedient on the part of labour to allow negotiations between each worker and the management. Therefore, it is to the interest of the employers as well the workers to have an organisation and an agency which may in case of differences carry on negotiations and settle these differences. After all, that is the object which this Bill seeks to achieve. It wants that recognition should be given to organisations of workers, so that in the long run they may have an opportunity of negotiating and settling any differences that may arise; and there should not be any difficulty on that score. As I have urged, it is in the interest of both employers and the workers.

A point has been made that there is a germ of compulsion in it. Of course that is one of the salient features of this Bill and it has got to be there because industrialists and employers by taking advantage of their strength and influence have tried not to recognise organisations and unions of workers serving under them. There have been occasions when employers would like to negotiate with persons at the helm of affairs in the unions unofficially rather than deal with them, officially. They are afraid that if they negotiate with them as presidents or secretaries of labour organisations they will be recognising these labour unions they therefore negotiate with the office-bearers, if they happen to be public men of influence, in their unofficial capacity because they are afraid that if they do not negotiate with them they will have to suffer badly. And ultimately when the workers are compelled to take recourse to certain steps, most of the employers are forced to recognise the unions. And this Bill intends that this initial friction between the employers and the workers may be obviated. Therefore, Sir, I feel that there should be no ground for any objection on the part of employers to this measure.

Some complaint has been made here by the representatives of the workers that the terms and conditions which have been laid down for the recognition of unions are unnecessary. I hold the contrary view because I feel that these terms and conditions are necessary in the interest of the workers' organisations themselves. I want the workers organisations—their trade unions—to be efficient and above board. And for this purpose these terms and conditions

are necessary. I have some personal experience of the working of trade unions, not so big of course as my honourable friend, Shri Joshi and other friends and I know the drawbacks and defects of those unions. If these terms and conditions are carried out faithfully it will make the unions stronger and more efficient, and therefore I hold, Sir, that these conditions are necessary.

One point that has been made here with some force is that the Bill has not given any definition of a 'representative union'. That has been purposely done. In a Bill like this to which several Provincial Governments have to give effect, some elasticity is necessary. The conditions of labour movement in different provinces are not similar. Some provinces are much more industrially advanced than other provinces, and in those provinces the organisation of labour, the organisation of working classes, as well as the Government machinery which deals with them, are elaborate. In other provinces the machinery of the Provincial Governments is just in the initial stages. The organisation of workers in many provinces and in many industries has not started as yet. I am afraid we cannot lay down any universal condition for the unions of workers to be representative in different parts of the country. They have to be different in different parts of the country and even in different industries. If I were to make this point or to develop this point a bit further. I may submit that the same percentage of workers in a union for the union to be really representative can not be insisted upon in the case of the workers working in the Tatas' and in the case of the workers working in the coal fields. The percentage has to be fixed differently in these two cases. And similarly many examples may be given in which that percentage has to be different in different industries, and that is why no percentage has been fixed in this case. I still hold that we should not lay down any hard and fast rule here. We should give some opinion to the Provincial Governments to prescribe these things in the rules which may suit the conditions obtaining in their respective areas.

One thing which has been said and which I frankly admit has got to be provided in the Bill is that the Bill has not given any definition of industry. That will I think be rectified in the Select Committee.

There are other minor points with regard to some defects in drafting or some changes in wording here and there which may very well be rectified in the Select Committee, and I do not think there is any reason for me to raise any objection on that score.

Then, Sir, there is another point which generated some heat yesterday,— I do not want to enter into greater details on that point—and that is about the non-recognition of unions formed on communal lines. Personally, Sir, I hold very strong views on this point. Unfortunately we cannot afford to stretch this point too much. I shall request my honourable friends who hold

this view that Communal unions should be given recognition or communal unions should be formed, to conceive the consequences which this step will ultimately lead to. Today we may think of two or three communities, but what will be the ultimate result in future is simply staggering. I will give some examples from the Hindus themselves. There have been cries that in the Hindu Society there are the upper caste Hindus, the backward communities and the scheduled castes. So far as the broad two divisions—the caste Hindus and the scheduled castes are concerned, I do not want to touch them. I am taking the caste Hindus. Some cries were raised by the backward communities which communities are not educationally, economically and socially well-advanced as a few selected castes at the helm of the Hindu society. So the cry was that something should be given to them, some reservation should be made for them. Well, reservations were not made, but in giving representation in certain local bodies, or in setting up candidates from different communities it was kept in view that some representation should be given to those castes which are called the backward communities. But the matter did not end there. Among the backward communities there are so many castes and all those castes are not equally developed or equally backward. Now the cry arose that a certain caste had got more and a certain caste had got less. So ultimately you have to face a cry where every caste will come forward and will say some provision has got to be made for this caste, and I do not know where this will lead to. Similarly, if I were to give an example from the Muslim community, I may say that there is a cry from the Momins today, there is a cry from the Rayones, from a number of functional castes that they are backward educationally, socially and economically and they require protection. If we were to allow such considerations....

...I am afraid, Sir, I do not know where these things will lead us to. You may take any religion, any caste, any community. I may give an example of Christians. They have no untouchability among them. But what is there in actual practice? I know a large number of untouchable Christians. Though among Sikhs such things are not permitted. I know a large number of untouchable Sikhs. Everywhere this division is present. If we are to stretch it there will be no end to it. We may have communal unions today. We may have Hindu, Muslim, Christian and Sikh unions. We may be thinking of these four particular divisions today, but tomorrow, I am afraid, there might be a thousand divisions in each of these four divisions. Therefore, I do not feel inclined to think that in such matters which are purely economic we should introduce communal considerations need not dilate upon those points which have been advanced by some friends or other in this House that trade unionism conceives a class organisation and repeat the same arguments. Therefore, there is neither Hindu nor Muslim neither a Christian nor a Sikh

in Trade Unions. There are only two classes—the class of the employers and the employed, the workers and the employers, and the workers be they Hindu or Muslim, Christian or Sikh, or of any other denomination, they have their common interests. Well, Sir, I do not want to dilate upon this point to any great extent. But this is my personal view. I hold it very strongly. In these matters where workers have got their common interests we cannot introduce communal considerations.

Then, Sir regarding the motion of my friend for circulation. As I have already submitted, the Bill has been before the country for a long time. Public opinion has been expressed upon it more than enough and there is no reason for referring it again to the public for giving their opinion upon it. I do not feel inclined to accept that motion and I rather oppose it.

I have to say nothing more than what I have said. The measure is one which is in the interests of the labourers as well as in the interests of the employers, and it has been before the country for a long time and it does not require to be circulated for eliciting public opinion thereon. Therefore, I commend that my motion be accepted. I may very well appeal to my friend, the mover of the amendment to be kind enough to withdraw his motion because no useful purpose will be served by sending the Bill into circulation for eliciting public opinion.

I am, however, proposing one slight change in the personnel of the Select Committee: instead of Seth Yusuf Abdoola Haroon, the name of Syed Ghulam Bhik Nairang be substituted.

With these words, Sir, I appeal to my friend to withdraw his motion and I appeal to the honourable members of the House to accept my motion.

Later, the motion was adopted.

INDUSTRIAL DISPUTES BILL, 1946^{*£}

Sir, I move:

“That the Bill to make provision for the investigation and settlement of industrial disputes, and for certain other purposes, be referred to a Select Committee consisting of Shri N.M. Joshi, Shri S. Guruswami, Shri R.C. Morris, Sir Cowasjee Jehangir, Prof. N.G. Ranga, Shri T.V. Satakopachari, Shri D.P. Karmarkar, Shri Vadilal Lallubhai, Shri Sreesatyapriya Banerjee, Shri Sreejut B.S. Hiray, Shri Abdur Rahman Siddiqi, Shri Abdul Hamid Shah, Shri Muhammad Rahmatullah, Shri S.C. Joshi, and the Mover, with instructions to report by 7 November, 1946, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Sir, this Bill is only an amendment Bill introducing certain changes in the Trade Disputes Act, 1929 and I shall, therefore, confine myself to tendering a brief explanation of the basic principles underlying the more substantial changes introduced in the Act. The provisions of the Trade Disputes Act, 1929, have in the main been reproduced in the Bill. But, as the arrangement of the Act would become disjointed if amendments are introduced *ad hoc*, we have considered it would be appropriate to re-enact the Act, as in this Bill, setting out the various provisions in their proper context.

The institutional changes introduced in the Bill relate firstly to the constitution of Works Committees consisting of representatives of employers and workmen, and secondly to the constitution of Industrial Tribunals consisting of independent persons who possess qualifications ordinarily required for appointment as Judges of a High Court. The functions of the Works Committees will be to remove causes of friction between the employers and workmen in the day-to-day working of the establishment and to promote measures for securing amity and good relations between the employer and workmen. The function of the tribunals will be to adjudicate on disputes referred to them. These two institutions I may point out, will supplement the machinery already provided for in the Act of 1929 for the settlement of trade disputes, namely, Conciliation Officers, Boards of Conciliation and Courts of Inquiry.

* *Central Legislative Assembly Deb.*, 1 November 1946.

£ Making a statement as the Minister of Labour while moving the Industrial Disputes Bill, 1946.

The two new modes of settlement of industrial disputes which will be effected by these two new institutions of Works Committees and Industrial Tribunals will be unaided voluntary negotiation and adjudication. Reference to an Industrial Tribunal will lie not only where both parties to a dispute apply for such reference but also where the appropriate Government considers it expedient, in public interest, to make such reference. Voluntary negotiation is not only by far the most satisfactory method for settling the differences between employers and workmen but, I am sure, you will agree should also be the normal method of settlement. As regards the other new mode of settlement of disputes, namely, adjudication, I venture to imagine that none in this House will raise a controversy in so far as it is to be optional. But, as regards compulsory adjudication as a method of settlement of disputes, I apprehend that opinion in this House may well be divided. The issue involved is fundamental and that is whether, and if so to what extent, Government should intervene in industrial disputes. This, in turn, will raise the further question whether industrial disputes are purely a matter of private law of contract between the employer and his workmen. My answer, Sir, is that inasmuch as the parties to industrial dispute are no longer limited to the aggrieved workmen and the aggrieved employer, and inasmuch as the causes of the industrial dispute are not limited to breaches of the express or implied terms of the contracts of service, industrial disputes cannot be treated as matters purely within the confines of the private law of contract. Trade disputes, Sir, I submit, are in reality a recrudescence of the economic warfare between capital and labour, and in this warfare the community at large is no less affected than the employer and workmen engaged in the industry. Though trade disputes are ostensibly bipartite engagements between capital and labour the public at large is a necessary party to them especially where they affect supplies and services essential to the well being of the community. To put it concretely, Sir, a strike in a public utility service will involve not only loss of production and profit to the employer and loss of employment and wages to workmen but will also involve loss of services and supplies to the community. Government being responsible for the maintenance of services and supplies essential to the health, safety and welfare of the community and the maintenance of national economy, it becomes imperative for Government to intervene in industrial disputes, especially where in consequence any severe hardship is entailed on the community. The case for Government's intervention in industrial disputes with a view to promoting public interest is, I submit, incontrovertible.

The question, then, arises within what limits should Government's intervention be circumscribed? Should Government content itself merely with providing machinery for the settlement of industrial disputes as in the Act of 1929 and leaving it to employers and workmen to make such use of it as they

may wish to, or should Government go a step further and attempt to authoritatively regulate the relations between the employer and workmen where they have themselves failed to settle their differences? The Act of 1929 does not provide for the enforcement of the findings of any authority that may be appointed for the settlement of trade disputes but leaves it to public opinion as the ultimate forum to express itself on the merits of the dispute. Pronouncements of public opinion on the merits of industrial disputes, valuable as they may be for promoting industrial peace, will not often prove effective in regulating the relations between employers and workmen.

Whenever industrial relations are disturbed, the solution lies not in the imposition of artificial peace by prohibition of strikes and lockouts, but in effecting a speedy readjustment of the relations between the employers and the workmen either by agreement between them or, where no agreement could be reached by compulsory adjudication. If, as I have submitted, Government must have power to intervene in industrial disputes, it will hardly be contested that that power must extend to enabling the Government to authoritatively regulate industrial relations where the employers and workmen concerned are unable to settle the disputes themselves. The principle underlying compulsory arbitration, is, thus, I submit, clear the unimpeachable. I may mention that more than anything else, the provisions of rule 81A of the Defence of India Rules, empowering the Central Government to refer disputes to adjudicators and to enforce their awards, have enabled Government to deal effectively with industrial disputes during the war. And what is more, the results of the adjudication proceedings have in most cases proved satisfactory both to the workers and employers. The present Bill embodies the principles of the rule 81A, but in a more liberalised form. My submission, Sir, is that neither the employers nor workmen have an unrestricted right to wage trade disputes if in consequence public interests are jeopardised. And where public interests are jeopardised, I maintain that it is incumbent on Government to intervene with a view to securing readjustment of the relations between the employer and workmen, if possible, by private negotiation and conciliation and, if necessary by compulsory adjudication.

In this connection, I must explain why the enforcement of the awards of the Industrial Tribunals has been left to the discretion of the appropriate Governments. Adjudication proceedings are essentially judicial proceedings involving determination of the relative merits of the matters in dispute. Being judicial proceedings, the decisions of the Tribunals are entitled to the fullest consideration. But it is necessary to ensure that the enforcement of the decisions of the Tribunals do not involve any disturbing effects on national economy; otherwise adjudication, instead of allaying, may result in accentuating industrial strife. It would, therefore, be salutary that the Government who are in a better position than Industrial Tribunals, to assess the possible effects

of the enforcement of the awards of Tribunals on national economy should have discretion to decline to enforce such awards as are opposed to public interest or will have upsetting effect on national economy. I must warn that it would be wrong to assume that because the Government have the power to reject the awards, they would not give the fullest consideration to the decisions of the Industrial Tribunals.

I must make it clear that in providing for compulsory adjudication our intention is not to oust or in any way minimise the importance of the methods of voluntary negotiation and conciliation in the settlement of disputes. Industrial disputes being disputes on interests rather on rights, I need hardly stress that voluntary negotiation will offer more effective and lasting solution than conciliation or arbitration. Of all the institutions for the settlement of disputes provided for in the Bill, I would myself attach the greatest importance to the Works Committees. But some others might urge that in Works Committees, the possible danger of exploitation to the betterment of workmen by association with such Committees of persons not true representatives of the workers but who are under the influence of the employer. It is for this reason that I have not made a mandatory provision for setting up Works Committees but only an enabling provision by which the appropriate Government could set up such Committees and this will doubtless be done only where the appropriate Government is satisfied that conditions exist for proper functioning of the Committees. Next to Works Committees, I would place reliance on the conciliation machinery for promoting industrial peace. It is only where conciliation has no reasonable chance of success, that disputes will be referred to adjudication as being a necessary expedient for securing readjustment of industrial relations in establishments where disputes have broken out.

The importance we attach to conciliation as a mode of settlement of disputes is reflected in the provision that it will be compulsory in the case of all public utility services. Lest advantage be taken of the reference of disputes to conciliation machinery to procrastinate with a view to wearing out the opponent or to maintaining unjustly the state of affairs as existed before the dispute broke out, time limits have been fixed for the conclusion of conciliation proceedings—fifteen days in the case of Conciliation Officer and two months in the case of Boards of Conciliation.

The principle has been well established, to quote from the statement of objects and reasons of the Trade Disputes Act, 1929, that 'persons whose work is vital to the welfare of the community generally, should not be entitled to enter into a strike before sufficient time is given to examine the merits of their grievances, and to explore the possibilities of arriving at a peaceful settlement'. It would, I submit, be both logical and legitimate to extend this

principle so as to prohibit strikes and lockouts during the pendency of conciliation and adjudication proceedings. This Bill prohibits strikes and lockouts during the pendency of conciliation proceedings and 14 days thereafter, as also during the pendency of adjudication proceedings and two months thereafter. Power has also been given to the appropriate Government to prohibit continuance of strikes and lockouts as soon as a reference is made to a Board of Conciliation or an Industrial Tribunal. No elaborate explanation for these provisions seems necessary. It would suffice to say that the justification for these provisions lies in that the chances of settlement of dispute by conciliation or by speedy determination by adjudication will be gravely imperilled, if during the pendency of conciliation and adjudication proceedings the normal state of affairs as existed at the commencement of the dispute was not restored. Lest these provisions should prove detrimental to the workers, a safeguarding provision has been made prohibiting alteration during the pendency of conciliation and adjudication proceedings of the conditions of service to the prejudice of the workmen.

I feel, I must pointedly invite the attention of the House to the enlargement of the definition of public utility service attempted in the Bill by empowering the appropriate Government to declare for a specified period any industry to be a public utility service provided that public interest or emergency so requires. The definition of public utility service as contained in the Act of 1929 being enumerative in its character is necessarily inelastic. The definition of a public utility service will to an extent depend on the state of national economy at any given time. For example, at present, when there is an acute shortage of cloth in the country, it would I submit, be legitimate to treat the textile industry as a public utility service, but when conditions return to normal and cloth is no longer in short supply, it would probably be difficult to justify inclusion of textile industry within the category of public utility services.

The industrial unrest through which the country is now passing is of unprecedented magnitude. Before we could embark on any large scale industrialisation, we must establish conditions that will ensure industrial peace. The urgency of the proposed legislation is, I submit, therefore unquestionable. I am aware of criticism often expressed that the remedy for restoring industrial peace is the amelioration of working living conditions of industrial labourers rather than any attempt to restrict the rights of the worker to go on strike. I am fully conscious of the great importance one should attach to improving the working and living conditions of labour and the Central as well as Provincial Governments are actively engaged in examining and enforcing all possible measures in this direction. We have already effected by legislation reduction in working hours in factories to bring this to the level enforced in countries much more advanced industrially. Other measures

relating to welfare and wages of industrial and other classes of workers are also under active consideration. It will be appreciated that such measures cannot be hurried through in a day but every effort is being made towards rapid progress.

It is my belief, Sir, that the machinery provided for in the Bill will while protecting the public at large from the ill effects of industrial disputes, facilitate speedy redress of the legitimate grievances of the workmen and employers and thereby promote the progressive adjustment of industrial relations between the employers and workmen.

This Bill has been the result of considerable discussions between the representatives of employers, workmen and of Governments, Central and Provincial. The subject was discussed by our Tripartite Standing Labour Committee at its eighth meeting held in March 1946. A small sub-committee of the standing Labour Committee was appointed to examine the proposals in a greater detail and this sub-committee examined the proposals in June, 1946. The honourable, Shri N.M. Joshi, our veteran Trade Union Leader participated in the discussions of both the Standing Labour Committee and its sub-committee and I must acknowledge that we have had the benefit of his views in finalising our proposals. Recently, I convened a Provincial Labour Ministers' conference for finally vetting the proposals. The Bill as it is presented to you represents a reasonable synthesis of the various view points expressed on the subject by the various interests concerned. I commend to the House that my Motion be accepted.

At the very outset* I must express my appreciation of the attitude of the honourable Mr. Griffiths (who is not here at present) who rose to oppose the motion for reference to Select Committee but as soon as he came to learn that the date has been extended, he readily withdrew his objection and supported the motion for reference to Select Committee.

When my honourable friend, Shri Joshi, who is no doubt a veteran trade unionist rose to move his amendment for circulating the Bill for eliciting public opinion thereon, I was very anxiously listening to his speech. But, I must admit that I was disappointed. Shri Joshi has grown old and so his ideas have become antiquated. All the arguments which he put forth in opposing the Bill were rather antiquated. I will not examine every point that has been urged by him but if I were to take only a few as examples, I may

* Replying to the Debate on the Industrial Disputes Bill on 14 November 1946.

say that his objection to a number of industries and services to be counted as public utility services was rather beyond my understanding. If anybody was to raise the objection at this stage that railway transport, steam service, electricity and other things are not of public utility or that these are not public utility services, because they happen to be owned, possessed or run by private individuals, I for my part do not understand it. The utility of a service or an industry does not depend upon its ownership but upon its utility to the public, upon its catering capacity for the service and the utility to the community. Everybody in the House will agree with me that electricity is a public utility service, whether it is owned, possessed or run by a private individual or by a public corporation. That does not make any difference. Similarly, the railways and other things are public utility services. These are the points on which my friend, Shri Joshi laid great stress. I am not going to lay as much of stress on those points.

The main point of this Bill is conciliation, voluntary and mutual, if possible, and compulsory, if necessary. These are the two main features of this Bill. Shri Joshi's objection was that it is not possible to find impartial arbitrators and rather it is not possible to find impartial governments.

If it is true for the present, it is true for the future also. But I say, Sir, it is not true and it cannot be true. Government as representative of the community is impartial and whether you admit it or not, Government thinks that it is impartial. Similarly, it is not impossible to get impartial persons. The honourable, Shri Joshi said and my honourable friend, Shri Vadilal Lallubhai, who represents the employers, has been rather emphatic too, that persons are biased one way or the other. These are points which I do not think really have any weight. The main features of the Bill, as I said in my opening speech, are voluntary arbitration and conciliation if possible, and compulsory if necessary. Sir, Government as representative of the community has got to look to the interests of labour and to the interest of the consumer as well. Government cannot afford to be silent spectator when labour and capital are fighting among themselves to the detriment of the interest of the community and had it been the fact that when they fight among themselves, it is they and they alone who lose, ofcourse. Government would have considered whether they could afford to stand aside and let them fight among themselves. But, when they see that the whole of the community suffers, the whole country suffers and the whole nation suffers, the Government cannot afford to be a silent spectator of this struggle. And this Government can never admit and I on my part will never admit that there are persons and persons alone who can look after the interests of labour. My honourable friend who has just preceded me has been very emphatic that labour will rather break than bend.

My friend may rest assured that from this side there will never be any effort either to bend labour or break it. I may assure my friend that labour will have every reasonable encouragement from the Government, but Government will also see that everybody gets a fair trial. I would request my friend to have patience and he will have everything relevant from me. So far they have been very emphatic in explaining to the labour their rights. We must also explain to them their obligations and their duties. I do not find, here anything which need perturb our labour friends so much. Where is the political motive? I have not been able to read it in any of the clauses of the Bill, unless one chooses to import it from his own brain or from his own reading. Reading between the clauses of the Bill and reading between the provisions of the Bill, there is nothing to be found which can import any political motive into the provisions of this Bill.

My honourable friend, Miss Maniben Kara was very emphatic. I can understand her. She is for opposing the Bill right through, whether it is reasonable or whether it is unreasonable, whether it is desirable or undesirable. She sees everything black. I remember a couplet from the Ramayana—

Jakee rahee bhavana jaisee, Prabhu moorat dekhee tin taisee—

if she can see this Bill black, she will see everything black. I cannot help it; the Government cannot help it; if she is determined to oppose this Bill, she must take it from me that Government is determined to see the Bill through. I must assure my friends who claim to represent labour, who claim to speak on behalf of labour, that we also have got some experience of labour. They alone cannot claim it as a monopoly to see to the welfare of labour. We have also to see to the welfare of labour; and we have to see to the welfare of the community as well. Seeing to the welfare of labour will be seeing to the welfare of the community as a whole.

I do not want to examine every point and to reply to every objection that has been raised. Most of the points have been replied to by my honourable friends who have supported the motion, and at this late hour of the day I do not want to prolong my speech. If I were to examine every point, I have got very relevant and cogent reply to every objection that has been raised here. If any relevant points have been raised they may very well be considered in the Select Committee; and I shall have no objection in considering them there and in making the Bill as useful as possible for the purposes for which it is meant. With these words, Sir, I oppose the motions for circulation and appeal to all honourable members to accept my motion for referring it to Select Committee.

FACTORIES BILL, 1948*[‡]

Sir, I beg to move:

“That the Bill to consolidate and amend the law regulating labour in factories be referred to a Select Committee consisting of Shri Khandubhai K. Desai, Shri B. Shiva Rao, Prof. N.G. Ranga, Smt. Renuka Ray, Shri Gokulbhai Daulatram Bhatt, Shri Sundar Lall, Shri Nandkishore Das, Shri T.A. Ramalingam Chettiyar, Shri Harihar Nath Shastri, Shri Naziruddin Ahmad, Shri H.V. Kamath, Shri K. Santhanam, Shri Arun Chandra Guha, Pandit Balkrishna Sharma, and the Mover with instructions to report on the opening day of the next Session and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

This Bill was introduced at the last Session. It has been circulated by executive order for eliciting opinion. We hope to receive the opinions before the end of April. The Select Committee can meet sometime in May or June as may be convenient, and submit its report to the House in the next Session.

The object of the Bill is not only to consolidate the law relating to working conditions in factories, but also to introduce certain important new features. With your permission, Sir, I shall briefly explain the important changes that have been proposed in the Bill.

The existing law applies only to industrial establishments where manufacturing process is carried on with the aid of power and where 20 or more persons are working. There is an enabling provision authorising Provincial Governments to extend the provisions of the Act to establishments using power and employing ten or more workers. But this enabling provision has been made used only to a very limited extent. With the result that the Factories Act may be said to apply only to industrial establishments using power and employing 20 or more persons. A few Provinces have enacted legislation to regulate factories where power is not used. But, even such legislation is applicable only to the establishments where 50 or more workers are employed.

* *Constituent Assembly of India (Legislative) Deb.*, 30 January, 1948.

[‡] Making a Statement as the Minister of Labour while moving the Factories Bill, 1948.

It is now proposed that the law relating to factories should be made applicable to all industrial establishments employing ten or more workers when power is used and 20 or more workers in all other cases. As a result of this change the number of establishments subject to control is likely to be trebled. The number of workers to whom the protection of the Factories Act will extend will increase immediately from 25 to 35 lakh. The country is now setting upon an era of industrial expansion. We are all agreed that, as far as possible, this industrial expansion should not take the form of a limited number of big factories, but rather of a large number of small industrial establishments dotted all over the country. It, therefore, becomes necessary that our law relating to factories should be made applicable to the smaller establishments also. It is with this view that the definition has been widened.

The present Act makes a distinction between seasonal and perennial factories. Because the seasonal factories work for only a part of the year, there is a tendency to be somewhat lenient in the enforcement of standards relating to safety and health. This is not a satisfactory state of affairs. Whether a factory works for a part of the year or for the whole year, provisions relating to safety, health and welfare should be equally applicable. We have therefore, done away with the distinction between perennial and seasonal factories.

Even with these changes, the new definition will not cover all workers. I feel, and I am sure the honourable members will agree with me that regulations relating to cleanliness, ventilation, lighting, supply of drinking water, the provision of sanitary conveniences, fencing of machinery, hours of work, weekly day of rest, prohibition of the employment of children, reduced hours of work for adolescents should be applied to all work places, irrespective of the number of people employed. The difficulty in extending these essential provisions is mainly an administrative one. As I have said, the new definition of factories will treble the number of establishments subject to control. The Inspectorate will need considerable strengthening. Provincial Governments should be given some time to organise a bigger Inspection service. As soon as satisfactory arrangements are made to secure a proper enforcement of the Act to establishments covered by it, Provincial Governments will be in a position to extend the essential provisions relating to health, safety, welfare, hours of work and age of entry into employment to other work places. To enable them to do so, a provision (Section 86) has been added giving power to Provincial Governments to apply these provisions to any premises where a manufacturing process is carried on, with or without the aid of power, except where the work is done by the worker solely with the aid of his family.

The elaboration of the provisions relating to health, safety and welfare deserve attention. The existing Act leaves far too many things to be covered

by rules or to be done at the discretion of the Inspector. The rules are not always uniform, and the discretion cannot be exercised in a uniform way, with the result that there are considerable variations in the standards applied to different factories and in different parts of the country. Another serious defect in the existing legislation is that it leaves many matters to be attended to only at the instance of the Inspector. There is no obligation on the factory owner installing new machines not specifically covered by the rules or notified by the Inspector as dangerous to take any measures for the safety of their workers. With the rapid technological advancements that are taking place, installation of new types of machinery and the introduction of new processes will be of frequent occurrence. The adoption of safety measures cannot be postponed till provision is made for them in the rules. The only satisfactory method is to lay on the factory owner a clear and definite responsibility for taking all measures necessary to secure the safety of workers in his factory. If we are to lay this responsibility on the owner, the precautions to be taken and the standard to be observed in regard to health and safety measures should be clearly prescribed in the Act itself. This is precisely what has been attempted in the Bill. An additional and no less important advantage of this procedure will be the enforcement of a definite and uniform standard in all industrial establishments and throughout the country. Sections relating to the casing of new machinery, hoists and lifts, cranes and other lifting machinery, pressure plant, precautions to be taken against dangerous fumes, explosive or inflammable gases are all new. The obligation relating to the casing of new machinery, has been imposed not only on the factory owner, but on the manufacture of the machinery or his selling agents as well. In the Chapter dealing with the disposal of wastes and effluents, the specific provisions relating to ventilation and temperature are new. Similarly, the sections relating to the provision of cool drinking water, during hot weather, the employment of cleaners to keep the water closets, clean, the obligation to provide sanitary water closets in all establishments are new provisions. In the chapter relating to welfare, we have made provision that in every factory where workers are obliged to work in a standing position, suitable arrangements for seating should be provided so that they may rest, whenever they get an opportunity. Where a worker can work efficiently in a sitting position, then seating arrangements should be provided for him. The sections relating to facilities for storing and trying clothing is also new one. If the arrangements for the welfare of workers are to be successfully managed, it is essential that workers must realise their responsibilities in the matter and should be actively associated in their management. Section 50 of the Bill provides for such association. An enabling provision has also been made under which the owner of any factory, employing 500 or more workers may be required to appoint a suitable Welfare Officer, whose specific duty will be to look after the welfare of the workers. To ensure that the right type of people are appointed and to

give them a measure of security and independence Provincial Governments have been given power to prescribe the duties, qualifications and conditions of service of these officers. Honourable Members will appreciate that this is an important provision.

Another important provision, to which I would like to invite attention of the House, Sir, is the one embodied in Section 7 providing for the scrutiny of the plans and specifications of factory buildings and their layout by the Factories Inspectorate. In quite a number of buildings, walls and roofs have not been so constructed as to maintain the temperature. Again, even such an elementary thing as proper flooring is not done according to the requirements of the processes carried. Then again, rest sheds, washing and bathing places, water closets have all to be located at convenient places. The layout should be such as will promote, to the maximum extent, the safety and health of the workers in the factory. Where the manufacturing process in such as will throw out considerable quantities of wastes and effluents, it is of great importance that proper arrangements should be made for their disposal, so that they may not affect the public health of the neighbourhood. Very often buildings are put up without proper consideration being given to these aspects. Later on, it becomes difficult to rectify the defects. We have, therefore, introduced a section so that before the buildings are erected the plans and specifications are examined with a view to seeing whether the provisions of the law relating to matters of health, welfare and safety have been complied with and proper arrangements will be made to dispose of the wastes and effluents.

In regard to employment of workers, we are raising the age of entry from twelve to thirteen. Young persons who have not attained the age of 18 years instead of the present limit of 17, will be considered as adolescents. If they have not reached sufficient physical maturity to be classed as adults, their hours of work will be only four and a half hours instead of the present limit of five. The provisions relating to medical examination of young persons are also being strengthened. Hereafter, they will be examined not merely before initial employment, but every year.

The Chapter dealing with holidays with pay has been revised to provide for the grant of holidays to workers who have done six months' service. This is a new provision. The definition of authorised leave has also been revised to provide for unauthorised absence upto a limit of twenty days in a year. In regard to casual absence due to illness or other reasonable cause it would be sufficient if the workers give the reasons for his absence within three days from the commencement of such absence. These provisions will remove a source of dispute between employers and workers whether a particular

absence is authorised leave or not, and if it is not an authorised leave, whether the worker is at all entitled to leave in respect of any preceding period.

Information in this country regarding occupational diseases is some what scanty. The factory owner and the medical practitioner attending upon factory employees are the persons who can give useful information. Provision has been made requiring these people to give information regarding accidents in factories causing death or serious injury or of diseases treated. Power has also been given to take samples of substances used in the manufacturing process, if its use is either contrary to the provisions of the Act or likely to lead to injury or cause disease to workers, and for their examination. Certifying surgeons have been authorised to exercise medical supervision in any factory where the occurrence of occupational diseases have come to notice or is suspected. These provisions, which are new, are designed not only to obtain a knowledge of occupational diseases, but also to arrange for such remedial measures as can be taken to prevent their occurrence or reduce their incidence.

Changes have been made in the Penalties Chapter also. The existing law only provides for a fine for contravention of the provisions of the Act. To an employer, a fine is no deterrent. We have, therefore, provided for imprisonment as well, upto three months for the first offence and upto six months for the second and subsequent offences.

Briefly, these are the main changes that have been introduced in the Bill. We have tried to implement as many of the provisions of the International Labour Organisation Code of Industrial Hygiene as are practicable under Indian conditions. The provisions relating to periodical medical examination of young persons and the submission of plans of factory buildings are also from I.L.O. Conventions. We have also freely drawn upon the British Factories Act, one of the most comprehensive pieces of legislation on this subject. When this Bill is passed into law, we would have placed on the Statute Book a Factory law which, if properly enforced, will secure a marked and distinct improvement in working conditions. I am aware, and I have no hesitation in confessing it to the House, that the administration of the law requires considerable tightening up. Ever since I took charge, I have kept this question prominently in view. In every one of our half yearly conferences with Provincial Labour Ministers, this question is discussed in some form or the other. The Provincial Governments have their own difficulty, mainly of finance. Although we, at the Centre, have no executive, responsibility in this matter, we have set up an advisory organisation to study the various aspects of Factory administration in this country and elsewhere and advise the Provincial Inspectors. This organisation is also running training and refresher courses for the Provincial Officers. I hope, before long, we shall have a corps of trained officers, adequate in number, to secure, a strict enforcement of this legislation in order to improve the working condition of the working classes.

With these words, Sir I commend the Motion to the House.

Sir, I do not propose to give a reply to all the points raised by various speakers. I may say that I do not claim the Bill to be a revolutionary measure but I feel that it is a modest beginning towards a great object. I may assure my honourable friend, Shri Sidhva that I was all attention when he was on his legs and I was noting down the suggestions and criticisms that he was making. I may assure him that in the Select Committee we will give earnest consideration to his suggestions and criticisms and we will try to accommodate his view point as far as possible and practicable. But I am afraid that some of his suggestions are not practicable while some, though desirable, might not be possible to incorporate in the Bill at the present stage. So even though he may feel disappointed with the report of the Select Committee in certain respects I may again assure him that his criticisms will have our earnest consideration.

I find my honourable friend, Shri B. Das is not here; I wish he were here. I may say that the measures of labour legislation which this Government are bringing forward are neither due to sentimental reasons nor to the agitation that might be carried on by interested persons or groups in the country among the workers. These are brought forward because we genuinely feel that labour in this country deserves sympathetic consideration: not because they are agitating for their rights but because they have so long been denied the minimum human rights. And, therefore I wish to emphasise that it is not due to any sentiment for labour or to a coerced feeling due to agitations, but it is from a genuine feeling for doing some great thing for the working classes that we are bringing these measures forward. I may point out that we never intend to blindly copy western methods. But one should not be conservative and say that everything that comes from the west is detestable. There are things which we should be proud to copy and there are things which we should not imitate. And in our legislative measures and in this factory legislation as well though we have taken advantage of the experience of the western countries—of a person who was a very experienced Factory Inspector in the United Kingdom—we have not blindly copied their legislation. Of course a country which begins industrialisation at a late stage has the advantage of avoiding the difficulties and defects of those countries which started industrialisation earlier and made mistakes. If we have those examples it is not wise on our part to repeat those mistakes and then come to that stage. It was for them to make mistakes; it is now for us to take note of those mistakes and avoid them. And that is what we are trying to do in our Factories Act. In western countries, in Great Britain when they started constructing

factories, when they had their Factory Acts they made mistakes and it took them a century to rectify those mistakes and defects. It is not wise on our part to take another century to make those mistakes and rectify them again.

Then my honourable friend, Shri Das said that these provisions might strangle the development of industry. That is a platitude in which industrialists of this country are given to indulge. But, I am sure these provisions are meant not to prevent the growth of healthy industrialism of this country, but I feel, on the contrary, that they will help the growth of industry in this country, on sound and scientific lines. He spoke of overburdening the industry with responsibilities, he talked of cost of production increasing. I think that if we are going to be fair to the working classes the cost of production may slightly increase; but that is no reason why we should not give the workers their due. Even if we are afraid that the cost of production will go up—if we reduce the working hours and if we are to pay fair wages to the workers certainly all this will add to the cost of production,—we have still to put the whole thing on a rational basis; and I think there are other items by which the cost of production might be reduced. And I should like to suggest to my honourable friend, Shri Das whether he has given the consideration it deserves to the question of how much profit the industrialists in this country are making. Does it not add to the cost of production? Is it not necessary in the interest of the consumer and the country as a whole to have a check on that as well? I hope when my honourable friend, Shri Das gets another opportunity he will enlighten the House on these points also.

Another point has been raised, Sir, that certain powers have been given to the Provincial Governments to exempt certain categories of factories from the operations of certain provisions of this Act. I do admit, that a provision has been made to that effect and I do feel, Sir, that the provision is necessary—necessary in the sense that we here in the Centre have the power and authority only to legislate. The effect to this provision is to be given by the Provincial Governments. Well, I wish I had the power to give effect to this provision as well, but there are limitations and we have to depend upon the Provincial Governments. I do not understand why there is so much mistrust of the Provincial Governments. After all they have to put these provisions into effect and we will have to give some latitude to them to see whether they have got sufficient machinery to check the provisions which may be put into operation. It is no use having something on the Statute Book unless there is sufficient agency to see that these provisions are being given effect to or not, and that is why we have given this option to the Provincial Governments. I know, Sir, from the little experience that I had of the working of the factory inspectorate in this country in the various provinces that the Provincial Governments in spite of their anxiety to strengthen the inspecting staff have not been able to strengthen or to increase the number of inspectors for the

inspection of factories. They have their own limitations—financial and otherwise—and to expect them that as soon as we have this legislation on the Statute Book all the Provincial Governments will overnight set up sufficient machinery for the inspecting services, will be too much to expect from the Provincial Governments and therefore, naturally they will require some time to strengthen their factory inspectorate staff.

Apart from the financial consideration, there is another consideration as well. We have not got the necessary technical personnel suitable for this purpose and it has been my sad experience, Sir, that sometimes when we advertise the posts the Public Service Commission simply inform us that suitable candidates fulfilling the conditions and qualifications prescribed by Government are not available. These are the limitations under which we have to work. Though, I personally wish that we had been in a position to give effect to all the provisions of this Act in all the factories, regulated or unregulated these limitations stand in our way.

As I said, Sir, I do not propose to give a reply to all the points raised by various honourable members. All that I can assure them is that though I have not been able to go into the draft of the Bill as it stands, though I have not been able to give it much of my personal attention, I will consider all these points in the Select Committee and I think the House will support my motion for referring it to the Select Committee.

Sir, I beg to move:*

“That the Bill to consolidate and amend the law regulating labour in factories, as reported by the Select Committee, be taken into consideration.”

Sir, in moving that the Factories Bill, 1948, as amended by the Select Committee be taken into consideration, I may be permitted to place before the House the salient features of the Bill and the more important changes sought to be made in the Factories Act, 1934.

The House will, no doubt, recall what I mentioned in the Statement of Objects and Reasons, that compared to the provisions of the Bill submitted to the House, the Act of 1934 was not only limited in scope, but left many essential and vital matters to the rule making powers of Provincial Governments. This defect has been remedied in the Bill, and all minimum requirements, particularly in respect of health, safety and welfare in regard to which uniformity is most essential have been provided for in the Act itself.

* *Constituent Assembly of India (Legislative) Deb.*, 20 August 1948.

The rules framed by Provincial Governments will hereafter be confined to their legitimate role of making provision for the less important and incidental and procedural matters. The Bill differs from the 1934 Act in another important respect also and that is as regards the responsibility for deciding whether the requirements of the Act have been complied with by an occupier or not. The 1934 Act leaves far too much to the discretion of Inspectors which in view of the specialised and hazardous nature of many processes, they are not able to discharge effectively. The Bill contains detailed provisions which will lift this burden off their shoulders. One of the main principles sought to be emphasised by the new provisions is that an occupier who takes upon himself the responsibility for a manufacturing process must also bear the responsibility for ensuring that it is carried on with due regard to the safety, health and welfare of the workers. He can no longer excuse himself from responsibility for defects by shifting it on to Inspectors. The scope of the Factories Act has considerably been enlarged and the distinction between perennial and seasonal factories done away with. A further important provision relates to the compulsory registration and licensing of factories. The previous permission in writing of the Provincial Government or the Chief Inspector is required for the construction and extension of any factory and plans and specifications have to be submitted and scrutinised before such permission is given.

I may remind the House that this comprehensive amendment of the Factories Act of which I have mentioned only a few salient features has received the very careful consideration not only of Government but of the Standing Labour Committee and the Indian Labour Conference, both of which are tripartite bodies fully representative of employers and labour. While agreeing generally with the lines on which the Act was sought to be amended the employers representatives were opposed to certain details such as the extension of the scope of the term "factory", the elimination of the distinction between seasonal and perennial factories, the pre-licensing of factories, the making of compulsory provision for the maintenance of canteens and the making of provision for accommodation for the storage of clothes and seating facilities. The workers representatives disagreed with the employers' representatives on most of these points. They expressed satisfaction at the comprehensive nature of the amendments proposed by Government but were anxious that Government should be responsible for the treatment of sick workers and their maintenance during illness—matters which have since been taken care of by the Employees' State Insurance Act. They were also of the opinion that three kinds of Factory Inspectors, *viz.*, technical, medical and welfare, should be appointed and that children below the age of 15 should not be employed in factories. All these and a large number of opinions received from experts as well as the public were taken into consideration by the Select Committee.

As honourable members will see from the amended Bill placed before the House, the Select Committee made a number of important changes which have added materially to the usefulness of this important enactment. The new Act will be applied to all States acceding to the Centre in respect of labour legislation. The provision of a minimum standard of 500 cubic feet of space per worker in case of new factories, effective arrangements for the supply of wholesome drinking water and the provision of lunch rooms are some of the amenities which the Select Committee thought should be provided to add to the physical comforts of workers. The daily and quarterly limits of overtime have been fixed and the extent of the annual leave with wages has been raised from 10 days per year to one day for every 20 days of work in the case of an adult and to one day for every 15 days of work in the case of a child. Work shops belonging to Federal Railways have been exempted from the provisions of Chapter VIII in view of the fact that the leave rules of Federal Railways are more liberal than the provisions contained in the Bill.

MINIMUM WAGES BILL, 1946^{*£}

Sir, I beg to move:

“That the Bill to provide for fixing minimum wages in certain employments, as reported by the Select Committee be taken into consideration.”

This Bill, Sir, had a very chequered career. It was introduced by my predecessor, honourable Dr. Ambedkar, in the old Legislative Assembly in the year 1946. It was referred to a Select Committee the same year, but in the meantime the old Legislative Assembly ceased functioning and the Bill had again to be referred to a Select Committee or rather the Select Committee had to be reconstituted in November last. The Select Committee since then has considered the Bill and reported as I presented on the 28 January 1948. The necessity for a piece of legislation of this nature is paramount in our country, especially in those employments where the workers are not in a position to organize themselves and get their grievances removed and their legitimate demands fulfilled by the employers. In those industries where a large number of workers are employed or where there are facilities and conveniences for trade union workers to organize the labourers in those concerns, it is not so desirable as in the case of those workers who are scattered mostly in the rural areas where the trade union workers do not find it convenient to go and organize them and do something tangible for them. The inevitable result of all this has been that the workers in a very large number of industries, mostly situated in rural areas or in small towns, get wages which are not at all consistent with the labour that is put in the operation of their work, and these industries are popularly known as sweated industries. The Bill provides that something might be done to improve the lot of the workers in these sweated industries. The Schedule in which certain industries have been enumerated is not exhaustive. I would say the Schedule is simply illustrative. But while including the various industries in the Schedule, we had to take into consideration the factor that many of the provincial governments will not be in a position to take many industries at the same time, more so when we are limiting the period for the provisions of this Act to be put into execution only to two years in respect of Schedule I and to three years in respect of Schedule II. But there is provision that the Provincial Government concerned,

* *Constituent Assembly of India (Legislative) Deb.*, 6 February 1948.

£ Making a Statement as the Minister of Labour while moving the Minimum Wages Bill, 1946.

if they so choose, may include in the schedule any number of industries which they may find they are in a position to take into their hands as early as possible. The provisions of this Bill are not so complicated and there have been definite improvements made in the Select Committee over the original Bill. The Provincial Governments will set up Advisory Committees which, after making investigations, will make recommendations to Provincial Governments for the fixation of minimum wages in the industries given in the Schedule. The Provincial Governments may, on their own initiative, also fix the minimum wages. This piece of legislation is very necessary. As a matter of fact, Sir, this should have been on the statute book long before. I hope that the House will unanimously adopt this legislation.

Sir, the measure before the House has been so closely analysed that my task of giving a reply has been lightened to a very great extent. There are some people in this world who are superhuman, in the sense that it is human nature that if somebody tries to do good to a person, that person tries to do good to him. But, there are some persons who even if they are harmed by some one, they try to do good to him. My honourable friend, Shri Das belongs to this latter category of superhuman beings. He began by saying that the Bill tries to bring in Utopia. I do not know how to characterise my honourable friend, Shri Das, whether he is after, Utopia or Utopia is after him. But in any case he has not only realised Utopia but he has begun to give proofs that he is living in Utopia. I am justified in saying so because my honourable friend, Shri Das comes from Orissa; I wish he had some knowledge of the condition of labourers in his own province and of the anxiety of his own Government to do something in the matter; specially of his Labour Minister who is so anxious to do something for agricultural workers, more so because agricultural operations in a large portion of his province have practically come to a standstill. I wish my friend, Shri B. Das has realised that position before blaming the Government off and on for bringing measures before the House which are likely to affect the industrialisation of this country. Some honourable friends have remarked, and Shri Das himself said, that he is not an industrialist; therefore, when Shri Das gives proof of his overflowing sympathy for the industrialist class, I place him in the category of superhuman beings.

Anyway, Sir, how is this Bill going to effect the expansion of either industry or agriculture in this country; one must analyse that. Some friends remarked that my colleagues who are incharge of the employing departments of the Government are not here. But let there be no misunderstanding that this Bill does belong only to the Labour Minister. It is a Bill of the Government of India. Let there be no misunderstanding that any particular Minister, who brings in a Bill is alone responsible for it. The entire Government and all the

Ministers are responsible for that. And, if today, I am in charge of this Bill, it does not mean that it belongs to the Labour Minister. It belongs to all the Ministers.

The Labour Minister's responsibility is not only to see that the condition of the labourers are improved. His responsibility is equally with the other Ministers, who are in charge of the employing departments, to see that the industry in this country expands, and I may assure my friends, that it is equally my responsibility to see that the wealth of this country increases because unless the wealth of the country increases, I will not be in a position howsoever might be my concern and anxiety to improve the lot of the working classes to do anything concrete in that direction. So I will be going against my profession and my interest and anxiety for improving the condition of the working classes if I bring forward any measure which is likely even in the lowest degree, to adversely affect the expansion of either industry or agriculture in this country. But when I support this measure, I am doing this because I am convinced that this measure is bound to help in the industrial expansion and in the increase of products and I wish those friends who are sceptical about it to realise that position. They should appreciate that position.

How is it going to affect industrial expansion? Today, there is a cry for more production. For production certain conditions are necessary. We require efficient machinery; we require implements; we require capital and above all these things one special factor without which all these factors will be useless, is the human factor. You cannot ignore it. Up till now, even in the matter of agriculture, we have been insisting that there should be facilities for irrigation, there should be facilities for improved implements: there should be facilities for procuring manures for the cultivators: there should be facilities for procuring better seeds for the cultivators. But nobody has so far taken into consideration that human factor without which all these facilities to the cultivators will not add to increased production of agricultural goods.

I wish my friends who raised the question of various tenancy legislation in the provinces could realise one factor which is so important—more important than the products which we manufacture here either for our own consumption or for exports. We can do without export. We can do without certain other manufactured products which contribute to our luxury. But we cannot do with out increasing the produce of foodgrains, without which we cannot survive. I do not want to labour this point in greater detail but in passing I may say that we cannot depend for all times to come on import of foodgrains from other countries. We will have to increase our agricultural products to maintain our country and to survive.

And how is that to be done? I would ask my friends interested in agriculture and who have opportunities to live in villages watch two plots of

land, one belonging to the person who works in the field himself and the other belonging to a man who engages hired labour to do his cultivation. If statistics were to be collected and if it were to be computed that per acre there is an additional yield of at least one maund in the plot which is cultivated by the owner himself one cannot imagine what a colossal loss of foodgrains we are incurring every year.

And how and why does it happen? Because the wages we still pay to the agricultural workers it inconcievably low, because he is not interested in the field. He has nothing to do with the produce in that field, he knows whether there is a bumper crop in the field or a famine he is not going to get more than 2 or 1.5 seers a day for his hard labour in that field. And in cultivation, if a plough goes a few inches deeper there is naturally more yield than if you simply scratch the field. And what interest has the labourer to utilise all his strength in order that the plough share may go a few inches deeper? He knows that even if he scratches the land he will get the same wages. Then why should he work harder? Thereby we are losing thousands and thousands tonne of foodgrains every year and this is a measure, not in the interests of the agricultural interests of the agricultural labourers themselves, but it is a measure in the interests of the entire nation. I may say, Sir, without any disrespect to any friend in any side of this House that anybody who opposes this measure is not an enemy of the agricultural labourers alone but of the entire nation.

In this view of the matter I think this Bill is a revolutionary one. Other friends have called it a revolutionary Bill from the point of view that for the first time something concrete is conceived in this Bill for the welfare of the agricultural labourer. But, I call this Bill a revolutionary one not because it conceives something which will contribute to the betterment of the lot of the agricultural labourers but it is a revolutionary one because it conceives of a situation in which India may be made self-sufficient in the matter of foodgrains.

Similarly, you can argue for all the industries that have been included in the Schedule. Some friends have raised the question whether agricultural cultivators will be in a position to meet the minimum wages for the workers. Well, I have always taken the view that the minimum wage for a labourer should not depend upon the capacity of any employment to bear that burden. If you find that agriculture cannot bear that burden it is better that one should not engage in agriculture. If a cultivator finds that he is not in a position to pay even the barest minimum wage to his worker, why should he engage himself in agriculture? Why should he carry on that business? You cannot go on carrying on any business or industry on the exploitation of other persons. Are we going to accept this principle? I think this will be

lowering the dignity of this House if you were to propound this theory and principle—that because a certain person is not in a position to pay reasonable wages to his employees he should not pay those wages. It means we are putting a premium on the exploitation of a helpless man by a resourceful and more influential person. That is not fitting for any legislation, more so of a Legislature of a country which hopes to give the message of justice and equality to other countries. I think Sir that any friend who opposes this Bill under the misunderstanding that this will be instrumental in putting an end to the expansion of industry of agriculture because it envisages the payment of minimum wages to the workers will not be fitting to this House.

If the industries are not in a position to bear that burden, let them close their shops. If it is found that they are necessary in the interest of the state and the country, it is open to the state and the country to subsidise those industries. If the country and the nation think that agriculture is indispensable it is up to the general taxpayer and the Government to subsidise agriculture but in no case any industry or agriculture should be allowed to exist and subsist or the exploitation of the workers or the masses. I trust, Sir, the House will accept this Bill.

Sir*, I did not expect that on part (c) of sub-clause 2 of clause 3 there would be so much discussion. The principle in that part of the sub-clause lays down that even for the workers who are engaged in piece work some remuneration may be guaranteed on a time scale basis. It may be said that some piece workers, if they do a specified pieces of work, get Rs. 3 or Rs. 4 per day. But, when we calculate we find that they get the Rs. 3 or 4 after they work for, say, 12 or 13 hours. The intention of this part of the sub-clause is that the piece rates may be so fixed as to conform to the minimum time rate. Therefore, I do not find any difficulty in that. I, of all persons, have always been insisting that the labour leaders should make the workers realize their duties and responsibilities and not only their rights. I for one always maintain that the workers should conscientiously do their work.

The point that has been raised by my friend, Shri Shibban Lal Saksena deserves consideration. I may state for the information of the House that all the Provincial Governments are anxious to put this Bill into execution as soon as possible. Only recently I had a conference with the Provincial Labour Ministers at which this Bill was considered, apart from the opinions that we received from the Provincial Governments when the Bill was circulated. All these Ministers expressed their anxiety that the passage of this Bill should be expedited. About Orissa I may say this. Of all the Ministers that were present,

* *Constituent of India (Legislative) Deb.* 7 February 1948.

the Labour Minister of Orissa was most anxious in this matter because Orissa today is facing more trouble in agricultural labour—even more acute than what they are facing in Madras. These are the two Provinces where the question of agricultural labourers has assumed a very acute form. I am sure the Provincial Governments will take up this question as soon as the Bill is passed into an Act.

As regards the question of revision, a period of five years has been fixed. But that is only the maximum period. It is open to the Provincial Governments to review the position when they find that there has been either a steep fall or a steep rise in the cost of living. It is open to them to revise the wages even after a period of six or three months. As I said, five years is only the maximum period.

I hope the clause will be passed unanimously.

Sir, after hearing all the speeches of my learned friends I am more and more convinced that the retention of clause 23 is absolutely necessary. My friend Pandit Thakurdas Bhargava has so closely examined this clause that the arguments that he has urged in favour of the amendment or in favour of the deletion of this clause have simply convinced me about the necessity of its retention. I would invite the attention of my friend Pandit Thakurdas Bhargava to read the clause once more, especially the words “shall be entitled”. It gives some scope to the employer who is charged with an offence: it does not place a burden upon him that he shall have to produce another person who has committed the offence. He may produce another person who has actually committed the offence, if he so desires. The burden is not put upon him by this clause; he has only been given an opportunity to prove his innocence and to point out to the court that the offence was committed not by him but by another person.

Then I will again invite his attention to the definition of “employer” which is very wide in scope. In spite of the fact that a definition of “employer” is very wide in scope it is just possible that in so many cases the principal employer himself may not be responsible for any offence. It is not possible in the definition itself to embrace all people who may be responsible for the actual offence, for example, as pointed out by you, Sir, an accountant or a clerk. It is not possible to embrace all those people in the definition of ‘employer’ itself. Another alternative may be that a provision in the Act itself may be made that every principal employer will nominate a person who will be responsible for the payment of wages and the observance of the provisions of this Act. That is also not a practical proposition from the administrative point of view. That will require a huge staff of inspectors, more so when we are thinking of brining agriculture in the scope of this Act. Then I will place

for the consideration of my honourable friends this question as well, that when this Act comes into operation and is made effective for agricultural workers, this provision, namely section 23, will be necessary in order to safeguard genuine employers who might not have committed any offence and I look at it from that point of view and find it is very necessary. This provision has been attacked as if it was a novel provision in criminal jurisprudence. I am not myself a lawyer, but it has been brought to my notice that this provision finds a place not only in labour legislations but in other legislations as well. I have just looked into the Food Adulteration Act and I notice the clause finds a place there word for word and that Act was passed as far back as 1918. I do not agree that it is a novel provision: neither do I agree that it is a provision only in labour legislation. It finds a place in other legislations as well. Therefore I do not know how my friend Pandit Thakurdas Bhargava, who is an experienced lawyer, says that it is a novel provision or it is against criminal jurisprudence. The whole intention is that an employer who does not wilfully commit the offence may place the burden of the offence on the actual offender. It has been attacked from two points of view. One point of view was voiced by my friend, Dr. Pattabhi Sitaramayya. Well, I do not agree that the example of illicit distillation bears any analogy to this section. In the case of illicit distillation the offender or the person who commits the offence may point out anybody after giving him some money, but here the employer, if he points out the actual offender, he will have to prove that the person whom he points out has been connected with him or was responsible for him. He will have to prove it from his records that the person whom he charges for the committal of the offence was actually responsible for that offence and was in his employ or was entrusted by him for the carrying out of that work. These are the two points.

I will not take much time. These are the two points of view one that the employers may be unnecessarily harassed and another that the employers may take advantage of this provision and go scot-free. I do not agree with any of these views. On the one hand it will safeguard genuine employers who might not have committed an offence, and on the other it also gives some safety to those persons who may be named by the employer as offenders to prove their innocence as well, I think the amendment if accepted, will be worse than the deletion of this clause, and I think the retention of this clause is very necessary. I, therefore do not accept the amendment and I do not agree with the view that the clause be deleted.

Sir, I had no intention to make a speech at this stage but the few remarks that have been made make me say a few words in reply thereto. I will not

say much about this clause 23*. As I said on a previous occasion, I am not a lawyer. But as a layman I have tried to read clause 23 many times. Accepting for the sake of argument what Mr. Naziruddin said, that the word commission does not mean that the employer is involved there, the employer will have every apprehension that the commission of the offences under this Act will be *prima facie* against the employers. And naturally if the employer has not actually committed an offence he will try to bring to book the real offender. If the offence, however, is proved against him he is even then given the option to point out the real offender. That is what I as a layman read in this clause.

The next point is about agricultural labour. I do not want to go into detail of that; but I may make it clear that I can speak with some authority on that question. The apprehension is that small landholders or cultivators owning some small holdings will be put trouble. I realise that difficulty and I sympathise with my honourable friends who hold that view. But, I made it clear on that day and I want to make it clear today also that we are incurring a colossal loss of foodgrains every year on account of that system. I realise that the middle class people may be put to difficulty if minimum wages are fixed under this Bill; though it is never the intention that there should be uniform minimum wages both in agriculture and industry. Even in industry and agriculture, as the Bill provides there may be different minimum wages for different areas and different localities. It is just possible that even in the same districts there may be two or three kinds of minimum wages in agriculture. But, apart from that I take another view; that if a middle class man is holding only five acres and he finds that the yield from his land is not enough to meet the expenses necessary for giving his labourers the minimum wage, I must emphasise that the man has no right to engage himself in agriculture if he is to live simply on the exploitation of agricultural labourers. My honourable friend, Shri Das points out that because the Finance Minister is here Government should make it clear as to how many industries and agriculture we are going to subsidise. I never said that we are going to subsidise all the sundry industries. I said that if an industry is not in a position to pay even the barest minimum wages to the employers it is better that the industry is closed. If that industry is found indispensable in the national interest it is for Government and the general public to subsidise that industry. And that view I again reiterate, and I hold the same view in respect of agriculture as well.

With regard to our present system in agriculture, I want to say this, I also happen to be an employer in respect of agriculture. I have always asked myself what right I have to possess land, if I am to exist only on the exploitation of the labourers whom I engage.

* Clause 23—when any employer is charged with an offence against this Act he shall be entitled to prove that he has used due diligence to enforce the execution of this Act.

I know for certain that if the land which I possess were in the hands of those persons who actually worked on the land, the yield in my fields will be greater, and to that extent the loss every year that is accruing is a national loss and I feel that I am responsible for this national loss, and everybody like me, who is an absentee, who is not in a position to work in his field, is adding to the national loss in the matter of foodgrains for which we are so hard pressed. That is the view I take. If we are to ensure minimum wages, it may be possible that parasitic people like myself will be eliminated from agriculture and thereby we will add to the national wealth. It is never my intention that there should be uniform minimum wages in industry and agriculture at present. I am not pressing for a living wage. I am not pressing for a fair wage. But, I do not think that if agriculture and industry cannot afford to pay the minimum wages we should sanction exploitation of the working class for the sake of continuing those industries, or for the sake of the middle class. With that view I can never agree. I hope the House will unanimously adopt my motion.

RESOLVING LABOUR ISSUES*[‡]

Sir, I am thankful to the honourable Members for making constructive suggestions for improving my Ministry. I am also thankful to them for this reason that these cut motions are not meant for any reduction in the demand but, as has been made clear by the previous speaker. They feel that the demand under this head should rather have been increased. I do feel, Sir, that the House might have been given some more time for discussion under this demand, but we cannot help it at this stage.

At the very outset I want to make it clear that we are functioning here not without any labour policy. We do have a definite labour policy and every action that we in the Ministry of Labour take is guided by that policy. My honourable friend, Shri Shibban Lal Saksena said that because the Industrial Policy or the Economic Policy of the Government is not clear, the Labour Policy is also not clear. I do not agree with that view. Whether we finally decide upon nationalisation or not, whether we decide upon a purely nationalised economy or a mixed economy there will not be very much change in the labour policy in the near future. So, we have a definite policy, and if my friend, Shri Saksena will care to follow the trend of the labour legislation and the administrative actions that the Labour Department has been pursuing he will find for himself that there is a definite policy.

I do agree with my friend, Shri Shiva Rao that the inspection under the Factories Act has not been very efficient. The reason is quite obvious. As honourable Members in this House are aware, the Factories Act or the factories find a place in the list of subjects assigned to Provincial Governments. It is not a direct responsibility of the Central Government and our handicap lies there. In spite of that we have maintained here a Chief Advisor of Factories and his Staff who not only advise the Provincial Governments but also take up the training of the factory inspectors of the Provincial Governments. We are running, so to say, a regular course of training for training the factory inspectors of the Provincial Governments. But, I admit, Sir, that the cadre of the inspectors which the Provincial Governments maintain is not sufficient for enforcing the Factories Act, not only in remote and far off small towns but

* *Constituent Assembly of India (Legislative) Deb.*, 5 March 1948.

[‡] Making a Statement as the Minister of Labour during the Discussion on General Budget—List of Demands, 1948-49, Ministry of Labour.

also in the big centres of industries. We have always been insisting upon Provincial Governments to increase the strength of their factory inspectors. But, as Shri Shiva Rao is already aware, the bottle-neck lies in the fact that we are so short of the requisite personnel. In spite of the fact that we create posts and advertise for them we do not find suitable persons, *i.e.* trained persons, to take up these posts. That is why we have started a short course or a refresher course for training the factory inspectors. It is under my active consideration whether we can establish a Central institution for the training not only of factory inspectors but for the training of factory inspectors, welfare workers and other categories of officers and staff that may be required for the inspection of factories and for welfare activities.

As regards child labour, the same difficulty arises. There are certain subjects for which we have in this Parliament can legislate but the administration and enforcement of those Acts is a responsibility of the Provincial Governments. Though child labour is still to be found in spite of the Act, it is on the decrease. Recently we have enforced the Employment of Children Act in the mica mines and mica factories where child labour was much prevalent, and we have already requested the Provincial Government of Bihar to take necessary measures in this direction. We are thinking of starting some welfare activities in the mica mines and we will have welfare officers and inspectors for the welfare work. I am examining the question whether I can empower my welfare officers and inspectors under the Employment of Children Act and give them power to see that no child labour is employed in those factories. So it cannot be said that we simply pass pieces of legislation here and do not enforce them. We make every honest endeavour to enforce them with the material that we have got at our disposal at the present time. I must however frankly admit that these are not so strictly and so thoroughly enforced as they ought to have been. But there are limitations. The first limitation is about personnel, that is finding the qualified staff for the purpose. The second difficulty is about the financial resources of the Provincial Governments. That consideration has also to be taken into account.

Another suggestion has been thrown that periodical bulletins may be issued, giving in brief the gist of the various measures or pieces of legislation that are passed here. That proposal is also under my consideration and I want to give effect to it in the near future.

As regards the mica mines, in mica fields we have got our Welfare Fund and from the Welfare fund we may start some institutions for training the children either in general education or in some art and craft. But for other places I am afraid the responsibility as regards education is a provincial subject and I cannot give any undertaking here on that point.

Prof. Shibban Lal Saksena has raised the question of alternative employment for the staff which is likely to be retrenched by the Central Government. Sir, it becomes very difficult for any spokesman of the Government to reconcile the two views of this House—the view of retrenchment and economy on the one hand and finding employment for every able-bodied person in this country on the other. I do realize that it is primarily the responsibility of this Government—or as a matter of fact for any Government—to find suitable opportunities of employment for every able-bodied person in the country. That is a principle which cannot be disputed and we do not say that we do not stand by that principle. But it will take some time of the House if I were to explain how in spite of our best efforts and determination to find employment for every person in this country we are not in a position at present to fulfil that obligation. It is a matter of common knowledge that during the war very large number of people were engaged in government service and in other industries as well and with the restoration of normal conditions very large number of people have got to be retrenched. Howsoever unpleasant and painful the situation might appear to be, the Government cannot afford to continue all those people in employment. They will have to retrench them.

As I have explained just now, howsoever we wish that we could find employment for every person, we are not today in a position to fulfil that obligation and it will become very difficult when people insist that those who are retrenched from Government service should be given alternative employment in the government department itself. That is another difficulty. We cannot do that. He has given the example of the railways. It was not due to the pressure of the railway employees that government agreed to continue their services but because there were other considerations as well. The considerations were that in the railway services there are many persons whose hours of work are not regulated and it is just possible that if we were to insist on statutory working hours being observed as in the case of all other workers, a very large number of additional staff will be required in the railways. That was the main consideration which actuated the Railway Board to continue the services of those employees till the final examination of all those questions. So I do not agree with that view. Rather I repudiate that it was under pressure from railway employees that we agreed to continue them in service.

The question of works committees was raised. If he will carefully go through the Industrial Disputes Act and the Industrial Truce Resolution which was adopted in December, he will find that works committees are to be formed with duly elected representatives of the workers. The question of

unions does not arise at all. I want to make it clear here. Sir with all the emphasis at my command that in the formation of works committees, I am not going to recognize any unions. The workers will have full liberty to chose their own representatives. I want to develop workers unions on very healthy lines so that outsiders may not go on spoon-feeding workers for all time to come. I want workers to be represented on the works committees so that they can realise their duties and responsibilities, and so that they may be in a position to negotiate with their employers and settle their differences without the interference of labour leaders whose considerations in settling and negotiating these matters are not purely trade unionism but some other considerations as well. This sometimes leads to unpleasant situation which today is impeding production to such a great extent. So I think that his complaint is unjustified and unjustifiable.

Shri Sahu has raised the question of our conciliation machinery. I may inform the House, Sir, that there exists a conciliation machinery in the Ministry of Labour headed by the Chief Commissioner of Labour. We are strengthening that machinery. For long there were posts of only three Regional Commissioners. We have raised that to five, and I am soon going to increase the number to seven. One Regional Labour Commissioner will be posted each at Calcutta, Dhanbad, Cawnpore, Madras, Bombay and C.P. I am going to increase the number of railway inspectors, as he has suggested, from 20 to 36. We have also increased the number of conciliation officers who come in between the Regional Labour Commissioner and the inspectors. Since the passing of the industrial truce resolution, Sir, I have taken up this question with the provincial governments and the organizations of the workers as to how best to implement the industrial truce resolution. I propose to set up a number of Regional and Central Committees. These committees will study the questions which have been raised by my friend, Prof. Saksena namely what profits should be given to industry, what wages should be given to labour, and how the surplus of profits should be distributed between labour and capital or between labour, capital and government. That will be the function of these various committees to study and suggest a formula to us which can be given effect to by legislation or executive action as may be deemed necessary. So we are very anxious to implement the industrial truce resolution. I may inform the House, Sir, that I have already finalized the proposal to set up five permanent Adjudicators or Tribunals at Calcutta, Bombay, Madras, Dhanbad and Cawnpore, and one of them has already been appointed at Dhanbad and has started its work. So, as far as Government is concerned, we are very anxious to implement the industrial truce resolution. I hope the same response would be made to that resolution by capital and labour; but I may take this opportunity, Sir, to say that so far as labour is concerned, a section of the labour leaders—I will not say labour—a section

of the labour leaders have not behaved properly or in the same spirit in which they accepted the industrial truce resolution because they are not working in the labour field with the sole view to advance the cause of the workers but with a view to advancing their own political motives and party politics. I want to make it clear at this stage, Sir, that in the present conditions when the country is faced with a shortage of every type of consumers' goods, Government cannot afford to tolerate the interference in production by any group or party or leaders, and if we will have to take severe actions, we will not falter in that.

The question of housing is really a very important question. My friend, Shri Shiva Rao has quoted and made it clear that no amount of health insurance or health measures will improve the conditions of the workers unless concentrated attention is given to solving their housing problem. Sir, the time at my disposal is very short. I would have liked to deal with this important problem in some detail, but I may inform the honourable Members in this House that we are determined to solve this problem.

The first question is of the shortage of building materials like cement, iron and steel and coal. Some of the materials are in short supply, for others transport is the greatest bottleneck. Wherever we have to launch any building programme, the first thing that we require is coal for burning bricks. Though I am glad to inform this to the House the labour force in the coal fields has been stabilised to a very great extent and today we are not faced with that scarcity of labour in the coal fields as we were in the past years and though we are producing coal the one bottleneck is the transport; the coal that is being produced in the coal fields is not transported in time with the result that the space for stocking and stacking is overflowed and production has to suffer.

The other question is about cement and iron and steel. The members in this House are already aware that we are in short supply in iron and steel and cement as well. I am not putting forward all these difficulties, Sir, with a view to say in the end that faced with all these difficulties, faced with all the shortage of building materials, we are not in a position to launch upon any big housing programme,—that is not my view; rather I have pleasure to announce that we recognise that it is the primary responsibility of the State to house the workers and I accept that responsibility. I may inform the House that I am soon going to constitute a Housing Board which will examine in detail the possibility of overcoming the difficulties of shortage in building materials and launch upon a big programme of industrial housing. I may take this opportunity to inform the House that we have fixed a target of ten lakh of houses to be built during the course of the next ten years for the working classes in this country. It is possible that in the initial years the

progress may not be very satisfactory due to want of building materials. All these questions will be examined by the Housing Board and this Housing Board will fix the quota of houses that may be urgently required in Provinces and industrial centres in consultation with the Provincial Governments and Provincial Housing Boards.

The one handicap that may face us in giving effect in its entirety to this programme will not be any want of funds on the part of the Central Government, but want of building materials which we want to overcome by the substitution of alternative building materials such as timber in place of iron and steel, mud-plaster and other things in place of cement. That will be a question for the Housing Board to examine in detail, which will be very soon constituted and will be associated with two or three expert engineers to investigate all these things.

So, as regards housing I may announce that Government is very anxious to do away with the shortage of housing accommodation for the workers and with that end in view we have a programme of housing to build at least ten lakh of houses in the course of the next ten years.

As regards the last point that has been made by my honourable friend, Shri Gokulbhai Bhatt about the Central Institute of Labour I could not quite follow what he meant by the Central Institute of Labour and for what purpose he wanted this institute to be set up. If his intention was that workers or welfare workers should be trained in those Institutes, I may inform the House that we are taking advantage of the existence of the Tata School of Social Sciences and a short course in the Calcutta University on Social Science and Social Services and we are training some of our workers in these two institutes for doing welfare work among the labourers, in the various employing Departments of the Central Government as well as by private employers.

Sir, I have not many things to say. The House and the speakers have paid compliments to me for which I feel thankful to them. With their cooperation we may do something for the workers. It is not a question of doing something for the workers, as I have remarked on previous occasions; it is not alone capital, it is not alone the improved variety of machinery, that is going to help production; unless we pay due attention to the human material that is required, it is not possible to increase production. The human material is the labour. Let capital realise that, let Government realise that, let everybody realise that, that they owe something to the human material that adds to the prosperity of the country. Let labour, on the other hand, also realise that they

have not only their rights, they have not only their privileges, but they have their duties and responsibilities not only to the employer and to the capitalists, but to the country and the community at large. So long as this Government is here—the Government which is pledged to a party which stands for ameliorating, not only ameliorating the condition of the common man, but of raising his standard of life, I may assure the House that every action which this Government takes will be in pursuit of that object.

I hope, Sir, the members will be good enough to withdraw their cut motions.

COAL MINES PROVIDENT FUND AND BONUS SCHEME BILL, 1948*[£]

Sir, I beg to move:

“That the Bill to make provision for the farming of a Provident Fund Scheme and a Bonus Scheme for persons employed in coal mines, be taken into consideration.”

As stated in the Statement of Objects and Reasons this Bill is primarily meant to put on the statute-book an Ordinance which was issued in April last. In 1946 the condition in the coal mines was very disturbing and we had a series of disputes between employers and employees. Coal being the basic industry on which existing industries mostly depend and on which also depends the future industrial development of the country, Government were very anxious to stabilise the labour forces in the coalfields. With that end in view we appointed in 1947 a Conciliation Board. The Board gave an award which was accepted unanimously by the employers and the workers. We then proceeded to give effect to the recommendations of that award. One of the items recommended in that award was the introduction of provident funds for the coal miners. It also recommended that a bonus linked with attendance and production should be paid to the employees. The employers agreed to pay the bonus as well as to create a Provident Fund for the coal miners. In order to have legal sanction to this agreement we issued an Ordinance and under that Ordinance we have already formulated a bonus scheme which is working. We have also under our examination a provident fund scheme which will be soon issued. The bonus is being regularly paid to the employees there, and we have also asked the employers to deduct the amount of the provident fund contributions from the bonus of the qualified workers. We have also asked the employers to contribute their share of the Provident Fund. It will amount approximately to one anna in a rupee of the basic earning of the employees and the employers will also contribute an equal amount. The very important features of the Provident Fund Scheme are that it is being experimented in an industry where the workers are not

* *Constituent Assembly of India (Legislative) Deb.*, 20 August 1948.

[£] Making a Statement as the Minister of Labour while moving the Coal Mines Provident Fund and Bonus Scheme Bill, 1948. The Bill became the Act (46 of 1948) on 3 September 1948.

organised. It is easier to introduce any Provident Fund Scheme in a factory where regular registers of workers are maintained.

But those who have any knowledge of the working conditions in the coal mines will agree with me that a vast majority of the employees in the coal mines are casual workers. At intervals they return to their native homes where they are engaged in harvesting or other works connected with agriculture. It is only for short periods in the year that they go to the coalfields in order to supplement their income from agriculture by what they can earn in the coalfields. So the employers have taken the view that it is a tough job to introduce such a Provident Fund scheme for casual workers. But all the same, in spite of all these difficulties, we are determined to make it a success because on the success of this scheme depends the introduction of provident funds for the workers in this country in various unorganised industries.

Sir, I do not want to make any long speech. This Bill is a simple one but it has great potentialities and I hope the House will unanimously accept my motion.

Sir, I had no intention of giving any comprehensive reply to the debate*, but a few questions have been raised which demand a reply from me. Complaint has been made that such measures encourage absenteeism and reduce efficiency, whereby production suffers. This is an idea, Sir, which has been created by the employers in this country in order to condemn the working class. If one were to analyse, one will find that the workers in India are not less efficient than workers in other countries. As regards the coal industry I may inform the House that the employers experimented with imported labour from England and Canada and they found that the Indian miner was more efficient than others.... Some friends here compare the production per man hour. It is very easy to compare the figures of production, but I would ask those friends to compare the figures of earnings as well. If a miner in England produces one-quarter of a ton and if a miner in Jharia or Dhanbad produces one-eighth of a ton naturally one will say that the production of the Indian miner is 50 per cent of the English miner or that the efficiency of the Indian miner is less than that of the English miner, but if one were to know that the wages of the English miner is four times that of the Indian miner, one will come to the conclusion that the Indian miner produces double what the English miner produces and thereby the efficiency of the Indian worker is hundred per cent more than the English worker. This is a very simple fact,

* Replying to the Debate on the Bill.

Sir, but it has always been ignored because the employers, having all the possible vehicles of propaganda under their control, have created a fog by which the realities have been screened.

As regards production, it has been a cry that production is suffering. Is only the labourer responsible for the fall in production? Are there not so many other factors which contribute to increased production? Have we been able to remove all the defects by which production is suffering? If production is suffering we cannot throw the entire blame on the working class. So far as my experience goes, Sir, after the Industrial Truce Resolution I can say with some pride that the working class has responded very manfully and very courageously to our call, and if we have been deceived and disillusioned, we have been disillusioned by a large section of the employers. Production in textile industry has increased. Today production in coal industry has increased and I am faced with a large number of retrenchments and dismissals in the coalfields because there has been overproduction in the sense that there are no transport facilities and raising has to be stopped. If production suffers on that account, that is not fault of the worker. So we cannot say today that production is suffering on account of the workers. Our machineries in factories have grown old; we have not been able to repair and replace them for the last eight or ten years. Have not all these factors contributed to a decrease in production? The cost of living is soaring very high. Only this morning, I was examining how many strikes were declared due to non-implementation of Awards recommending increase in dearness allowance and I was surprised to find, sir, that most of the strikes were due to this factor or due to demand for increase in dearness allowance. Most of the stoppages of work were due to this reason and considerable mandays were lost. So when we stand up and blame the workers for a fall in production, we should also look to the other factors which contribute to a decrease in production. And if we are to examine that we will not blindly blame the workers alone.

As regards absenteeism, when last year, we were insisting for increasing the wages of the coal miners, the same plea of absenteeism was urged by the employers that if the earnings of the workers were increased, there will be a tendency on their part not to work for more days in a week than they were working before. But the employers have been disillusioned. The attendance has increased. We took particular care to link bonus with production and attendance, and I may inform the House, Sir, that we are going to link this Provident Fund with attendance as well.

My honourable friend, Shri Sidhva was anxious that Provident Fund should be introduced for all industries and that the employers should voluntarily do this in their concerns. Shri Sidhva during the last session introduced a Bill to that effect. I do not agree with that view. I do not want

individual employers to institute provident funds for their employees alone. I want provident fund on an industry basis or on a regional basis. If the Provident Fund is on an industry basis, as it is proposed today here, the workers stand to gain. Today the employers are decidedly in a better position than the workers and if the Provident Fund is only for a single unit of an industry and if the worker is discharged or dismissed from that factory, he loses the benefit of a Provident Fund. But here even if a worker is discharged from one colliery and if he gets employment in another colliery, his Provident Fund is not forfeited. His name exists on the register of the provident fund. The only difference is that the employer's share of the contribution will be realized from the new employer, but the worker will all along remain on the register and he will have the benefit of the Provident Fund. And, therefore, I will request my honourable friend, Shri Sidhva to revise his idea and he should always insist that the provident fund should be either on industry-wise basis or region-wise it should not be factory-wise?

Another point has been raised and that is, that the employer's share should have been greater than the employee's share. Sir, as I said in the very beginning, this scheme is based on an award of the Conciliation Board, which was voluntarily agreed to between the employers and the employees and one of the terms of that agreement was, that Compulsory Contributory Provident Fund will be instituted in the coalfields, the contribution of the employers and the employees being equal. It does not look dignified on our part to alter the terms of that agreement. It is to give effect to an agreement and therefore the contribution from the employers and the employees will be equal.

As regards introducing or instituting Provident Fund in other industries, we stand committed to that. There is no shirking that responsibility. If our country has not reached a stage where we can think of old age pension in the near future this is the least that we can do at this stage and we have to do it. And when I said, Sir, that this is an experimental measure, I did not mean that a provident fund is an experimental measure. What I mean to say is that we have to gain experience of its working before we introduce it in other industries; not that I mean to say that if this experiment fails, the future of provident fund in this country is doomed; that is very far from my conception. I have been working on this scheme for the last six months. I know what difficulties we have to face. Dr. P.S. Deshmukh suggested that all the employees in the coal fields should have been brought on the register and this scheme should have been introduced to all of them. Had he some idea of the working of the coal fields, he would not have said that. The worker goes to a coal field, works for a few weeks, finds the work un-congenial and returns to his village and will never go to the coal fields again for his whole life. Do you propose that his name should be registered, that all the formalities of instituting

a provident fund on his behalf should be done with no benefit to him and a lot of botheration to the employer and to the staff that we maintain there? No. You cannot compare the workers in the coal fields to the workers in the factories and therefore, we have not brought a comprehensive measure before the House, because we have to prepare a scheme in consultation with the employers and the labourers there. For the last six months we have been formulating one thing and revising it again in consultation with the workers, their leaders, their unions and the employers and it is after these processes that we have been able to devise something by now.

As regards interest.....the workers will get interest; they will get compound interest the money that we will get, we will certainly invest somewhere where the money can earn; we will not allow the money to lie idle. It is, of course, a simple thing.

This, as I said, Sir, is a very simple Bill, but I visualise it has great potentialities, in the sense that it is for the first time not only in this country, as far as my information goes, throughout the world, that a provident fund has been instituted for casual works, I wish to say a word about dock workers. My honourable friend, Shri Sidhva is aware that last year we passed a Bill for the de-casualization of the Dock workers and the Act contains a provision that a scheme will be formulated for the welfare of the workers. That scheme may very well contain a provision of provident fund for the dock-workers. But quite apart from that, I may assure the House, Sir, that we are very anxious to institute provident fund for workers in various industries. It may not be possible to bring that Bill in the Budget Session because, as my honourable friend, Shri Khandubhai Desai knows, our hands are already full for the Budget Session. He knows that we have already certain measures which the Government proposes to introduce in the Budget Session and it may not be possible to bring those measures in the Budget Session. But, it will not take a long time. Before a measure is brought before this House, it takes as you are very well aware, a good deal of time of our staff to prepare that Bill. It is not simply the drafting of the Bill; before that, we have to work out the details and so many other things. I may not promise that I will bring the Bill in the Budget Session. But we are anxious that we should try to institute Provident Fund for other Industries as well. I hope the House will accept the Bill.

PREVENTION OF FREE OR FORCED OR COMPULSORY LABOUR BILL, 1949*[£]

Sir, I just want to give a brief history of what the Labour Ministry has been doing in this matter.

The question regarding investigations into the existence of forced labour was initiated by my predecessor, the hon. Dr. Ambedkar. His idea was to have an Enquiry Committee which will tour round the country and submit its report and then to take such legislative or administrative action as may be necessary in the light of the report of that Enquiry Committee.

When I assumed charge of office I also took up that question. When the question of setting up an enquiry committee was under examination or rather the final decision was taken on it, as the House is aware, the partition of the country came about and conditions in the country became unsettled. After 1947 I again took up this question and I thought that as the incidence of forced labour in the Indian States was more than it was in the provinces it would be better to include the States also within the scope of the enquiry. But the question of the unsettled condition of the States was taken into consideration and it was thought that it would not be wise to start an enquiry either in the States or in the provinces in the unsettled condition of the country. Therefore the idea of a Committee was postponed. But I thought that as the matter was very urgent the whole question should not be postponed and some action in the matter was necessary. So a Special Officer was appointed, not for the purpose of going round the country but for the purpose of examining the existing legislation, both Central and provincial, in this regard and to suggest such amendments as were called for, for doing away with forced or compulsory labour wherever it has been permitted by legislation. That Officer examined a mass of literature and legislation and he has submitted his report. After we received the report of the Special Officer we thought that the appointment of a Committee will unnecessarily delay the matter, because on the basis of the material that we have received from the Special Officer it is clear to us that forced labour is prevalent in the country. It is also clear to us that mere legislation is not going to eradicate this evil. A strong social consciousness among the people from whom forced

* *Constituent Assembly of India (Legislative) Deb.*, 16 December 1949.

£ A Private Members' Bill moved by Shri R.K. Sidhva. Later, the Bill was withdrawn.

labour is taken and also among the people who take the forced labour is necessary before the evil can be totally eradicated. By the way, Sir, I can mention that there are various pieces of legislation already existing in the provinces which ban the taking of forced or compulsory labour. But the experience of any social worker or of any person who has worked in the rural areas is that in spite of the existence of these Acts forced labour is rampant. So, the mere enactment of a law is not going to eradicate forced labour. But apart from that, in the light of the report that we have received from the Special Officer, we have already taken up with the Provincial and State Governments concerned the question of amendment or repeal of such legislation as permits the compulsory or forced labour. That is one action which we have already taken.

The second point is that forced labour in different shapes and forms is prevalent in various parts of the country. Some of them have legal sanction. But the forced labour differs in form and shape in different parts of the country. As the House is aware, we have started an inquiry to investigate into the condition of the agricultural labour, and in that inquiry we are collecting details about the extent of forced labour in rural areas. We hope to complete this Inquiry during the course of the next year and then we will get some reliable and detailed data about the extent of the prevalence of forced labour in the rural areas. In the light of that material we will be in a position to decide whether some legislative action will be necessary or whether by administrative action these defects can be removed. Of course, the Constitution has provided that the exaction of forced labour will be illegal. But as I have already said the mere enactment of a law is not going to eradicate forced labour. And so the simple provision in the Constitution itself is not going to eradicate forced labour. Shri Sidhva says that anybody can approach the Supreme Court for redress. But the people from whom forced labour is taken are not in a position to approach even the police stations. How can they afford to go to the Supreme Court? Had they been in a position to approach even the police court and make their voice effective there, I think this forced labour would have been a thing of the past. But what is required today is not a simple provision in the Constitution, not an enactment but social consciousness—a consciousness among the people not to submit to forced labour at any cost. I can assure hon. Members of this House that if legislation is necessary I will bring it, not to oblige anybody but to oblige myself. And I can assure my friend, Shri Sidhva that I am not less enthusiastic in this matter than anybody else. But I am afraid the present Bill is not going to solve the problem. Therefore I am assuring him that as soon as the Agricultural Labour Inquiry is over and as soon as we are in possession of the materials we will take such action as will be deemed necessary in the light of those materials. I hope, Sir, my friend, Shri Sidhva will withdraw the Bill.

NEED FOR ATTAINING ECONOMIC EQUALITY AND SOCIAL JUSTICE*[£]

After a great prolonged world war, the position of Labour Minister in any country is unenviable and, if my friend, Shri Shastri is not prepared to congratulate me, it would not come to me as a surprise.

As a matter of fact, I was prepared for greater criticism. But I know that there was not much scope for it, not because there was not enough time, but because there was not enough justification and material for levelling those criticisms which may be justifiably levelled against Labour Ministers in other countries. I have good reasons for saying this. You compare the industrial unrest in far more industrially advanced countries of the West with that in India. You compare the level of wages, the social security facilities that are available to the working classes in this country with those which are available to the working classes in other countries. If you compare also the strikes and the man-days and man-hours lost in those countries with that in India, I am sure you will agree that I deserve some credit.

But I do not want to take this credit entirely to myself. I must take this opportunity to extend my hearty congratulations and sincere thankfulness to the sense of patriotism and duty of the working classes of this country. That is the one thing that has sustained us and our strength. I do not claim any credit for having done anything substantial for them. Their sense of patriotism was amenable to appeal. In spite of rise in prices and a number of other difficulties they have maintained, and very sincerely and scrupulously too, the industrial truce.

Our objective and policy are well known. That has been laid down in the Constitution itself. My task has become therefore easier. I have only to make some efforts to follow the line chalked out in the Constitution. We stand for a co-operative commonwealth and we have to strive for industrial democracy, nay economic democracy. That is the line on which I am trying to take the

* *Provisional Parliament Deb.*, 14 March 1950.

£ Making a Statement as the Minister of Labour during the General Discussion on General Budget—List of Demands (1950-51), Ministry of Labour.

working classes of this country. Today, if sometimes people find, that I am occasionally a bit harsh to the working classes, it is because I want to make them responsible and I want to make them realise the responsibility that awaits them in the future. A few amenities, a few facilities or a slight increase in wages are not the solution for the problems of the working classes. These are only palliatives. We have to develop economic democracy and we have to make the working classes fully equipped for that. That is where I want to lead the working classes of this country to. That in a sentence is the labour policy of the Government of India.

There has been some criticism regarding the implementation of the various legislations passed by this House. In this connection I want, just in passing, to refer to the constitutional provisions themselves. The responsibilities have been divided between the Centre and the States by the Constitution. Though in respect of the subjects included in the Concurrent List this House is competent to pass legislation, I am not competent to implement the provisions of those Acts. There lies the difficulty. Though in the Constitution there is a provision that Parliament may specifically, in respect of certain matters, empower the Central Government to look to the administration of those Acts, that power has to be utilised very sparingly. In a vast field of labour activities the administrative power lies with the States. I am not saying this to shirk my responsibility but only to indicate to hon. Members who have raised this question, namely that more and more emphasis should be laid on education, sanitation and other facilities for the working classes from the Centre. I do not know what answer to give to that question but I want to point out that these subjects are exclusively the charge of the State Governments and it will not be possible for the Union Government to do anything substantial in these respects.

All the same I am quite aware that the staff at the disposal either of the Union Government or the State Governments is not enough to cope with the burden of work that has been thrown upon them. The reason is well known, namely the financial difficulty.

My colleague, the hon. Finance Minister, in this Budget has tried his best to restore confidence in that section of the community which fortunately has managed to control those resources which if made available to the Government will be helpful in surmounting our difficulties. It is to be seen how far the hopes of my colleague will be realised. My task becomes difficult, because I have to work between two parties, the employer and the employee, and it has become more difficult because both sides appear to be displeased with me. I cannot help it.....

I frankly admit that I believe in holding the balance, but I do also believe at the same time that holding the balance even meant giving weightage to the weaker party and I try to do it. How far I succeed I cannot say.

I was saying that if we have not got enough of staff it is not that we do not realise that the staff is insufficient but we find that the financial resources at our disposal are not enough.

My friend, Shri Sarangdhar Das (of course, I do not claim to be as versatile as he claims to be) complained that the awards of the Industrial Tribunals are not implemented or enforced. There are some complaints but not to the extent he tried to make out. We found that there were some defects in our existing Industrial Disputes Act and that is why we have taken this opportunity to make up these defects and we have already introduced the Labour Relations Bill, which seeks to give us more and more power for the enforcement of the awards of the Tribunals. One particular instance he quoted, that, of the Talcher Colliery. I know that in the Vellies' Colliery the award has not been implemented fully. The workers not only threatened but actually went on strike.

The difficulty arises somewhere, where the employer says "I have no capacity to implement the terms of the award and I will rather close down than implement the award." In that case we find ourselves helpless. Either we allow the employer to close down his establishment, and thereby throw the workers to face unemployment, or, we have some arrangement in order to run that concern or establishment. These are the only two alternatives, and the latter powers we are taking in the Labour Relations Bill.

The third alternative, as at present provided in the Industrial Disputes Act, is the prosecution of the employer.

Prosecution of the employer. That is not going to solve the problem. Of course, in that particular colliery our officers are looking into the matter and further inquiries are being held. But I do feel that prosecution of the employer is not the remedy which will remove the grievances of the workers. Even the provisions under the Industrial Disputes Act are not quite effective. I do frankly admit that, and that is why we are going to amend that.

As regards the welfare activities in the coal mines, as has been stated by Shri Das himself, Talcher was in the so-called Native States and the Fund was

being managed by the Ruler of that State. Of course, the account was not very well maintained, but we have taken the administration of the Welfare Fund in Talcher area also. We are going shortly to appoint an Advisory Committee for that area. As a matter of fact, we have already requested the Orissa Government to give us the names of the representatives of workers so that we may form a local Committee there to advise in the matter of welfare activities in those areas. The conditions in mines were not very good in those States which were known as the Native States. As a matter of fact, we are going to take over the administration of those mines from the first of April next. After that only will our officers be going to those areas, and we will try as far as we can to enforce the provisions that are laid down either in the Mines Act or in the Factories Act.

The money that has been realised on account of the Welfare Fund has not been spent completely. There are some balances because we have not been able to spend on housing as much as we ought to have. But there are other activities on which we are spending some money. Even in the coal fields of Orissa we have an anti-malaria campaign which is very useful, and it has been admitted both by the workers and the employers and others that it is doing good work. Other activities we are soon going to start in the Orissa coal fields also as we have started in the coal fields in Bihar, West Bengal and Madhya Pradesh. Housing programme also we are going to take up, and I think we are going to have some hospitals also there.

Shri Venkataraman has raised one or two questions. As regards our labour relations machinery, though we have got in the Centre a number of staff and officers, our responsibility is growing with the growing consciousness among the workers, not that the situation has deteriorated, but because the consciousness among the workers is growing and there is greater demand and greater pressure on our labour relations machinery, and our officers find that they have to handle a large number of cases now than they had to do in the past. It is a happy sign. The implementation and enforcement of any Act cannot be left entirely to Governmental machinery. The enforcement of any Act also depends upon the social consciousness among the workers and as to how far they want to take advantage of the provisions provided by law. If they are not in a position to take advantage of the provisions contained in the law, only Governmental machinery cannot give them all the advantages and benefits that are provided in the Acts. They will have also to make an effort to take advantage of those provisions. That is where the usefulness of labour workers and trade unions comes in. Our trade unions will have to be more and more alert, more and more active, more and more constructive, on the lines of pure and simple trade unionism. Then they will be able to place the workers in a position where they can take more and more advantage even from those provisions which exist in our Acts.

About lengthy procedure and lengthy awards, Shri Venkataraman has given the example of awards in other countries which are very summary in character. But he forgets that in the U.K. and the U.S.A. the workers are so united and their unions are so developed that there are very rare occasions for compulsory adjudication. They settle everything by collective bargaining and mutual negotiations, and that is why if on some points of difference the matters are referred to arbitration, the arbitrator has to give a very summary award. For, the issues there are very limited and the differences are crystallized. But here we have embarked on a new venture. If in a judicial court—in a civil or criminal court—where the award or judgment of the presiding officer affects the relations of two individuals or two parties, where it is not going to have any effect on the social structure, judgments can be written in hundreds of pages, certainly in those cases where the awards are going to lay the foundation of a new social order or change the social outlook or change the precedents already existing, if the awards take more than a hundred pages, I will not grumble. This distinction should be realized, this distinction should be appreciated that the judgment of a High Court judge in a criminal or civil case between two parties will affect two persons or three persons or at the most half a dozen persons, but the award of a tribunal will not only affect, say, a thousand or hundreds of workers but it may affect the whole society. Therefore, the judge presiding over a tribunal will have to bestow greater care, greater vigilance, and examine in greater detail as to what repercussions his award will produce on society, or whether the trend that he will indicate for a social change is in the right direction or in the wrong direction.

As regards the Workmen's Compensation Act, I think I told the House yesterday that the amount of compensation also arises, as it is linked up with dearness allowance and basic wages. All the same, I have myself found that there are certain difficulties apart from this point which require to be considered and I have already ordered that the Act should be examined from that point of view.

Regarding agricultural labour, it is heartening that the country is realising more and more that, if food production is to be increased, something substantial has got to be done for the agricultural labour. It is heartening that in this House also a larger number of hon. Members are taking interest in the problem of agricultural labour. I was analysing the cut motions and I found that no less than fourteen hon. Members have given notice of cut motions to discuss the problem of agricultural labour, and the distribution of these hon. Members among the various States in the country is also enlightening—they hail practically from every State. So, it appears that the problem of agricultural labour is assuming serious proportions, not in one State only, but practically in all the States. When we talk about production, it is unfortunate that some persons feel that it is only capital, or implements, or machinery

which is going to increase production, but they forget that there is the human factor which neither capital nor implements nor machinery can produce. The earlier we realise this fact, the earlier we realise that the human element is indispensable for increased production, the better it will be for the country..... Howsoever we may placate capital howsoever we may try to import improved machineries, howsoever we may try to give better facilities for irrigation, improved varieties of seeds and implements, production is not going to increase appreciably so long as we ignore the human element. Whether it is industrial production or agricultural production, whether it is production of goods or whether it is increment of efficient services, one cannot afford to ignore the human side of it..... Unfortunately, until now enough amount of attention has not been paid to those vast masses of people who, by their hard labour, sustain the society—I mean, agricultural labour. Their number is vast; their problems are varied; their difficulties and problems are sometimes baffling. I remember once, some fifteen years ago, when I raised this question of agricultural labour, a friend of mine said that I was raising the hornet's nest. I said that I knew that. Sometimes, as you know, it lies in some persons just to discover the problem, to place it before the society, the thinkers and the doers, and when the problem comes in the forefront, we will have to think of the solution too. It is gratifying to me personally that the question which I raised a decade ago—at that time, mine was perhaps a solitary voice—has now gathered momentum and today hon. Members of this august House also feel that there is a problem like the problem of agricultural labour in the country. Ten years ago, nobody knew that there was such a problem, and when it has been brought to our notice that there is that problem, I have no doubt that it will be solved today, or tomorrow.

I want to take this opportunity to express the hope that the State Governments who have directly to face this problem will expedite the implementation of the Minimum Wages Act, which is their responsibility.

I want to mention one or two more points in this connection. We have taken up the enquiry, but at the same time, wherever we have started the investigation into the condition of agricultural labour, our officers have persuaded the Governments of the States concerned to extend the welfare activities of their Rural Development Departments in those areas, so that the agricultural workers there may get some benefit of the welfare activities. It is heartening that many of the State Governments have agreed to do this and have made some modest beginning. I am sure the enquiry will be expedited and the minimum wages will be fixed, but more than that,—more than the fixation of the minimum wages, more than the solution of their problem by Acts and Statutes,—their problems will be solved by the growing social

consciousness amongst social and welfare workers, and I expect more from that, because no social problem of any appreciable dimension can be solved by legislation and Statutes alone. It requires the active cooperation, help and service of public-spirited people, and I hope India has still got a host of such public-spirited social workers, who will devote their services and attention to the problem of agricultural labour with which we have to reckon at every stage in our drive for food self-sufficiency.

As regards fair wages, the report of the Committee has been received. A Departmental draft has been prepared and a Bill is being drafted by the Ministry of Law and I may assure my hon. friend, Shri Harihar Nath Shastri that the earliest opportunity will be taken to introduce it.

As regards housing, my hon. friend, Shri Harihar Nath Shastri said that we have not implemented the terms of the Industrial Truce Resolution. I have no hesitation in admitting that there has been no progress in this respect. The real difficulty has been, not one of building materials but of money. I hope that as a result of the concessions proposed in this Budget Government loans will meet with greater response from the investing public and my colleague, the hon. Finance Minister will be able to raise more capital and give a substantial amount for the housing programme. In that respect I have to say only this much that we have not abandoned that scheme and there is a provision of one crore of rupees in the present Budget. But that is not very encouraging. Let us hope that the employers and industrialists of this country will also realise their responsibility and feel that while they have to look after their machinery, they have also to look after their labour. They feel that it is cheaper to replace a worker than to replace a part of the machinery. The sooner they give up, the sooner they banish this notion from their mind, the better it is for them and for the country. It is a fact that in India even at present it is cheaper to replace a worker than to replace a part of the machinery. But let the employers realise that human life has greater value and greater utility than the machinery.

As regards profit-sharing as my hon. friend, Shri Shastri himself is aware, there was no unanimity in the detailed scheme. The employers who themselves agreed to this idea of profit-sharing in the resolution which was unanimously adopted at the Industrial Truce Conference, at which the employers of this country were amply represented in a very large number, when it came to the question of brass tacks, backed out—I will have to use that phrase. They brought in the plea that this was not the proper time to give effect to the scheme of profit-sharing. Some of them frankly admitted that they were in a tight corner because labour troubles were increasing and so they had to promise something in order that labour troubles would abate. When the troubles abated and when better days came they brought forward the plea

that this was not the proper time to give effect to any scheme of profit-sharing. Government will examine the scheme which has been submitted to them and will come to certain decisions. That is all that I have to say in that respect.

Retrenchment is another question—a great problem at present and the causes of retrenchment are manifold. In some cases it is shortage of raw material; in other cases it is accumulation of stock. In yet other cases it may be rationalisation or shortage of finance. Whatever may be the cause of retrenchment, the fact remains that it increases the difficulties of labour. Where we find that the difficulties of the employer are genuine, where the employer wants to keep his establishment running but is forced by circumstances quite beyond his control, we cannot ask him to keep his workers in employ whether his establishment pays or not. This is the dilemma with which we are faced. We have been considering a scheme of limited benefits to retrenched workers so that for a short duration they may be able to maintain themselves and be able to get some sort of subsistence allowance for the period they are without employment, so that the rigours of unemployment may be lessened to some extent. We are considering that scheme and I hope that we will come to certain decisions in the near future.

The other measure that we are considering is some sort of training in some trades, vocational trades, to the retrenched workers, so that they may be able to earn their livelihood even if they go to the countryside. Such trades are carpentry, black smithery, etc. We have got a number of training centres for adult civilians where we are giving training in various technical and vocational trades. We are trying to utilise those centres for imparting training to retrenched persons in the morning and evening shifts and the period of training may be shortened to three or four months. We have already taken up this question with the Governments of the States and I hope we will be able to do something in this direction as well. So, these are the two schemes we are considering in connection with retrenchment and unemployment. But I want to make it clear that placed as we are at present, it may not be possible in the near future to solve the unemployment problem in this country.

Working parties are going to be set up and my hon. colleague, the Minister of Industry and Supply, has already taken up this question. I hope working parties will be set up very soon.

My hon. friend, Shri Kanhaiyalal Balmiki has raised the question of municipal labour, the scavengers or *mehtars*. I may at once tell him that we are not making any distinction in our labour legislation between the other type of workers and municipal workers or scavenging staff. Whatever benefits

we are giving to other workers in the factories, if there are scavengers in those factories, they get the same benefits. In the coal fields where we have introduced the provident fund and bonus schemes, the scavenging staff get the same benefits and advantages as other industrial labour. The scavenging staff and the other types of workers are treated on the same footing. Even under our Industrial Disputes Act, scavengers are treated on a par with any other workers. A worker is a worker, irrespective of the fact that he is a sanitary worker, technical worker, manual worker or a clerical worker. They are to be treated on the same footing.

I know that the various State Governments have already appointed Enquiry Committees to investigate into the condition of municipal labour in their States and it may not be necessary to have an All-India Roving Commission like that but all the same I will get that point examined. I may assure my friend that in all our labour legislations we are not making any distinction. If you will look into the definition of 'worker' or 'employee' in the Acts passed in this House, you will find that no distinction has been made between the various categories of workers in this country.

As regards the special question which has been raised by my friend, Shri Sonavane, it was brought to my notice sometime last year and then I took that question up with the Bombay Government and from the statistics that were submitted to us it appeared that in certain departments of the textile mills in Ahmedabad the number of Harijans were negligible. From the reading of those statistics it might have led one to the conclusion that the Harijans were debarred from those Departments. We further took up that question and it appeared that in certain Departments, Harijans were predominantly employed and in those Departments others were rarely to be found.

Whereas in the Weaving Department others were predominantly employed and Harijans were few. The reason that was given to us and which appeared to be quite sound, was—of course I took up that question with Shri Khandubhai Desai as well and he is trying his best—that in particular Departments some groups of particular castes have entered from the very beginning and they don't relish the idea of allowing any other person, be he a Harijan or a non Harijan, in that Department. There is some sort of a guild monopoly system in those Departments and especially in the Weaving Department of Ahmedabad where a particular community—I forget the name—has created a sort of guild for themselves and will not allow Harijans

or any others in that Department. All the same we have taken up this question with the State Government of Bombay and also with Shri Khandubhai Desai who is the prominent labour leader in Ahmedabad also.

I was surprised to learn that in some of the mines in Orissa female workers were working underground. I cannot say anything authoritatively but under the Act, the employment of female workers underground is prohibited and if they are allowed, they are allowed only for works in connection with surface works. I will get this point investigated and if it still persists, I will see that it is eliminated.

One point also has been raised that the control of Labour Welfare Officers and Medical Officers in the factories should be under Government. Hon. members who are acquainted with the two Factories Acts, the one which existed before 1948 and the one which was passed in 1948, will see the distinction between the two Acts. In the previous Act, of course, there was no compulsory provision for Labour Officers and there was no control by Government on the conditions of service of the Labour Welfare Officers employed by the Factories. There were a number of complaints that Welfare Officers in the factories could not exercise their independence and do anything substantial for the labourers because they had always to please the management and could not afford to displease them. That is why we have included a provision in the Factories' Act that the conditions of service of the Labour Officers will be determined by the State Government concerned and this has provided a sense of security to Labour Officers and also the Medical Officers. Let us wait and see. If by experience we find that this provision is also not satisfactory, we will amend that. I have a feeling that this will work when the employers know that they cannot dismiss Labour Officers or Medical Officers at their sweet will and that they will have to satisfy the Labour Commissioner or some officer of the State Government. In that case there will be greater sense of security among the officers concerned and the employers will not be allowed to play with them. This is what I have to say.

I know that there is a very difficult situation ahead of us, when there are contracting chances of employment. When the country is faced with retrenchment, when there is growing volume of unemployment, the task of any Labour Minister cannot be easy and I know my difficulties and troubles. I want cooperation from this House and also from friends, outside—employers and employees. It is in the interest of the employers also to try to maintain the existing volume of employment. Not only in the interest of the country and community but even from a narrow selfish point, it is in their interest not to alienate the sympathy of the vast masses of population. Let us hope that the working classes and their organisations will continue to extend that amount of cooperation and help to our requests and appeals which they have

hitherto extended to us. Let me take this opportunity to congratulate the employers also. They have, in spite of the difficulties that they had to face, tried to maintain the wheel of production though it has not been as efficient as it ought to have been. I hope that when they realize that the Government is trying to satisfy them as far as possible, they will also play their part. Let them show to the country that the game is not one sided and they are also prepared to respond to the call from the Government. Let them show that they are also prepared to grasp the hand of cooperation which has been extended to them. That will amply repay them, otherwise, it is very difficult to say what will happen.

LABOUR RELATIONS BILL, 1950*[‡]

I beg to move:

“That the Bill to provide for the regulation of the relationship between employers and employees, for the prevention, investigation and settlement of labour disputes and for certain matters incidental thereto, be referred to a Select Committee, consisting of Shri Harihar Nath Shastri, Shri R. Venkataraman, Shri Satyendra Narayana Sinha, Shri Sarangdhar Das, Shri Hari Vishnu Kamath, Shri M.R. Masani, Shri B.L. Sondhi, Dr. Panjabrao Shamrao Deshmukh, Shri V.C. Kesava Rao, Shri Gokulbhai Daulatram Bhatt, Shri T.A. Ramalingam Chettiar, Shrimati Sucheta Kripalani, Shri Sadiq Ali, Shri V.S. Sivaprakasam, Shri R. Velayudhan, Shri Sita Ram S. Jajoo, Shri Khandubhai K. Desai, Prof. Shibban Lal Saksena, Shri M. Ananthasayanam Ayyangar, Shri Prabhu Dayal Himatsingka, and the Mover, with instructions to report by the last day of the first week of the next session.”

At this stage I do not want to make any long speech. The intention of this Amending Bill has been made clear in the Statement of Objects and Reasons itself. The most important provision in this Bill is that we have tried to lay the greatest stress on negotiations, collective bargaining and conciliation and settlement of disputes by methods other than cessation of work. The other defect we noticed in the existing Industrial Disputes Act was that we did not have enough power for the enforcement or the implementation of the awards given by tribunals. Powers have been taken in the Bill to see that the awards of the tribunals are implemented.

There are other important provisions also in this Bill which have been enumerated in the Statement of Objects and Reasons, and I do not propose to repeat them. I may inform the House that very recently we had a meeting of the Indian Labour Conference on which employers, employees and the various State Governments were represented. That Conference considered this Bill in great detail and opinions of employers' and workers' representatives were expressed on the various provisions embodied in this Bill. The Government will consider those suggestions in due course and we propose

* *Provisional Parliament Deb.*, 5 April 1950.

[‡] Making a Statement as the Minister of Labour on Labour Relations Bill, 1950.

to bring to the notice of the Members of the Select Committee the various suggestions made in this behalf.

The Press in this country has also taken considerable notice of this measure and there had been comments practically in every paper in this country. We can safely presume that we have a fair measure of public opinion before us on this measure. We will take this public opinion into consideration in the Select Committee and we will try as far as possible to accommodate the public opinion as well. As I said in the beginning, I do not propose to make any lengthy speech and I commend the motion for the acceptance of the House.

I will not try the patience of the House by quoting the analogy from other countries because I do believe that while taking advantage of the experiences of other countries, we cannot afford to copy those procedures in the case of our country. Even where we have to copy them, we will have to adapt them to the conditions and circumstances which exist in this country and therefore I will not quote examples from U.S.A., U.K., New Zealand, Canada or Australia though we have tried to examine the legislations prevailing in those countries. The amendment that has been moved by my friend, Shri Sarangdhar Das has arisen out of some misconception and misunderstanding of the principles of this Bill. I would request him to further examine the provisions embodied in the Bill and he will be convinced that the arguments that he has urged are not justified by the provisions in this Bill. The importance he has attached to the banning of strikes or to the deprivation of the working class of their right of strike is based on the fact that he has not tried to understand the spirit underlying the provisions of this Bill. Nowhere in this Bill even a feeble effort has been made to deprive the working class of its rights to strike. That right is there. What has been tried to be done in this Bill is this that certain limitations have been sought to be placed upon their right to strike. And what are those limitations? Here we come to the fundamental question whether in a dispute between the employers and employees Government should intervene or not and if we give a satisfactory answer to this, the entire question of whether some limitation should be put on the working classes right to strike or not, whether compulsory arbitration or adjudication should be given or not will be satisfactorily answered. When a dispute between an employer and employee arises is it the concern of the two parties alone? Do those two parties alone stand to lose or suffer or is it that the repercussions of that is going to affect the society and the community as a whole? I do not want to elaborate this point. You may remember, Sir, when two years ago in this very House the

Industrial Disputes Bill was being discussed and when that veteran trade union leader—I will not hesitate to call him the Father of Trade Unionism in this country—Shri N.M. Joshi—raised the very objections which Shri Das has now raised. All the points were discussed in very great detail and I will be simply repeating those arguments if I try to meet the points raised by Shri Das. I will refer him to the proceedings of this House for the year 1947 and he will find in them a very satisfactory and convincing reply to the objections he has raised. In passing I may say that a dispute between an employer and an employee does not have an affect only on those two parties. It affects the community and so long as you believe in the principle that the Government represents the community and the Government has to safeguard the interest of the community as a whole, Government cannot afford to be a silent spectator to the disputes between them. If this principle is conceded, he will have to concede this principle also that in a dispute between employers and employees, Government's intervention is necessary in order to safeguard the interests of the community as a whole. So when Government's intervention becomes necessary, we intervene but there is another aspect of the question which I wish friends like Shri Das could appreciate. There is a dispute between employer and employee and in any struggle or fight, it is the weaker party which always stands to lose. Shri Das himself has admitted that the working classes in this country are weaker, in comparison with the employers. Do you want Government to let them fight and decide among themselves? I do not agree with that. I certainly believe that Government will have to protect the weaker section, and where it is a fight between the employer and the employee and where it is found that the workers are going to suffer by continued struggle and strike, it becomes incumbent upon Government to refer that matter to adjudication whether the employer agrees or not. Similarly if a section of recalcitrant labour wants to hold the community at ransom, is it his proposal that I should be a silent spectator to that spectacle? No Government can afford to be that. We will have to refer that to adjudication whether labour agrees or not. Shri Das has quoted the Taft Hartley Act in America. I have also tried to know something about that Act and see how it is functioning and I wish Shri Das will carefully read that Act and also the application of that Act by President, Truman and the circumstances in which that Act has been applied. If he will try to analyse it, he will realise for himself that compulsory adjudication in the conditions prevailing in this country is necessary not only in the interest of the working classes but also in the interest of India as a whole.

Another point raised was that the Bill should be circulated to elicit the opinion of a large number of trade unions in this country. Even if this Bill were translated into the regional languages of the various parts of this country, I put a very straight question to my friend Shri Das what percentage of the workers of this country are in a position today to understand this Bill? Will

it not amount to this: that if they have to express any opinion on this Bill they will have to depend upon the views or opinions of their leaders like Shri Das?

You* may not think so but I also claim to know something of the workers of this country.....

I also claim to know something of the working classes of this country and if Shri Das thinks that the workers in the country will really be in a position to express their opinions on measures that are to be discussed in this House it should then be possible that they—the leaders—should sooner withdraw themselves from the working classes than continue there. Then we will not have to depend upon the opinions or views of friends like him, for we could approach the workers directly. But today whether we send this Bill to the Central Organisations or to the unions directly, it makes no difference, because even in that case the opinions, that will come to us will be the opinions of the office-bearers of the unions and of leaders like Shri Das.

But we have tried to ascertain the opinion of the workers of this country. As I have explained we placed this measure before the Indian Labour Conference where the three Central Organisations of the workers were represented. We have also done something more. We supplied a very large number of copies of this bill to the Central Organisations for being circulated among their constituent units. I am not sure whether Shri Das is connected with any Central Organisation or not. I am not sure whether he is aware of the working of the Central organisations or not. But what they did was this. I wish Shri Shastri had narrated it for the enlightenment of Shri Das. What they did was that they obtained a very large number of copies of this Bill and circulated them among their constituent units, invited their opinions and suggestions and with the opinions of their Constituent Unions they came to the Indian Labour Conference to place them before the employers and the Government....

It is for the Hind Mazdoor Sabha to decide, because though they speak one thing in the Conference it might be that they have said another thing to Shri Das. I cannot help it, I have a fair measure of the opinion of the working classes before me. When I talked about the comments of the newspapers I did not say whether they were in favour of or in opposition to this Bill. What I said was that practically all the newspapers in this country had commented upon this Bill and to be honest I must frankly admit that the Bill has received a mixed reception. I did not mean to say that the Bill had

* Shri Sarangdhar Das who said, "I do not think so".

been supported by all the newspapers. What I meant to say was that we had before us the reactions of the leading newspapers of this country and we could safely presume that we had before us the opinions of a fairly good amount of the influential public before us and therefore it was not necessary to circulate the Bill for eliciting public opinion, unless Shri Das's intention is, as has been pointed out by Shri Shastri, that the Bill should be delayed. If that is the intention I cannot help it but I do feel that there is no necessity for circulating the Bill at all. I agree with him that the opinion of the workers should be ascertained but the method he suggests will not help us to ascertain the opinion of that section of the working class which Shri Das wants should express their opinion, because they are not given the opportunity to express their opinions and the leaders who approach them to get their opinions certainly influence their opinions and they do not want to take their real opinion.

Another thing that Shri Das urged was that this Bill is weighted in favour of the employers. If an impartial person goes through this Bill, he will find that it is not weighted in favour of either the employers or the workers. What I have tried to do is to hold the balance even as far as possible. If it is weighted here and there, it might be that it is weighted in favour of the workers but that weightage I do not regard as weightage. When you put some additional weight in favour of a weaker party it means that you are trying to balance it. Even where an effort has been made to place some weightage in favour of the workers, it has been done only with a view to maintain the balance.

I now come to Shri Shastri. For the most part he has tried to meet Shri Das and also he has quoted examples from various foreign countries in order to prove that compulsory adjudication is not a novel experiment in this country but has been tried in far more industrially advanced countries as well. As I have said, I do not want to go into that question in any great detail. I hold that so long as conditions in this country are such as to make Government intervention necessary, we will have to intervene and we will have to order compulsory adjudication or arbitration. What is our objective? Our objective is quite clear from the provisions of this Bill. The principle on which this Bill is based is that more and more scope should be given to the employers and employees for settling their disputes among themselves without any intervention from the Government. That is why we have introduced negotiation, which is compulsory. We have introduced conciliation and we have introduced arbitration and failing all these three voluntary processes if we find that the dispute is not likely to resolve we have introduced compulsory arbitration or adjudication. But the objective is quite clear: it is to gradually reduce Government intervention and when the relations between the employers and the employees develop on such lines that Government

intervention becomes unnecessary, Government may withdraw itself completely. No useful purpose will be served by quoting examples from the U.K. and the U.S.A., I mean examples of collective bargaining. We want to encourage that but we cannot shut our eyes to the realities of the situation, namely, the condition of the working classes of this country and the magnitude of the illiteracy and ignorance that is prevalent among a very large section of them and more than all these the fact that so long the working class movement in this country has been a movement for the working class but not by the working class. As soon as the working class movement in this country becomes a movement of the working class by the working class and for the working class, it will be possible to encourage collective bargaining and it will be possible for Government to withdraw itself completely from the disputes between the employers and employees. In the present stage Government intervention and interference is necessary, necessary even from the point of view of the workers themselves.

Shri Shastri has raised serious objections to the provisions in this Bill regarding civil servants. I wish he had appreciated one thing. Responsible and sensible as he is, and as he represents a very sensible and responsible organisation, I wish he had given more thought to this question of civil servants. What is it that a man wants first of all things? He wants security above everything else. I will go to the extent of saying that he wants security even in preference to food and the bare necessities of life. What a worker wants is security of service. Have we not provided ample security of service to the civil servants? Whatever this right of association and strike and other things may mean, in the case of the working class, the security of service has greater importance than some increase in wages. I wish trade union leaders would appreciate this point in greater measure. What is the fight for? The provisions that have been made for the maintenance of security of service in the case of civil servants are such as will take many years for the workers in industrial concerns to attain. The I.L.O. Convention has been quoted; its authority has been adduced. As if we are ignorant of that Convention, as if we are trying to violate that recommendation! What is that recommendation? I do not want to read that recommendation, but it guarantees freedom of association in the case of Government servants also. Have we tried to deprive the civil servants of their freedom of association? We have not. If my friend will refer to the Trade Unions Bill, he will find that civil servants can organise themselves in their own unions. So, we conform to the I.L.O. Convention; we do not infringe upon their right of freedom of association. They can organise. The only thing that we deprive them of is the right to strike. And I firmly believe that apart from anything else, from the point of view of the security of the State this right should never be given to civil servants. I do not know whether my friend, Shri Shastri wants the civil servants of this country to have the right to strike—he was not very clear on that point. But I for one

do firmly hold that no Government can afford to give this right to their civil servants, and what we have proposed in this Bill is this much and nothing more.

Then he has raised several points about retrenchment. I agree with him to a very great extent and I may categorically say that the question of retrenchment is still under consideration of Government. We hope that when we take a decision the provisions in this Bill will be modified in the Select Committee according to that decision.

About supervisory staff, the question requires to be looked into further, but I may inform the House that the conditions as they exist today are that supervisory staff cannot form their unions and they cannot join the unions of workers, with the inevitable result that they cannot have collective bargaining, they cannot have negotiations with the employers, they cannot form their organisations, trade unions or associations, and even if they form them they do not become a legal entity under the terms of the Trade Unions Act. And unless they become a legal entity they will not carry any weight either with the employer or with the Government. So, what we have done is that we propose to give them the power to organise themselves in their own unions so that they can secure the status of a legal entity under the Trade Unions Act and may be in a position to negotiate with the employers and also to represent their grievances to the Governments concerned. But there may be certain complications. It was not possible to lay down definite categories of supervisors. It requires examination and it will be examined in the Select Committee—as to how we can safeguard the interests of that category of supervisors who are nominally supervisors but who are not in any way superior to the manual workers just like the jobbers and others he has quoted. That question, therefore, can be examined in the Select Committee and set right.

Similarly, in the case of certifying agents, federation of trade unions, change of conditions, and standing orders, these are small points which do not involve principle and they will be examined in the Select Committee and we may try how far we can improve them.

Then I come to the question of appellate tribunal. This is a question which involves some principles. This question has a history behind it. As my friend Shri Shastri himself also is aware we are having a number of awards which differ on the same question. Different principles are being laid down by different Judges in different States on the same question. Take even the question of bonus. There are so many conflicting awards that if a person has to argue a case before a tribunal and he searches for precedents and case-laws, so many conflicting precedents and case-laws come before him that he becomes confused and perplexed. What is the remedy? My friend, Shri Shastri

has not taken the pains to suggest a remedy for this difficulty. The only remedy is to set up some authority which will revise these conflicting awards and will lay down case-laws and precedents for this country. The Civil and Criminal Laws in this country have been practised for so many years that a very formidable quantity of case-laws has developed. In the case of labour legislation our experiment has started just in the recent past and we have not before us any appreciable amount of case-laws or precedents. Therefore, we have to create case-laws and precedents. These are more important than the civil and criminal case-laws, because what labour legislation seeks to do is something more than what the civil and criminal laws seek to do, and if precedents are necessary even in the case of the latter, they are all the more necessary in the case of labour legislations. So what we attempt here is that the Appellate Tribunal will coordinate. They shall lay down some uniform principles on which important matters concerning labour-management relations may be decided. From that point of view, we attach great importance to the setting up of the Appellate Tribunal. Of course, it is for the Select Committee to see, in matters of detail, whether something could be done to satisfy some of the wishes of friends like Shri Shastri.

On the question of 'go slow' policy, the provisions lay down that if it is proved by a Tribunal that either the labour or the employer has indulged in a 'go slow' policy, then that action will be treated as an illegal strike or an illegal lock-out as the case may be. I do not find anything in this proposition to which serious objection can be taken.

The other question that was raised was in regard to the power of Government to modify the Award. This House is a sovereign House. Nobody can question its sovereignty.

This House has been set up under the authority of the Constitution itself, and the Constitution has provided that this House is sovereign and this Government will be here as long as the House wishes it to continue. So, if power is given to Government to modify or change the Awards, I personally do not see anything wrong in it. It means that the power has been given to this sovereign Parliament, or to the sovereign Legislature in the State, to modify or interfere with the Award of the Tribunal. I do not think that it can be termed as 'riding roughshod' on the decisions of the judiciary.

Now, let us see what is the necessity for this provision. Hon. Members will realise that in some cases the Awards that are given by the Tribunals are decided on the merits of the case before them, without realising what is going to be the repercussion or reaction of the same on other industries or even on some Departments of the Government itself, or on the society as a

whole. When Government which has the overall picture before it feels that some amendment, or even repeal, or modification of the Award is necessary, I think that it is necessary that it should have the power in its hands.

I do not want to take more time of the House. I want to assure hon. members this such, that it is never the intention of this Government to intervene unnecessarily in the relations between labour and capital. On the contrary, it is our intention to develop the labour movement in this country on such lines that a time may soon come when labour will feel sure of its ground and will be in a position to hold its own with the employers and get satisfactory terms and conditions of service, so that Government intervention may not be necessary.

With these words, I commend my motion.

INDUSTRIAL DISPUTES (APPELLATE TRIBUNAL) BILL, 1950*[£]

I beg to move:

“That the Bill to provide for the establishment of an Appellate Tribunal in relation to industrial disputes and for certain matters incidental thereto, as reported by the Select Committee, be taken into consideration.”

This is a very small measure and it forms part of the comprehensive Labour Relations Bill which this House only a few days back referred to the Select Committee. While that motion was being considered, the question of appellate tribunal in relation to the Labour Relations Bill was also discussed. So I do not want to repeat those very things here. But, I may say that as the Labour Relations Bill is likely to take some time before it is passed into an Act, it is thought desirable to get this Bill passed so that we may be in a position to set up an Appellate Tribunal in order to lay down some definite uniform principles on certain vexed questions with which, today, labour and management are concerned. Opportunity is being taken to amend section 33 of the existing Industrial Disputes Act, so that during the pendency of adjudication either before a Tribunal or before the Appellate Tribunal, discharge or dismissal of workmen may not take place. That will go a long way in reducing industrial disputes which are taking place today due to discharge or dismissal during the pendency of adjudication. Now, we want to provide that, whether the matter is connected with the matter before the adjudication or not, no workmen can be discharged or dismissed during the pendency of adjudication proceedings without the prior approval of the Tribunal or Appellate Tribunal. I hope the House will consider this motion and pass the Bill.

This motion has been fully discussed** and very wide fields have been covered during the discussion. Right from the conception of judicial justice or rather ethics of judicial justice, inviolability of decision of judicial bodies

* *Provisional Parliament Deb.*, 8 and 10 April 1950.

[£] While moving the Industrial Disputes (Appellate Tribunal) Bill as the Minister of Labour.

**Replying to the points raised by members.

and the undesirability of interference by Government in decisions of judicial authorities, all these principles have been discussed, and if I were to give reply to all these points in detail, I am afraid the time at the disposal of the House will not be sufficient for the purpose. But I will not go into the details of all these points. If I were to broadly analyse the points that have been raised, it will boil down to two or three broad categories. The most objectionable feature of the Bill from the point of view of friends who have claimed to represent labour in this country is that there should be no reserved power for Government to change or modify the awards of the Tribunals.

The second objection is that there is no necessity for an appellate authority, because it will lead to delay in adjudication and harassment of the workers. At the very outset I would urge that some distinction should be made between judicial justice and social justice. At present whenever we think about justice we think only about judicial justice. We forget that labour legislation is not meant for judicial justice: it is meant for a social justice. If we make that distinction between judicial and social justice it may be helpful to us in appreciating that some sort of interference by Government in cases where such interference is necessary becomes inevitable. What is the effect of judicial justice or a judicial judgement or a judicial award? As I remarked on a previous occasion, it affects two individuals or two groups of individuals at the most but it does not affect society as a whole. It does not purport to make any change in the existing social order, whereas in social justice, whether it is apparent or not, the intention always is to effect some sort of change in the existing social order. If any labour legislation does not aim at that, it does not fulfil its objective. Judging from this angle we will have to admit that our intention is to administer social justice with a view to change the existing social order, so that justice may be ensured to that section of society which so long has been deprived of it. Without meaning any reflection on the judiciary of the country, if an award is given by the judiciary or a tribunal, where Government feels that the social objective, which is the goal of Government, has not been kept in view by the judiciary or the tribunal while giving the judgement or award, do you not think it is incumbent on Government to interfere with the award and modify it in order to make it amendable to the objective before the Government? I put this straight question to the House. If you feel that Government has certain social objectives, then where Government feels that a social objective has not been kept in view by the tribunal, I think Government will be failing in its duty if it does not modify the award to conform to its objective. From that point of view the power in the hands of Government to change, modify or even annul the award of the judiciary or a tribunal becomes inevitable.

Now there is the question, where is the sanctity of the judiciary, as if it were a very novel provision that we are making here. I am myself not a lawyer: it may be a handicap but sometimes it is an advantage too. You, Sir,

are an accomplished lawyer. May I request you to say whether I am correct or incorrect when, I say that it is the prerogative of Government even at present to interfere with the judgement not only of lower courts but even of the highest court and to commute sentences in criminal cases? It has stood the test of time. And if inspite of the fact that Government has got the power to change the judgement of the High Courts, we can get gentlemen of integrity, honesty and character to be our judges in the High Courts, I have not the slightest doubt that knowing full well that Government has got the power to modify or change the awards we will get persons of integrity, honesty and character to be judges to man our tribunals, because we do not interfere in their administration of justice. Interference means that before the award or judgement is given we try to influence it. In this whole Bill can any hon. Member point to even a comma which permits the interference by Government with the dispensation of justice by a tribunal? If there is anything to that effect, I am prepared to withdraw the whole Bill. Our interference comes when the tribunal has completed its deliberations and given the award. We do not influence their deliberations and when we find that their award may adversely affect the social objective which we have as our goal, then we interfere. Much has been said about that and I do not want to argue—though I can by quoting examples—whether it will be in the interest of the worker or in the interest of the employer, whether Government will be influenced by the workers or by the employers. I do not take into consideration these petty matters, because I regard them as petty. I have a broader objective before me and from that point of view I feel that interference by Government is inevitable and necessary.

The question was asked whether it is necessary to have an Appellate Tribunal at this stage. That question has been effectively replied to by previous speakers. I feel it is necessary. But I have to point out one thing to my friend Shri Harihar Nath Shastri. I would not be mentioning this had he not pointedly stated that he represents an organisation which has successfully maintained the industrial peace of this country and that he was speaking on behalf of that organisation. Here I have got the report of the Select Committee. In the list of the signatories appears one name, the name of Shri Khandubhai Desai. The House is aware that Shri Khandubhai Desai..... I am pointing to one name appearing among the list of signatories to this Bill. It is that of Shri Khandubhai Desai. I know that Shri Shastri is at present the General Secretary of the Indian National Trade Union Congress but Shri Khandubhai Desai happens to be the President. Here is the signature of the President of the I.N.T.U.C. to the report of the Select Committee without any minute of dissent. What am I to understand from it? I leave the inference to be drawn by my friend Shri Shastri himself. I go a step further. Their apprehension is that by this Appellate Tribunal it is only the employers who are going to

benefit. I hold the other view and I have my reasons for it. What is the position today? During the war we had an expanding economy. Industries were springing up: they were expanding with a view to meet the demands of the war. But what is the position today? Our economy is contracting. When the economy expands even the most unsympathetic person wants to give something liberally to the workers but when the economy contracts even the most sympathetic person will not be able to do that. Who then will have to go to the Appellate Tribunal then? The workers will have to.

Apart from that, whether the workers stand to gain or the employers stand to again, I look at this piece of legislation from another point of view, the uniformity point of view.

Shri Shastri suggests that there cannot be uniformity even in one establishment... even in one industry because conditions differ from region to region, from State to State. I am also aware of that. When I talk of uniformity, I do not mean that there will be uniform rates of wages, I do not mean that there will be uniform dearness allowance, and I do not mean that there will be the uniform conditions of service. What I do mean is that there should be uniform principles for fixation of wages, that there should be uniform principles for fixation of dearness allowance, that there should be uniform principles for determining conditions of service...

By uniformity..... we are going to have the same rates of wages in Madras and Punjab, or the same rates of dearness allowance in Delhi and Mirzapur, well it is the negation of all principles. That we cannot concede; it is not possible. No sensible person can conceive of the stage coming in India where we can enforce the same rate of wages, even in the same industry.....

The details will have to be examined: what are the factors on which a particular judge of a particular tribunal in a particular State has determined certain rights? Also, whether he has adhered to those principles or not and whether the materials that were before him would have led him to decide on those principles or not. So, I am quite clear in my conception, but the facts will have to be examined. My friends want social justice, but at the same time they want that the social justice should be administered through judicial processes. They want that there should be an Appellate Tribunal, but only to decide principles of law, only to go into the question of law. If you go into the question of law alone, I am afraid the Appellate Tribunal will not be able to deliver social justice to the workers.

Therefore, the facts will have to be examined; it is not a question of law alone. Unless the facts come before them, they can't decide, and that is why we are providing that the Appellate Tribunal will not go only into the niceties of law but will have to go into the facts also; unless they go into the facts they will not be able to do the task entrusted to them.

Examples have been quoted saying that nowhere in the world is this institution of Appellate Tribunal to be found or that wherever it is found it is only for the interpretation of the awards, or to examine points of law, or to settle differences regarding collective bargaining. Well, I wish the labour management relation in this country had developed on the same lines as in those countries from where analogies have been quoted. Had that stage existed here, it might not have been necessary for me to approach this House with this Appellate Tribunal Bill. If that stage develops, perhaps I will be the first man, if I am here at that time, to move for the withdrawal of this Bill or for the repeal of the Act. I wish that that stage may come soon, that it may come at the earliest opportunity. But it is for my friends like Shri Shastri and Shri Venkataraman to work for that stage. Let them develop the working class on those lines so that collective bargaining may be possible. Let them develop the working class of the country on those lines so that nowhere will it be necessary to refer matters to adjudication, and hence to an Appellate Tribunal; let the matters be decided by collective bargaining. But am I not justified in saying that that stage is still to come, that it will take some time before that stage comes in India? Till that stage comes we will have to provide some institutions, some machinery, for the resolution of disputes and also for the laying down of certain principles which may prevent the estrangement of labour-employer relations.

About assessors, Shri Venkataraman is very emphatic that they should be appointed only with the consent of the parties. The words, "after consulting" are already there. So, I do not want to labour that point, but he will himself realise that the provisions as it has been worded in the Bill is quite appropriate.

Shri Ajit Prasad Jain's grievance is that the constitution of the Tribunal is just a replica of the judicial courts. I do not agree with him. I do not agree because he has himself quoted that sub-clause of clause 9 by which it is quite clear that we do not want to follow the procedures of the civil courts.....

Let me read the clause:

"The Appellate Tribunal shall follow such procedure as may be prescribed, and subject thereto, it may, by order, regulate its practice and procedure and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908), shall so far as they are not inconsistent with this Act or the rules or orders made thereunder, apply to all proceedings before the Appellate Tribunal."

The intention here is quite clear. We do not follow the Code of Civil Procedure but we prescribe our rules and our regulations, and we may follow the provisions of the Code of Civil Procedure so long as they are not inconsistent with the rules and regulations framed under this Act by the Appellate Tribunal. So, my reply to him is in the very clause which he read. The intention is quite clear.

As regards the personnel of the Appellate Tribunal, I agree with him to some extent that it would have been better if we could develop a cadre of labour service. I agree with him. As a matter of fact, my Ministry examined some time back as to how we could constitute a cadre of Labour Service which will be able to man our executive personnel and also man the various labour courts and tribunals that we will be constituting in the country. That question is still under consideration, but financial considerations have stood in the way.

As regards the point regarding financial help in case of illegal strikes and lockouts, Shri Gokulbhai Bhatt has given the reply and I don't want to say anything on that point.

Then he* grudges the right that has been given to employers to be represented by some employers in that industry. The whole intention was this. The original clause was that where the employer with whom the dispute has arisen, is not a member of any employers' association, he may nominate anybody to represent him. What the present amendment seeks to do is this: he may nominate any person but one who is in that industry or who is a member of an association of employers in that industry.

I do not think there is anything unreasonable in this.

The hon. member has quoted Lala Shri Ram. He can well represent himself. But there are poor employers—smaller employers—who cannot represent themselves, who cannot plead their case. Just as in the case of workers, the worker affected may not be in a position to have the necessary mental equipment to argue his case before the Tribunal similarly in the case of employers there are employers who cannot argue their case. There are employers and employers.

* Hon. member, Shri Ajit Prasad Jain.

I think Lala Shri Ram may not like to be represented by Lala Padampat, but there are others who would like to be represented by Lala Shri Ram. So, I want to make them class-conscious. I have my reasons, but I do not want to go into them. Let them be class-conscious.

I now come to the points made by my friend Shri Himatsingka. He has taken a quite distinct line of argument from other Members of this House.

His first point was in connection with the issues referred to Arbitration Tribunals. He wanted that the employer should be free to deal with the man as he liked. He quoted an example. He said: What happens where a Manager is assaulted by some worker? I wish that he had quoted some cases where the workers have been assaulted by employers. He can quote examples like this, but from the experience of the administration of the Industrial Disputes Act, I have to say rather reluctantly that there have been a large number of unscrupulous employers who have taken undue advantage of the provisions of the existing Industrial Disputes Act to punish workers. It is so easy to prove, when no proof is needed,—that the misconduct was unconnected with the issues before the Tribunal. If the issue is unconnected with the Tribunal and if you are convinced that the offence is so obvious that the worker should be punished, why are you afraid to place that matter before some impartial authority and get its approval that the action that you are proposing is quite all right, quite justifiable and quite just? The Bill at present seeks this much and nothing more. The extreme case that he has quoted where a Manager or an employer has been assaulted by a worker—do you think that it is by Labour Acts that that sort of disorder and unruliness is going to be dealt with? There are laws and Acts in the country—and my friend Shri Himatsingka is a lawyer of standing; I have got regard for his legal acumen—he knows that this sort of disorder cannot be dealt with by labour legislations. At the most, what can you do? You can suspend the worker, or dismiss him or discharge him, but if the worker is determined upon assaulting a Manager or an employer do you think that dismissal or discharge will deter him from doing that?

Rather, it may aggravate the thing, as my friend points out. What is required is that the ordinary law of the land should be effective to deal with such recalcitrant people, whether they be workers or they be employers. Let the ordinary law of the land take care of them. Why do you want to confuse it with labour legislation? Why do you want labour legislation to perform the functions of the Criminal Procedure Code or the ordinary law of the land?

The ordinary law of the land is that a man who assaults should be prosecuted. That is what a layman understands of the law. But if you think that he should be dismissed, why are you afraid that a judge of the Tribunal who could be safely presumed to know the law will stand in the way of the employer and ask him not to discharge or punish the man who has committed some such offence?

Now the question of discipline comes. On this question, the employers of this country, unfortunately, feel that they can enforce discipline only if they have the Damocles' sword hanging over the heads of the workers all the time. That is not the way of enforcing discipline. They think that they can enforce discipline by making the worker realise that he can be fired at any moment. On this basis, I am afraid they can never enforce discipline. You cannot enforce discipline, you cannot create confidence, you cannot create loyalty, in the workers so long as he feels that he has no security of service. I wish that the employers in this country had come forward and said that they want Government to make stricter provision for the security of service of the workers. Then it would have been possible to enforce discipline to the maximum possible extent, and they would have in that case received the maximum possible support from Government too. But what they are doing is not the way to enforce discipline. There is another way. Uptill now the workers were not conscious and the employers behaved with them as they liked. Now that the workers are conscious, now that the feeling of self-respect has been created in them, they are not prepared to put up with that sort of behaviour and treatment. When they resent and protest, the employers feel that there is a sense of growing indiscipline among them. That is not, I may tell them, a sense of growing indiscipline. But if you feel that there is that sense, why don't you tackle it? I have had talks with some enlightened employers and they have admitted—and I think this should be a lesson for others—that when they treat their workers as persons with whom lies their interest, the workers are very prompt in responding and they try to return many times more.

Another point that my friend raised was about lawyers. But I think that the provision that I seek to make by my amendment is quite enough.

On Saturday* last when I was replying to the various points raised by hon. Members, I was practically on the point of finishing my speech when

* Continuing his reply to the discussion on the Industrial Disputes (Appellate Tribunal) Bill, 1950 on 11 April 1950.

the House rose. I have only one point to answer which was raised by my hon. friend Shri Himatsingka. He raised the question that the clause throwing responsibility on the various directors of a limited company which amounted to vicarious liability should be modified on the lines of a similar provision in the Factories Act. I would like to point out, that the responsibilities thrown on the employers under the Factories Act and the responsibility that may fall upon the employers as a result of an award by the tribunal are quite different. Whereas the liabilities under the Factories Act may be given to a person to be nominated by the Board of Directors—it may be given to the Manager—but here it is not possible to fix that liability on a person to be nominated by the Board of Directors or even on the managing agents, because the award may entail heavy financial commitments and those commitments may run into lakhs and where as a result of an award by an adjudicator the rates of wages or the rates of dearness allowances as also bonus is awarded to the workers, the commitment may run into lakhs and sometimes it may run into crores. No Board of Directors would like to give this much power to their manager or one individual director or even to the managing agent to commit the company to a liability amounting to lakhs and crores without consulting the Board of Directors. So the man on whom the responsibility will be fixed will be simply helpless and in actual practice it will not work. Therefore the Board of Directors and others have got to be made responsible for breach of the award given by the tribunals. That is what I have to say in reply to the point raised by my friend, Shri Himatsingka.

I have more or less covered all the points that have been raised and I do not propose to take up any more time of the House.

I have only to assure my friend, Shri Venkataraman. He knows that we have constituted a National Banks Tribunal to go into the disputes between the banks and their employees. Though it is one Tribunal, it has toured round the country and visited all the important centres in order to avoid the cost and trouble to the workers. They went to Madras, Calcutta, Bombay, Allahabad, Kanpur, Patna, and elsewhere; instead of calling the workers and the employers to one place, I decided that the Tribunal itself move round the country and collect evidence and things like that. Similarly, in this case of the Appellate Tribunal, we have already worked out details that there will be at least three centres where we will post these Appellate Tribunals permanently. So, on that score, I give him the assurance that it is the intention of the Government to expedite the proceedings as far as possible.

About non-interference by Government, well, I cannot, give any categorical assurances. According to some friends this is the obnoxious provision in it

and if, according to their lights, it is obnoxious. It may work, according to their lights, in an obnoxious manner. It cannot be helped.

To my friend, Shri Rohini Kumar Chaudhuri, I must reciprocate. I do not know how many times he has been engaged and in how many capacities he has been engaged. I congratulate him for that versatility.

To my friend, Shri Harihar Nath Shastri, I have only one word to say. In the telegram that he has read just now the words occur, "mature consideration". That was after mature consideration by Shri Shastri. I think when time will pass, he will reach to mature consideration and he may find that this Bill is not obnoxious but to his benefit.

CONTEMPORARY LABOUR ISSUES*[‡]

At the very outset, Mr. Speaker, I wish to express my thankfulness for the kind words and encouraging references that have been made to me by various sections of the House. I am quite alive to the difficult charge that I have been entrusted with, and the confidence and faith that has been reposed in me will prove to be of great strength in discharging those responsibilities.

Rehabilitation and Labour, both are difficult. There is much similarity between the two departments. One has to deal with that unfortunate citizen of society who has been the casualty of our independence, I mean the displaced person. Labour, though it produces all the goods and services required for the sustenance of the society, is the most deprived section of the society. In that way there is much similarity between the two departments under my charge.

It was suggested by some hon. Members that Labour Ministry being the major ministry, perhaps I will not be able to devote as much time to the Rehabilitation Department as was required by it. I may assure the House that I will not in the least neglect the responsibility of the Rehabilitation Ministry. Therefore, I propose to deal first with the Rehabilitation Department, and I will come to the Labour Ministry later on.

...We have several categories of displaced persons. In the wake of independence of the country following partition, there was large-scale exodus of persons from the east and west of the country. The number of displaced persons from the western zone of the country, Sind, Punjab and North West Frontier Province was nearly 47 lakh. The number of displaced persons from East Bengal was of the order of 41 lakh. Then, again, during these last 17 years following partition, due to the communal tendency in Pakistan, the flow of refugees from East Pakistan has continued till the end of 1963. Again, due to the communal orgy in East Pakistan there was a great influx of refugees in 1964 to the tune of nearly 8 lakh. Then we have the third category of displaced persons. When Pakistan attacked India unprovokedly we had

* *L.S. Deb.*, 19 April 1966.

[‡] Participating as the Minister of Labour in the discussion on the Demands for Grants—Ministry of Labour Employment and Rehabilitation.

displaced persons of nearly 2.5 lakh in Jammu and Kashmir, nearly 52,000 in Punjab and 6,000 in Rajasthan. I shall deal with these three categories of displaced persons separately.

So far as the displaced persons of the partition period are concerned, those coming from Western Pakistan, the problem is more or less solved by the assistance of the Government and by the enterprise of the displaced persons themselves, they have been able to rehabilitate themselves. One feels proud of their enterprise and energy, their industry and the perseverance with which they have been able to eke out an honourable life in the society. In certain respects they have set an example of hard work and industry, of perseverance and tenacity, by rehabilitating themselves and by opening new avenues of prosperity and employment. So, what now remains of the refugees from West Pakistan of the partition period is the residuary problem and we hope that we will solve that in the next few months and we will be in a position to say that the problem of displaced persons from West Pakistan has been solved.

One advantage that we had in the solution of the problem of displaced persons from West Pakistan was the compensation pool where from we have been able to satisfy the claims of the displaced persons from the properties left behind by the Muslims who migrated to Pakistan. We have paid compensation to the tune of more than Rs. 188 crore. Settlement of claims only to the tune of Rs. 1.6 crore or 1.7 crore remains and I am sure the problem will be finalised during the course of the next few months.

The problem of the East Bengal refugees has been a difficult one. West Bengal itself was a truncated province. We had to resettle and rehabilitate nearly 41 lakh of refugees of which nearly 33 lakh have been settled in West Bengal itself. A vast majority of them have been reasonably rehabilitated. Nearly 9 lakh of them have been settled outside West Bengal, in the neighbouring States of Bihar, Orissa, Uttar Pradesh and other States. About them also it can be said that they have been reasonably rehabilitated.

There is a large number of widows, infirm and unattached persons, who are still in permanent liability camps. Shrimati Renu Chakravartty painted a gloomy picture of those camps. I do not propose to contradict her. There is much that requires to be improved. My difficulty is that the charge of permanent liability camps has been taken over by the Department of Social Security. But, all the same, I may assure her and the House that I propose to look into the matter and expedite whatever can be done to improve them.

Out of the new persons who have come from East Bengal after 1963, numbering about 8 lakh, most of them are agriculturists and they require to be settled on land. We are making efforts to secure land for them in various parts of the country.

I do not want to take the time of the House in giving statistics and figures which are available in the printed annual report of the Ministry. But I shall broadly state what the schemes are and what I propose to do in the future. For the resettlement of the new displaced persons we have the Dandakaranya project. We are investigating the possibility of large-scale resettlement in Andaman and Nicobar Islands, where we have already sent about 350 families. I may inform the House that they are very happy there. We have undertaken the development of large areas in Chanda district in Maharashtra and Betul in Madhya Pradesh. Recently, a decision has been taken to develop some area in Phulbani in Orissa. Our expectation is that immediately we will be able to develop 12,000 acre and, after some time, nearly 50,000 acre. The agreement with the Government of Orissa is, that Phulbani being an entirely Adivasi area, 50 per cent of the land developed will be allotted to the local Adivasis and 50 per cent will be available for the East Bengal displaced persons. Our expectation is that we will be able to resettle nearly 6,000 displaced families there.

In Assam also we have allocated areas for development where the displaced persons who have come over to Assam from East Bengal will be rehabilitated. At present, We have nearly 40,000 families in camps out of the new displaced persons. The camp life is not a desirable or happy life. So, it shall be my endeavour to move these persons from the camps at the earliest possible opportunity. Because, in camps their energy is wasted and they are living idle and a man wasted is a national loss. So we have examined the possibility of starting a large number of small-scale industries in which we can absorb 20,000 families. I have asked the officers of the Rehabilitation Department to ascertain from the various State Governments about certain areas where there is paucity and shortage of agricultural labour and whether we could immediately disperse some of the persons in the camps to those areas so that gradually they might be absorbed in the society there.

I am saying that this will be my endeavour to disperse them from the camps so that instead of remaining idle in the camps and wasting themselves they will be gainfully employed either in industry or in agriculture.

We have also taken up with Government and private undertakings to give preference to the employment of displaced persons from East Pakistan in those industries.

Wherever we carry displaced persons for resettlement and rehabilitation, arrangements for shelter are made and if the hon. Member will take the care and trouble to go through the reports that have been circulated, he will find the scales of the various grants for the various purposes that are permissible to the displaced persons.

Then, there are certain difficulties that have been pointed out as existing in the camps as also in the colonies. I am talking about the early displaced persons. The residuary problem in West Bengal is to the tune of Rs. 22 crore. I want to inform the House that we have already sanctioned schemes worth Rs. 14 crore. We have delegated financial authority to the West Bengal Government to sanction schemes to the extent of Rs. 5.15 crore, and schemes worth of Rs. 1 crore or Rs. 2 crore are actively under examination. I hope to finalise all the schemes of the residuary work of East Bengal during the next one or two months. Therefore, so far as the early displaced persons of the partition period and the years following that are concerned, I hope to finalise all the works relating to that during the course of the next two or three months.

So far as the execution and implementation of those schemes are concerned, they are, as the House is aware, the responsibility of the West Bengal Government. The other day I discussed with the West Bengal Chief Minister and again I will request him to expedite the implementation of the residuary works so that we can say that so far as the early displaced persons are concerned we have succeeded in reasonably rehabilitating them.

I am not going into the details. Wherever we start colonies, we make provision for schools, technical training, vocational training, high schools and even colleges. I am not going into those details because they are provided in the report itself.

The third category of displaced persons is of those who were displaced from their homes and hearths as a result of the unprovoked aggression by Pakistan. After the cease-fire nearly 1.9 lakh of displaced persons moved to their houses in Jammu and Kashmir area.

Where houses were intact, where there was not much damage and where they were evacuated out of panic or in the exigency of the requirements of our armed forces. After the cease-fire these persons were moved to their villages. They have employed themselves in their normal avocations.

After the Tashkent Agreement, which it appears now has a very slender chance of implementation, new hopes were aroused that the relations between

Pakistan and India may improve, may become friendly and the chances of displaced persons coming in future may not arise.

After the Tashkent Agreement, when the withdrawal of armed forces took place on both sides, displaced persons have been moving to their villages but the movement has been rather slow because as the House is aware the Pakistani forces when they withdrew indulged in the scorched earth policy. They not only destroyed many things, but they also spoiled the sources of drinking water.

At many places mines and unexploded bombs were lying. Therefore all precautionary measures had to be taken before we asked the civilian population to move to that area. Shri Buta Singh and some hon. friends said that there has been abnormal delay in permitting people of the Khem Karan sector to return to their villages. The reason for the delay is that all the sources of drinking water had been spoiled and we could not take any risk. Unless the Army cleared everything and gave a clearance certificate, the civilian population was not to enter that area. In the Khem Karan sector specially we have sunk a number of tubewells with a view to providing drinking water facility in the town itself and also in the rural area before we can permit the civilian population to enter that area. Now the population in Punjab is also moving. The movement in Jammu and Kashmir has been rather encouraging.

Again, I am not going into details of the assistance that we are giving to these people because that also is available in the report circulated to Members by the Director-General attached to the Cabinet Secretariat. But, I would like to give a few figures.

So far as relief is concerned, we spent nearly Rs. 50 lakh in Punjab, nearly Rs. 2 lakh in Jammu and Kashmir and Rs. 4 lakh in Rajasthan. Now, we have taken up the work of rehabilitation. Where the houses have been destroyed or dismantled, we have to give assistance for the repair and reconstruction of houses. We have again to give assistance for the agriculturists to carry on their agricultural pursuits. We have to rehabilitate the industries and for that industrial loans and grants have to be given. So, for rehabilitation purposes it is our estimate that Rs. 8 crore to Rs. 10 crore will be required in Jammu and Kashmir, nearly Rs. 3 crore to Rs. 4 crore in Punjab and Rajasthan.

In Punjab we have already advanced to the Punjab Government to the tune of Rs. 1.11 crore for the repair of roads, assistance to municipalities, rehabilitation of the small scale industries, rehabilitation of industries and assistance to agriculturists. We are trying to expedite the rehabilitation of displaced persons arising out of the recent aggression by Pakistan.

We have another category of displaced persons, the repatriates from Burma.

Then, we have another category of repatriates from Burma arising out of the Agreement with Burma Government consequent on the attitude of the Burmese Government so far as the Indian settlers were concerned there. Many repatriates who were in an affluent condition in Burma are returning to this country as paupers. Nearly 1,25,000 of them have already come. Quite a large number have come by air about whom we do not have much information. Most of the repatriates have come to Madras, Andhra Pradesh and some to Bihar and U.P. Many of them are agriculturists. So far as those who were traders or businessmen or shopkeepers are concerned it has not been very difficult for them to rehabilitate themselves by their own enterprise and by the assistance which they received from the Government in the shape of grants and loans. So far as the scale of the grants and loans is concerned, all that is given in the Report of the Ministry.

There is difficulty about the agriculturists. It has not been possible to induce the State Governments to find sufficient land on which we can resettle the Burma repatriates. I have taken up the matter with some of the Chief Ministers at a personal level and I hope, if I succeed, it will be possible to resettle these Burma repatriates on land also.

Then, in the wake of these repatriates from Burma, as the House is aware, an exodus of repatriates from Ceylon is to follow. Consequent upon the Agreement between the late Prime Minister of India and the Prime Minister of Ceylon, more than half a million people are to come from there. The exodus will start from next year. We have requested the State Governments so that we can secure their willing and enthusiastic co-operation in solving the problem of these repatriates from Ceylon.

So, the House will appreciate that the problem of displaced persons is going to be a continuing problem and the Ministry of Rehabilitation will be faced with one problem or the other of displaced persons. The House would also keep it in view that in Pakistan we have still nearly 80 lakhs of minorities which constitute nearly 23 per cent of their population. When the spirit of the Tashkent Agreement is hanging in a precarious condition, it is very difficult to say when there will be an outburst of communal frenzy in East Bengal, and though we have sealed our borders, it is very difficult to say whether a large number of minorities will not percolate even through the sealed borders.

The problem of displaced persons, therefore, appears to be a continuing problem which the country will have to face. It will require all the resources, energy and skill not only of the Central Government but also of the State Governments to cope with the problem. Their willing, enthusiastic and generous cooperation is expected to solve this problem and in this the assistance and cooperation of the Members of this House also will be necessary. I propose to take the assistance of social organisations. Only the other day, I got the list of all the social organisations which can assist me in solving the problem of West Bengal, specially the social organisations from Calcutta, many of which are known to us. I want to enlist the cooperation of the State Governments and the non-official organisations so that we can bring some happiness to these unfortunate persons who have been a casualty, as I have said, of our Independence. I think, I have done so far as rehabilitation is concerned.

So far as the Mozambique people are concerned*, I have not touched upon them because I know with the assistance of the philanthropic people of that area, the displaced persons from Mozambique have been reasonably rehabilitated in Bombay and Gujarat area.

Now, I want to take Labour. It was my good fortune to be the first Labour Minister of Independent India. It was again my good fortune, with the co-operation of the then Parliament, the labour organisations and also the capitalist friends of the country, to lay down the future labour policy of the country. Again, it was my good fortune, with the cooperation and the assistance of the members of Parliament of that time, to lay down the policy so far as the wages, conditions of work, welfare measures, social security, conditions of service, unemployment benefit, sickness benefit, etc., are concerned.

Long before we envisaged planning in our country, during the interim Government in the Centre, I formulated a Five Year Plan for labour and it was according to that Plan that all this legislation was undertaken. My idea at that time was to have the five-year period for intensive legislation. I am grateful to Shri Amar Nath Vidyalankar and I feel very much flattered when he called me as the father of the labour legislation in India. My Scheme at that time was to have intensive legislation during those five years and then to have a period of ten years for the consolidation of the gains of those

* Replying to the intervention raised by Shri Narendra Singh Mahida (Anand) : "What about the conditions of displaced persons from Zanzibar, Portuguese, Africa and East Africa?"

legislations so that the country could be prepared, the machinery could be set up, for the efficient implementation of all the provisions of those labour Acts. When I come to this Ministry after a spell of nearly 15 years, I find that the state of implementation has not progressed much.

When I was listening to the debate and the criticism of the hon. members about the implementation of the various labour legislations, I was feeling tempted to go into the proceedings of the debate of 1946-52 and find out some of the sentences from my own speech and tell members whether they have not quoted them from my speech itself.

I was thinking whether there was something wrong in the labour policy that I formulated at that time; whether the weakness has been in the provisions of the Acts themselves or whether it is because of the backward trend in the society that the provisions of those Acts have not been efficiently implemented. I can say without the least hesitation that, so far as the labour policy is concerned, it is a very sound policy. So far as the provisions in the Acts are concerned, it may be necessary to retouch them here and there in the light of the experience gained during these periods, in the light of the economic and technological progress that has been made in the world and in the country, but it requires a social consciousness to see that whatever is provided for this section of the society is honestly and effectively implemented. But that has not been done.

Then again while talking of labour policy, one should not forget that, apart from the five-year programme that I laid down, apart from the policy that I enunciated, we have developed a tripartite pattern in this country where employers, workers and Government are represented, and all major policy decisions regarding labour are taken in that tripartite body.

Again we should not forget that the labour policy and the condition of labour are a necessary concomitant of the economic policy of any Government, of any country, and the prosperity or otherwise of the working class depends upon the general prosperity of the nation subject, of course, to one condition that the fruits of labour are equitably distributed among the various sections of the society. I have taken the responsibility of this Ministry at a very difficult time, the time when it appears that economic difficulties are pursuing all round; the economic growth has been rather scanty; the distribution has not been rational; the monopolies have been powerful; and the concentration has grown. I would like to give some figures.

The best available estimates of national income show that the total additional income earned during the ten year period covered by the first two Plans was Rs. 190 billion, of which Rs. 25.5 billion were used in increasing Government expenditure and Rs. 25.5 billion are estimated as domestic savings effected for investment. The balance available for distribution for increasing private consumption was Rs. 139.3 billion for the entire ten years. Since the population itself was growing at roughly 2 per cent per year, roughly 7 to 8 million mouths were being added every year and as much as Rs. 85.6 billion was absorbed to provide the new entrants into the population with the average level of living of 1950-51, with the result that only Rs. 53.7 billion, out of the total increase of Rs. 190 billion during the ten years, were available to increase the level of living of the entire population. If this amount is distributed over the total number of persons, a simple arithmetical calculation will show that this gives Rs. 2.5 per head per year as the amount available for increase in consumer expenditure; over the average consumer expenditure level of Rs. 219 per head in 1950-51, this will enable only an increase of 1.1 per cent per person per year. Please mark this. This will mean only an increase of 1.1 per cent per person per year. Similar figures are not yet available for the Third Five-Year Plan period which has ended just now, but the position is not substantially different. These figures would show that, to effect any real improvement in the standards of living of the masses of people, it is most essential to have effective means of restraining consumption by the higher income groups and even drastically reducing the flagrant conspicuous consumption by large numbers of persons at the highest expenditure levels, whether they are financed by their own earnings or by expenditure accounts of commercial undertakings. The reports of the Mahalanobis Committee and the Monopolies Commission have already underlined the importance and urgency of action on these lines and it is not possible to lay down any effective labour policy except in support of planned action on these basic matters. Therefore, I have said that the labour policy depends upon the economic policy. The rise in the standard of living depends upon the percentage of economic growth and the percentage available from that economic growth for the consumption expenditure which will thereby raise the standard of living. I wanted to emphasize this aspect, especially to friends who say that there is no rational labour policy of the Government of India.

In this connection, I should also like to emphasize another aspect. We should not forget that we are functioning under a federal set up in the country. Labour is a concurrent subject. So far many legislations have been enacted. The implementation and enforcement of those legislations lie in the sphere of the appropriate Government, *i.e.*, the State Governments. I have been trying to co-ordinate the activities of the State Governments. I cannot reasonably say to the House that I have been able to lay down any effective machinery for that co-ordination or that I have been able to persuade the State

Governments for effective enforcement of all the legislations that are under their charge.

As the House is aware, as soon as I took over, I had to face the problem, arising out of the difficult economic situation, of closures, lay-offs and retrenchments. On a previous occasion, in reply to questions or call-attention notices, I have said something about this subject and, therefore, I do not want to dilate on this. But it shall be the endeavour of my Ministry to see that, where there are closures, efforts are made to avoid such closures, and where the closure becomes inevitable, the labour is assured of liberal benefits for lay-off and retrenchment. There are several factors for closures. Some came in the wake of the Pakistani aggression while some have arisen out of the non-fulfilment of the planned targets due to various reasons into which I do not propose to go. Nor is it my legitimate jurisdiction to go into. But, due to various causes where the planned targets have been falsified, industries in certain sectors have been adversely affected. Where stocks have accumulated; financial accommodations are not available, closure or lay-off becomes inevitable. So, you can think only of the liberal benefits to the workers. But, as I have said, where it is not within the competence of the Labour Ministry as such to remedy all the defects that lie there.

So far as closures consequent to Pakistan aggression in Punjab were concerned, we have given assistance to the industries and by and large, these industries have re-started their working.

Then, when the prices rise, inflationary tendency follows, the workers' real wages get eroded. There, we shall, of course, lay down conventions that whenever there is a rise in the consumer index, the loss will be made good by the employers. There were some defects noticed in the consumer price index and we are trying to rectify that. In certain centres, they have been rectified.

So far as the application of labour legislation is concerned, I may assure some of my hon. friends who raised this question that there is no discrimination in so far as public sector and private sector are concerned. But, when the question comes of referring a certain dispute to arbitration, I think the public sectors have been more responsive to arbitration than the private sectors. You will find in the report circulated that quite a number of disputes in the public sector undertakings have been resolved by recourse to arbitration. The private sector has not been very willing to refer disputes to arbitration; they prefer adjudication. Wherever the question of adjudication comes in the public sector—Shri A.P. Sharma raised that question—we take time to discuss the matter with the concerned ministry and try to resolve the differences without recourse to tribunal. It has been my experience of some

of the major employing ministries that whenever there are such disputes, discussions do take place between the Labour Ministry and the employing ministry and in all the cases, we have been able to resolve those disputes to the satisfaction of the parties concerned.

The Government, as a representative of the society, can legitimately claim to safeguard the interests of all sections of the society. There is nothing wrong indeed and that is the distinction one has to make between the public and the private sectors. For the public sector, Government as representative of the Society as a whole will have to see that they protect the reasonable and justifiable interest of all sections of the society in the context of the social objective that the Government has placed before itself. But so far as labour legislation is concerned, there is no discrimination between the public sector and the private sector. But, I would like to be very frank with the House that, in certain matters, public sectors certainly will have to be shown a special consideration in preference to the private sectors because, we have to expand the public sectors as far as possible. Though, to-day, the investment in the public sector is said to be nearly 58 per cent and 42 per cent in the private sector yet, I think, that investment in the private sector is really more than 42 per cent because there are large sectors about the investment in which no statistics or information is available. Therefore, that also is a matter for consideration for the workers of this country. The expansion of the public sector will create a condition in the society where, today or tomorrow, the workers can legitimately think of taking effective participation in industries.

So far as private sector is concerned, there also, we have begun the process of participation of the workers in management though the progress has not been very satisfactory. Only recently we had a conference of the managers and managing directors of all the undertakings under the Ministry of Mines and Metals—I attended that conference—with a view to emphasizing the necessity of enlightened labour relations in the government undertakings. I propose to have similar conferences of managers and managing directors of other public sector undertakings. I wish to emphasize the special importance of such meetings. I may inform the House that it was a pleasant surprise for me when I found some of the General Managers in charge of public sector undertakings expressing very progressive and enlightened views about labour relations. They themselves were proposing some welfare measures for the workers and were complaining that whenever the question of economy come, the first cut is applied to the welfare activities I say that it was a pleasant surprise to me that how, in the context of our social objectives, the General Managers and Managing Directors of government undertakings are becoming more and more aware of the importance of a happy and amicable relations with their boys, *i.e.*, the workers.

Regarding the question of wage boards, of course, it is an important thing for the workers, we have developed the pattern of wage boards where the representative of workers, employers and independent persons discuss and make recommendations. We have set up wage boards for quite a large number of industries. I was examining the time consumed by them. Some of the wage boards have taken quite a long time. I shall look into the matter as to how to expedite that.

A question was raised by my hon. friend Shri Mohammed Elias about the non-implementation of the interim award of the wage board for the engineering industry. I may inform the House that the opinions of the two sides were forwarded to Government without any opinion of the chairman himself. What we have done is that we have referred it to the chairman, and as soon as we receive his opinion, we shall take proper action on the recommendations.

Some hon. friends have raised the question of agricultural labour. That is one unfortunate section. Whether it is the landless labour or the small peasant, the lot of both is very difficult. With all the progress in our rural areas and all the facilities provided by Government through loans, assistance, community development projects etc. the benefits have been intercepted by the resourceful influential big cultivators and it has not been permitted to percolate to the smaller peasants, artisans and landless labourers.

We have the Minimum Wages Act. Some hon. Members had raised this question. I may inform them that when I got the Bill passed in 1948 it was mainly for agricultural labour; the Minimum Wages Act was passed mainly for that purpose. But this Act has had a very chequered career. In most of the States, minimum wages for agricultural labour had not been fixed for many years and the Labour Ministry has had to come to Parliament for extension of time year after year. The same has been the fate in most of the unorganised industries where minimum wages had been fixed once but a revision has not been made for years. I have no cut-and-dry remedy to suggest to improve the lot of the agricultural labour. Their fate is intertwined with the general prosperity in the rural areas and our progress towards the socialistic society.

There are certain professions in our society which are looked down upon, forgetting that the people engaged in them are engaged in productive labour, the produce of which sustains the society. As I have said, I have no cut-and-dry remedy for improving the lot of the agricultural labour. But one way will

be that if the leaders of the workers' movement take a little interest in agricultural labour also, if some organisations of theirs are formed, they will be able to exercise some pressure for the improvement of their conditions. As in industry, in agriculture it does not depend upon the capacity of the cultivator to pay; it is not that the capacity determines the wages in the rural areas. In the rural areas, the wages are conventional and traditional. Whether the man possesses 50 acre or 5 acre, the wages paid to him are more or less the same. There are several difficulties. But I am thinking over the matter, and my Ministry is also considering what special action is possible to do something tangible for the agricultural labour.

Along with them, we have a special kind of labour in this country, namely the scavenging labour, sweepers and scavengers. Shri Buta Singh and Shri Balmiki had pleaded their cause. I have been intimately connected with the scavengers of this country. For the last 30 or 35 years I have been devoting some of my attention to how we can improve their lot. There have been several enquiries into the various aspects of scavenging labour. Whether a wage board will be a reply to the various problems is something on which I have not been able to make up my mind. But, I am certainly thinking whether a study group or even a commission will be necessary to go into this problem.

I shall take a decision during the course of the next few days whether to have a study group or a commission itself. I think it was Dr. Melkote who had raised the question of a President's Commission.

It was a Royal Commission on Labour which some 35 years ago had gone into the question of labour in this country. I have been thinking ever since I took the responsibility of this Ministry, whether it has not been too long since we investigated in an overall and comprehensive manner the condition of labour in this country. I have not made up my mind but I am working on this line whether some comprehensive survey of the labour conditions in this country is not called for.

Then I come to the question of bonus about which some hon. friends have been exercised very much. The matter is very simple. In certain industries or in certain undertakings, bonus was being paid even before, and there was no statutory provision for that. What was done under the Bonus Act was that whether the undertaking made a profit or a loss, a minimum of 4 per cent bonus was to be paid to the employees in those undertakings, and then

again, a higher percentage of bonus dependent upon the prosperity of that undertaking, up to a maximum limit of 20 per cent was payable. What has been done is this. In many undertakings prior to the enforcement of the Bonus Act they were paying a higher percentage and this year a lower percentage was offered; that created difficulties. I think that in some industries we have been able to settle that amicably and wherever it has not been possible to find an amicable solution the matter has been referred to a Tribunal.

Another thing I might mention in this connection is that there was reluctance on the part of the employers—among a large number of employers—to implement this, because some of the provisions of the Bonus Act have been challenged in several High Courts and also in the Supreme Court. At present the Supreme Court is seized of the problem and the hearing is proceeding. That was perhaps another cause why many of the employers were reluctant to make the payment of the bonus; I may assure the House that I have been trying in my own way, apart from the Act, wherever possible to persuade the employers to see reason and offer a reasonable quantum of bonus to the workers, and at several places I should say that my endeavour has met with success. At this stage, when the whole matter is pending before the Supreme Court, the House will agree that it will not be discreet on my part to say much about it.

Then, as regards the question of employment, I will not give any figures because you all know everything about it has been supplied in our annual report. With the rate of growth of population, as I have just now indicated to you, I do not see any possibility in the very near future of our touching even the fringe of the unemployment problem. I am very frank about it.

It will require a higher rate of investment for solving unemployment problem. It will require a higher economic growth and it will require a self-reliant economy before one can dare say that he will solve the unemployment problem. Therefore, we have undertaken a large scale technical and vocational training programme and during the Fourth Plan we have provided one lakh of seats extra for this purpose. My endeavour will be to provide such type of training which will have ready market. There has been something wrong somewhere. On the one side we complain that there is a shortage of technical personnel, and on the other side I have found mechanical engineers, electrical engineers and chemical engineers seeking jobs for months together. We cannot think of immediately absorbing 100 per cent of all the technically trained staff. But there is something seriously wrong somewhere when we find that such technically and highly trained personnel like engineering graduates are searching for jobs for over two or three years. So far as our ITIs are concerned, I shall go into detail in such matters and see that we encourage only those

trades for which there is great demand and our training is so oriented that the industries will have the satisfaction of absorbing the trainees from the ITIs.

A point was raised about the compulsory recognition of Unions. I was responsible for that piece of amendment to the Trade Unions Act, when I was the Labour Minister some 14-15 years ago. This question was raised yesterday. To be very frank with the Members of this House, I have not applied my mind to this problem and therefore I am not in a position to give a categorical answer, as to whether I am going to undertake any amendment of the Trade Unions Act for compulsory recognition of Unions. But I am told that the code of discipline in industry which was formulated by Nandaji when he was the Labour Minister lays down also certain criteria for the compulsory recognition of trade unions. We have to see whether we can enforce this code of discipline equally to the workers and the employers. In a planned economy discipline is required from all sides. Discipline is required from the workers; discipline is equally required from the employers. Unless the various sectors of the society subject themselves to the overall discipline for the achievement of the new objective, discipline in only one sector of the society will not prove effective to achieve that objective. Discipline is required from the workers and discipline is also required from the employers. I think I have covered all the points raised.

Now, I would like to place before the House a few steps that I am going to take in the near future. I have set up one or two wage boards. There has been a demand for a wage board from the road transport workers. The transport industry is a growing industry and it is also a very important industry. It presents certain very difficult situations for the workers engaged in it. We have recently had a tripartite conference after which I have decided to set up immediately a wage board for the road transport industry. A similar situation is noticeable so far as the workers in electricity are concerned. I have decided to set up immediately a wage board for electricity workers.

There are several other sectors where legislations may be necessary. In our country legislation is required not only to regulate the relation between the employer and the employee but for other purposes also. I do not want to make it a secret that legislation is very necessary to protect the labour from exploitation, especially in various unorganised sectors of industry. I may assure the House that in course of time the Labour Ministry will be coming

forward with legislations, especially with a view to provide protection to the workers in the unorganised sectors of industry.

It was my good fortune to introduce the Provident Fund for the workers, both the Employees Provident Fund and the Coal mines Provident Fund. Since then the account of workers on register has increased very much. We have a proposal to have a pension scheme from the provident fund for those retiring. Details are being worked out. I hope to introduce it at the earliest possible opportunity.

One thing is exercising me very much. There have been some unscrupulous employers who take the workers' contribution and their own contribution, and they have not been able to pay it to the provident fund. The arrears are more than Rs. 4 crore. The workers suffer as a result. When we find that the contribution in respect of a particular worker has not been received and when the worker is retiring, what we have done is that out of the reserve fund, an amount equivalent to the worker's contribution is paid to him, even though neither the worker's contribution nor the employer's contribution has been received by the Provident Fund Commissioner.

As regards the Employees' State Insurance Scheme, nearly 30 lakh persons have been covered. I am now trying to see that the benefits provided to them, both medical and cash, are up to the standard and the workers have no ground for complaint.

I think I have reasonably covered all the points raised.

CHALLENGES OF COMMUNICATIONS
AND CIVIL AVIATION

DEVELOPMENT OF UTILITY SERVICES*[£]

I must congratulate the hon. members who have paid compliments to my Ministry for its efficient working. There have been some discordant notes and I shall take notice of them at the proper time. As has been rightly remarked, the Posts and Telegraphs (P.&T.) Department happens to be a Department which is said to be a commercial one, but it has actually to serve the purpose of a utility department. Herein lies its difficulty. Some hon. Members have raised the question of separate financial arrangements for it. They have said that its revenues should be separated from the general revenues, so that it may be in a position to create several types of funds for the development of the postal and telegraph services even in places where these might not prove self-supporting. That is a question with wide implications and I shall not proceed forthwith to give any categorical reply to it. It will have to be examined in detail in consultation with my hon. colleague, the Finance Minister.

Being a utility service, the P.&T. Department should see that there are, as there ought to be, postal facilities in every part of the country. In spite of the phenomenal developments that have taken place in regard to the opening of new post offices and telegraph offices, there exist in our country large tracts where these facilities are not available for miles together, and naturally there is greater demand for them. Every village wants a post office, and that demand is quite understandable. But, however much we might like to increase the number of post offices, certain obvious limitations come in our way. When I say "Obvious limitations", I do not refer only to financial limitations. There are physical limitations as well. There are vast areas where we have not as yet developed facilities even for the travelling of mail runners. Only the other day I examined why we have not been able to open extra-departmental post offices in certain areas of Orissa, and I found that those areas were infested with wild animals and no runner would undertake a hazardous journey through them. Therefore, it is not possible even if we are able to provide the necessary finance, to cover the villages in such areas. I do not want to quote elaborate figures. If hon. members would refer to the booklets which has been supplied to them concerning the activities of the P.&T.

* *L.S. Deb.*, 23 June 1952.

[£] Speaking as the Minister of Communications and Civil Aviation on General Budget-Demands for Grants for 1952-53 for the Ministry of Communications and Ministry of Civil Aviation.

Department, they will see how phenomenal has been the increase in the number of rural post offices. During the current year, we have a programme for covering all the remaining villages with a population of 2,000 and above, so that all of them will have post offices. If the obvious limitations to which I have referred can be overcome with the co-operation of the State Governments and the other concerned Ministries here, we may go a step further and cover villages with a population of less than 2,000.

This applies to telephone offices also. Some hon. members remarked that there are still district headquarters where no telephone exchanges exist. That is true. I think that at 46 district headquarters, we have not got telephone exchanges or public call offices as yet. But most of these district headquarters are in States which were previously known as the "Indian States" and which have joined the Union recently. Shri Raghbir Sahai referred to his own district in U.P. Perhaps his and one other district are the two districts in U.P. which have not got telephone exchanges as yet out of a very large number of districts in the Uttar Pradesh. I think during the course of the year we will make every possible effort to cover at least the district headquarters either with a regular telephone exchange or with public call offices.

Then points have been raised regarding the grievances of the workers or the employees in the Posts and telegraphs Department. When my hon. friend, Shri Vittal Rao was speaking on the subject, I was thinking that he would raise some important points; but he has not. He said something about the shortage of staff, and heavier workload consequent thereupon. He complained of the lack of accommodation; he went further and made some complaints of some broken pieces of furniture in some post offices in his part of the country. Had he referred to the Budget provision, perhaps he would not have raised these two questions, regarding the shortage of staff and the shortage of accommodation.

Accommodation is a very big problem—especially in a department which covers, at least tries to cover, every portion of the country treaded upon by any human being. Obviously there will be difficulty of accommodation.

Some of our post offices were constructed long long ago. Let us imagine the conditions of postal communications and the pressure on the post offices at that time. With the increase in literacy, with the development of industries, with the mobility of population, the pressure on our communication services has increased. Unfortunately, the expansion in accommodation has not kept pace with the increase in the pressure on the services. It is true, and I must frankly admit, that I myself feel that unless we provide proper accommodation in our offices, efficiency to a great extent will suffer. But at the same time, when I examine it, I find that it is a colossal problem. For the last so many years—in some cases for the last one hundred years—the accommodation

has continued to be the same though it should have expanded. So, we are trying to make liberal provision in the Budget; though, I must admit that it is only a fraction of our requirements at the present moment.

The same applies to workers' housing. We have a very large number of employees to whom we have not been able to provide residential accommodation, though we have made some provision for it in the Budget. But I have no hesitation in admitting—and admitting very frankly—that it will meet only a fraction of our present demands. We have a developmental scheme for the next five years and I will try my best to expand office accommodation and to provide greater and greater residential accommodation to our employees.

.....I frankly admit that whatever we are providing is only going to meet a fraction of our requirements. We know our responsibility. We know that we have not only to make promises, but that we have to implement them. I know the difficulties of our staff and our employees. I know of offices where there is so little of accommodation that there is not space enough for the employees to move about. That condition has to be improved. It will take time in spite of our best efforts.

Regarding shortage of staff, I may assure the House that in our own interest, in the interest of the efficiency of the Department, we will have to provide an adequate number of staff. Regarding the report of the Expert Committee, two hon. members have made a grievance and rightly so, I think. But I may inform the House that the report of the Expert Committee has been examined and those portions of it which did not entail any financial liability have been implemented. The other portions of the Expert Committee's report have also been examined by the Department and are under the consideration of the Government and I may assure the House that I am going to reach a decision at a very early date.

Regarding Hindi telegrams, I myself attach great importance to that. From the information that I have collected regarding introduction of facilities at telegraph offices for Hindi telegrams, I find that the result has not been very encouraging. We have made provision at a number of places for the despatch of telegrams in Hindi. The charges have been liberalised, but still the response from the public has not been very encouraging I may assure the House that I will do my best to encourage the use of Hindi in telegraph offices more and more.....

The Charges are calculated on the same basis as in English....

We are not charging for prepositions. We are charging on the same basis as, in the case of English—one *anna* for one word.

...I do not think there is any possibility of reduction in the charges, though we may liberalise the facilities provided in respect of these telegrams.

I think these are the points which were raised regarding the Posts and Telegraphs Department. I may add one or two things. Something was said about the uniforms—late supply of uniforms, winter uniforms being supplied during summer and summer uniforms during winter, and the uniforms not fitting quite well on the persons for whom they are meant. I do not know how far this criticism about late supply is justified. But I have myself been examining whether we can further decentralise the making of these uniforms so that they can be supplied more in time and also they may be more suitable. I am still examining that question. I cannot say more at this stage.

As regards a number of grievances of the employees, I may here declare that it will always be my earnest endeavour to secure all possible facilities and amenities for the employees in the Department. I have got before me some figures of the amenities that we are providing for the employees in the Posts and Telegraphs Department and also of the amount that we are spending on those amenities. I do not want to quote those figures. I myself feel that those figures should increase several fold. We have a number of canteens. I am not quoting the figures because those figures are available in the booklet that we have supplied. I myself feel that we can increase the number of canteens. We can increase the number of co-operative societies among the Postmen so that my friend Shri Ram Das will not have the opportunity to complain about the late supply of uniforms. We may very well hand over this work to the co-operative of the Postmen themselves. But it will take time.

Today when I find the multiplicity of trade unions among the postal and telegraph employees I am perturbed, not because I have to deal with so many trade unions but because there is so much of rivalry among the trade unions, one demand of one trade union being contradicted by another demand of another trade union. So in their own interests it will be better if some sort of alignment is sought among themselves so that they can strengthen their unions, increase their membership and speak with a more united voice when they have to put forth any grievances or demands before the Government. And that will help some constructive activity among themselves as well. Enlightened as they are, the postal and telegraph unions should consider this seriously whether it should be their only function to ventilate

the grievances of the employees or they should engage themselves in some constructive activities, which will better the condition of their employees in other respects. And that will be possible only if the number of trade unions is reduced and if there is no multiplicity of trade unions competing with one another, putting forward demands only with a view to placating the workers and increasing their membership and not functioning purely on trade union lines. So I am making this suggestion in all earnestness.

My friend, Shri B. Das has remarked that from labour I have become an employer. Rightly so. That is our objective: we have to lift the worker from his present position to the position of an employer.

Of course in the present context, as an employer it is always advantageous to have a large number of unions and rival unions in one's undertaking. So, if I have to function purely as an employer I would welcome a multiplicity of unions in my undertaking, and that would facilitate my work by setting one union against the other. But I do not want that. I want a genuine trade union to develop among the employees in the Posts and Telegraphs Department, and therefore, I make this suggestion in all earnestness, let the union leaders who are organizing trade unions of the employees of the Posts and Telegraphs Department think seriously whether it is not in their interest to have a smaller number of unions, either on a functional or regional basis, which will have a larger number of employees as their members thereby adding to their strength. So much as far as Posts and Telegraphs are concerned.

Now I will have to deal with Civil Aviation and in that connection I will have to take notice of my friend Shri Jaipal Singh. Shri Jaipal Singh happens to be the President of the Delhi Flying Club. He was bitter in his remarks. I shall not reply to him in that way. But I know the cause of his bitterness. Unfortunately, he happens to be the President of a Flying Club situated in an area which was known as 'Centrally Administered Area' till a few months back. His sense of frustration is largely due to the fact that he is the President of a Flying Club situated at Delhi where no subsidy or grant is available from the Delhi Government.

He* has attacked the policy and the direction of the Civil Aviation Department. He has said that since the appointment of a non-technical Director the work of the Civil Aviation Department has deteriorated and that there has been a larger incidence of accidents during that time. He has gone a step further. I was thinking that he was speaking with a sense of responsibility, but he has laid the blame for all the accidents at the door of the Civil Aviation Department. I was listening to him with all my attention and I was waiting

* Hon'ble Member, Shri Jaipal Singh.

to see whether he was going to give any instances of any slackness, any fault, any mistake on the part of the Civil Aviation Directorate which could be directly connected with any of the accidents that have occurred during the recent times. But I failed. He has not given any.

Except mentioning that the Directorate has been responsible he has not given any instance which could in any way, directly or indirectly, be linked with any of the accidents.

Not only that. These accidents were inquired into not by officers of the Ministry only. The recent accident at Delhi was inquired into by an hon. Judge of the Supreme Court of India, and what are his findings? Has he anywhere in the report of the inquiry said that this accident has taken place due to any laxity, due to any fault, due to any mistake on the part of the Ministry or the Directorate concerned? It is not that. I am very sorry and any human being will be sorry for the quick succession of accidents in recent times. One cannot have the consolation by comparing them with similar cycles of accidents in more advanced countries. One cannot remove the psychological apprehension by comparing them with the figures of accidents in U.K. or the U.S.A. Though I have got the figures with me, I am not going to quote them. I can quote that there are cycles of accidents in the life of certain airlines and for which it is very difficult to attribute a rational cause and that may be adduced in the case of these accidents as well. But I am not going to do that. Unfortunately, those pilots who were flying those planes are no more. Any person who holds an inquiry into the causes of the accidents has to proceed on circumstantial evidence and inferences. Nothing more than that. What was the actual cause of the accident, nobody is in a position to say. Even in the recent inquiry, the report of the hon. Judge of the Supreme Court is very cautious, though he has tried to find certain causes for that. Not only out of modesty, because of the fact that he had not much of a reliable data before him, he has not finally or conclusively said that this is the one or the other cause for this accident. Ultimately, we come to that side where human frailty is concerned. I have been very closely examining whether there was any factor which can be directly connected with our Civil Aviation Director or which can be directly connected with the management or inexperience or insufficient number of flying hours or fatigue of the pilots or any defect on the part of the management of the Company. I have made a very thorough and searching scrutiny of the qualifications of the pilots. I am not in a position today to directly connect these accidents with any laxity on the part of my Directorate or on the part of the Company. Unfortunately, these accidents have taken place and we have to take all possible precautions to guard against future accidents. That I am going to do.

As regards the Flying Clubs, I must say a few words. The Flying Clubs were started with a view to encourage a love for flying among the citizens and we have been encouraging that. I do not want to go into the details. That is also to be found in the booklet circulated. We have also answered on several occasions on what basis we give grants and subsidies to the Flying Clubs. In other States the Flying clubs have received subsidy and grants from the Central Government as well as the State Government. Delhi, unfortunately, having been situated in a Centrally Administered Area, could receive subsidy and grant only from the Central Government and not from the State Government and that of course, landed the President and members of the Delhi Flying Club in some financial difficulty. We have been liberal to them and whenever they have approached us, we have given them extra subsidy and extra grant for the last three years. Even this year we have been approached, and of course, I will sympathetically and favourably consider that request. But I must tell my friend, Shri Jaipal Singh that the policy of the Flying Clubs as regards turning out or producing commercial pilots and Class A Pilots has been without any objective. As the subsidy is linked to some extent with the flying hours of these trainees, efforts have been made by some flying clubs to increase the number of trainees by assuring them that as soon as they get their licence they will get a job of Rs. 800, or 900 or 1,000 per month, with the result that a number of pilots have been produced and this bears no relation to our requirements, to the requirements of the various Air Companies in this country and today if we find that a large number of pilots are unemployed, the Flying Clubs are more responsible than anybody else. I have got figures before me and I do not want to quote them here. I know that whereas the training centre started at Allahabad by Government has produced half a dozen or so pilots, the Flying Clubs have produced 196 in one year and this bears no relation to our requirements. I do not want to say anything at this stage. I have been very seriously examining the question of these Flying Clubs and the training of pilots by them. I want to have a rational basis for the training of pilots which will be related to our requirements, so that unemployment may not be caused among a class of the middle class people who spend every possible asset with them in order to secure the licence after a costly training. As the whole question of Flying Clubs has been referred to a Committee on which are represented some veteran supporters of Flying Clubs, who want full autonomy and freedom to the Flying Clubs without the slightest degree of control from Government, I leave the matter to that Committee. I will come to certain decisions only after the report of that Committee has been received.

I want to say only one point. Our Director General of Civil Aviation is a non-technical man, no doubt. This is not the only country where the Director General of Civil Aviation is a non-technical man. In other countries also they have non-technical men. In U.K. and U.S.A., the Director General is a

non-technical man. It is purely an administrative work and if you give technical advisers to the Director General, there is no cause to feel that a non-technical Director General will not be able to discharge his responsibilities. For every technical department you cannot have only a technical man as its head where most of his work is concerned with administration.

In the matter of Civil Aviation and Flying Clubs, we have got a definite policy namely to encourage Civil Aviation. Shri Jaipal Singh suggested that Civil Aviation should be given to the Defence Ministry and that there is constant friction between the two Ministries. In the first instance, I repudiate that insinuation, that there is any friction between the two Ministries. We have developed a machinery to ensure the fullest possible co-operation between the two Departments. Shri Jaipal Singh will agree that if you want to develop Civil Aviation in this country properly, if you want to develop Civil Aviation in the country as a second line of defence, as a means of communication in cases of emergency, internal or external, you will have to develop it on its own lines, as has been done in other countries.

As regards Flying Clubs, I will not say anything more than what I have said. As regards Curtis Commandos, in the first place, it does not concern the Ministry of Communications. They are with the Ministry of Works, Housing and Supply at present. With a view to dispose of these Curtis Commandos, they have already advertised again. There is a past history which I need not go into now. Perhaps Shri Jaipal Singh knows how they were disposed of, and how the man backed out. Now, again, they have been advertised and they will be disposed of. At least, my Ministry is not concerned with it.

AIR CORPORATIONS BILL, 1953*[£]

I beg to move:

“That the Bill to provide for the establishment of Air Corporations, to facilitate the acquisition by the Air Corporations of undertakings belonging to certain existing air companies and generally to make further and better provisions for the operation of air transport services, be referred to a Select Committee consisting of Pandit Thakur Das Bhargava, Shri N. Somana, Shri N.P. Nathwani, Pandit Munishwar Dutt Upadhyay, Shri Venkatesh Narayan Tivary, Shri C.D. Pande, Shri Mathura Prasad Mishra, Shri Banarsi Prasad Jhunjhunwala, Shri Satis Chandra Samanta, Shri Rohini Kumar Chaudhuri, Shri Ghamandi Lal Bansal, Sardar Amar Singh Saigal, Shri Yeshwantrao Martandrao Mukne, Shri M. Muthukrishnan, Shri T.N. Viswanatha Reddy, Shri C.P. Matthen, Shri H. Siddananjappa, Shri Pannalal R. Kaushik, Shri Nityanand Kanungo, Shri Vaijnath Mahodaya, Shri V. B. Gandhi, Shri Shivram Rango Rane, Shri Jaipal Singh, Shri K. Ananda Nambiar, Dr. Syama Prasad Mookerjee, Shri Girraj Saran Singh, Shri Rayasam Seshagiri Rao, Shri M.S. Gurupadaswamy, Shri K.A. Damodara Menon, Sardar Hukam Singh, Shri S.V.L. Narasimhan, Shri Radha Raman, Shri Raj Bahadur and the Mover, with instructions to report by the 30 April, 1953.”

I shall begin by giving a brief history of the development of commercial air transport in this country. The credit of taking the first really effective step to bring this youngest form of transport to India goes, as in the case of several other key enterprises, to the house of Tata. In 1932, Tata Sons organised the first Indian Air Service between Bombay and Madras. This was gradually extended to Karachi in the North and Colombo in the South. In 1933, Indian National Airways was established by another enterprising industrialist (of the time) to operate an air service between Karachi and Lahore. These services were operated with light single-engined aircraft and were almost exclusively engaged in the carriage of mail. They relied for their financial support on payments made by Government for the carriage of mail. The Government of India, through the Civil Aviation of India, through the Civil Aviation

* *L.S. Deb.*, 20 April 1953 [Shri Jagjivan Ram as the Minister of Communications also replied to the points raised by Members on 21 April and 6-8 May 1953].

[£] The Bill became the Air Corporation Act, 1953 (27 of 1953) on 28 May 1953.

Department, provided the ground organisation, which, according to the present standards, was rudimentary.

The first significant spurt of development came when what was known as the Empire Air-Mail Scheme was introduced. Under this scheme, all first-class mail between the British Commonwealth countries were to be carried by air. This involved the strengthening of the two feeder services in India, *viz.*, Colombo-Karachi and Lahore-Karachi. New contracts were entered into with Tata Sons and Indian National Airways for this purpose. These provided for payment of financial assistance on a larger scale which included a margin of subsidy to enable the companies to operate these services with bigger aircraft and to greater frequencies. This gave them the first opportunity to so organise their services as to attract passenger and freight traffic in some significant measure. Between 1937 and 1939, a third company, Air Services of India, came into the field and operated short-haul services in the Kathiawar area. Theirs was a bold experiment to attract traffic by offering substantially low fares. They, however, could not keep it up and had to cease operations in the absence of direct Government assistance.

When the World War broke out in 1939, it could be said that the two pioneering companies had made slow but steady progress. The war drastically altered the situation. All civil air transport had to subserve the war effort. The two companies were required to operate services in support of the Air Force Transport Command. Their fleet of aircrafts was strengthened by the loan to them of lease-land aircraft. The payment for services rendered on a 'cost plus' basis helped the companies on the financial side. The result of this was that at the end of the war, there were air services in India operated with advanced types of aircraft on a daily frequency basis linking most of the important administrative centres. Above all both Tata Airlines and Indian National Airways emerged with a strong financial position.

One important result of the war was that Aerodromes and air-fields had been constructed at a very large number of places, though not all of them served centres of traffic potential from the civil air transport point of view. Equally important result was that the advantages of air transport had been prominently brought to the attention of the public in India. Developments in the technique of flying and radio communications had made flying very much safer than was the case in the past. The Government had anticipated that after the end of the war there would be rapid expansion of commercial air transport. In order to regulate and control such development so as to ensure that it proceeded along healthy lines, legislation was enacted that no air transport service might be operated except under a licence. An Air Transport Licensing Board was set up with power to license scheduled air services. Government also drew up what were called "post-war plans" for

the development of Civil Aviation. These provided for the strengthening of the Civil Aviation Department, provision of extensive ground organisation in the shape of well-equipped air-fields, communication services, etc. Particular attention was given to the lines on which development of scheduled air transport, both in the internal and the external fields, should take place.

Thus when the war ended, the position was that flying had been firmly established as a safe, efficient and comfortable means of transport. The trend of traffic, both passengers and freight, was steeply rising. In regard to equipment, the surplus stocks made available included a large number of twin-engined Dakota type aircraft which had proved their worth as most reliable machines. Coming from Disposals, they were available at astonishingly low prices. In this general optimistic atmosphere, a number of airline companies were formed which acquired these aircraft and applied to the Air Transport Licensing Board for licences for operation of air service. The Board did considerable weeding out amongst the applicants and eventually gave licences to ten or eleven companies. Traffic continued to rise, but costs also rose. Petrol prices were going up progressively. Though operationally the airlines were doing a good job of work, the Government of India saw that all was not well from the financial point of view. One or two companies had been forced to go into liquidation. Air companies were requesting for governmental assistance and the Government also felt that some assistance from them was necessary. Accordingly Government adopted a scheme of financial aid in the shape of rebate of a portion of the duty on the petrol consumed by the airlines. At the same time, they set up a Committee under the Chairmanship of Justice Rajadhyaksha to investigate into the working of the airlines and make recommendations to Government as to the measures to be taken to put the air transport industry on a stable basis and to ensure that future development took place on healthy lines. As the House is aware, the Committee investigated the matter thoroughly. Their main conclusion was that the number of operating units in the country was much greater than that required to conduct the volume of air transport available on an economic basis. They also found the costs of most of the companies excessive. They worked out certain "Standard costs" of operations to which, they suggested, the airlines should gradually bring down their costs. Subject to such reduction of costs and some reorganisation which they outlined, the Committee suggested that the system of operation of airlines by private enterprise should be allowed to continue. They also recommended that after the end of 1952 there should not be any need for Government continuing to give financial assistance to the air companies in any shape.

During the two years and more since the Air Transport Inquiry Committee reported, the financial position of the companies has not improved. On the other hand, I cannot help feeling that the position of the industry as a whole

has worsened. One of the chief reasons is the rising cost of petrol. Over a large sector of the industry, costs still remain high. It is clear that if the companies are to continue to exist, financial assistance from Government will have not only to continue but to be increased. Otherwise, sooner or later, many of the companies would be forced to wind up. Civil air transport, besides being an important means of communication, serves the very vital function of subserving the country's defence needs in emergencies. It is of great help for the maintenance of law and order and also for the supply of goods and services in case of natural calamities. Government, therefore, are very deeply interested in seeing that the air transport industry works on a stable and healthy basis. They cannot stand by without taking notice of a situation which, it is obvious, cannot continue for long. They had to consider how best to remedy or improve the situation.

There is then the question of future development also. The Air Transport Inquiry Committee had considered the question of the airlines re-equipping themselves with more modern aircraft. No suitable new aircraft had however come into the market at that time. The Committee accordingly said that the companies and the Government should keep a watch on the development of new types of aircraft so that they might be in a position to take appropriate decision when the time was ripe. During the last year, more than one new type of aircraft suitable for the operation of internal services has come into the market. I know that there is a school of thought which says that we should continue with the Dakota type of aircraft as long as possible, till we produce in this country our own transport aircraft to replace it, say in the Hindustan Aircraft factory. There is, of course, no question that every effort should be made to develop a suitable design for a medium transport in India; but this is a long process and may take several years; it is not easy to say precisely how many. Meanwhile, it is not wise that our civil air transport operations should continue with types which are regarded as old. In any case, if the Indian airlines are to maintain their position on the semi-international routes such as Karachi-Bombay-Ceylon, Calcutta-Rangoon, etc., they should operate with types of aircraft which can compete on an equal footing with the aircraft of the other international lines. Otherwise, the Indian lines will rapidly lose their customers. Likewise, the more important internal routes such as Bombay-Calcutta, Bombay-Delhi, Delhi-Calcutta, Delhi-Madras etc., should be operated with more modern aircraft. Decision in this matter should be taken well in advance because it takes considerable time before the manufacturers can supply aircraft even after orders have been placed with them.

It is also obvious that India should keep abreast of other advanced countries in this matter. In the rapidly developing field of air transport, if we do not keep in step, it will be very difficult to catch up later. It is thus

necessary from this point of view that we should acquire more modern types of aircraft so that we could train our personnel to handle them both in the air and on the ground, and maintain their technical capacity at a reasonably good level.

These modern aircrafts will be bigger and faster, and will, therefore, inevitably be very much more expensive than the Disposals Dakotas. The operating companies, in their present financial position, are not in a position to raise the funds required for the purchase of these aircrafts. They made it clear that Government would have to help them in this matter by making available to them the major portion of the extra money required as a loan at a nominal rate of interest. Besides we will have to keep the future development of the air transport industry in view. If the present companies are not in a position to replace their aircraft without help from the Government, it will be hazardous to presume that in future they will be able to do so. Whenever capital expenditure of any appreciable magnitude will be required, they will approach the Government for further loans. It is doubtful whether with the existing economy of the Air companies, most of them will be able to repay the loans advanced to them.

As I said, the new aircraft would be much bigger and faster. Their operation on an economic basis would require that their utilisation is much more intensive than is the case with the Dakotas and Vikings now being operated by the companies. Such higher utilization would be possible only if the present large number of operating units were very substantially reduced, so that compact and unified route patterns could be developed. Such reduction in the number of operating units would also lead to significant savings in the shape of lower reserves. Substantial savings would also be possible by reorganization and rationalisation of the administrative set up, traffic arrangements, workshops facilities etc., and by cutting out duplicate establishments. The Air Transport Inquiry Committee estimated that if in the place of the 8 or 9 operating units, there were only a single unit operating all the service, the saving would be of the order of about 8 per cent on the existing cost.

All this lead to this conclusion—that the future development of civil air transport and its operation without a heavy burden on the national exchequer require that the air transport industry should be reorganised in such a way that the number of the operating units is reduced to the absolute minimum. We gave careful thought to how best to bring this about. Voluntary mergers were suggested to the airlines. There was little response. There were obvious difficulties which I fully appreciate. It was clear that active initiative in this should be taken by Government. It is clear that if some airlines are to disappear, it is going to be an extremely difficult matter to decide which

should go and which should continue. There is also the over-riding national interest. Taking all this into account, Government came to the conclusion that the new units of operation should be owned by the State, more so when the State has to find the money required for replacement of aircrafts and also for future development of the industry. This will require that the undertakings of the existing air companies should be acquired by the Government and entrusted to the new units for operation.

I shall here briefly recount the advantages of operation by a unified organisation:

- (a) The available resources in equipment, workshop capacity, technical personnel etc., could be used to the maximum advantage.
- (b) From the point of view of Defence requirements, operation of all air services by a State organization would obviously be the most desirable arrangement as, in an emergency, it would be easier to make arrangements for meeting the requirements of the Defence Services than it would be if the operation of the services were in the hands of private airlines.
- (c) There is the important factor that air transport is a public utility and ought to be developed in the national interest unhampered by the paramount necessity of making a profit, which would be the overriding consideration in private enterprise.
- (d) A State organisation would also be able to plan the future of the industry in a more comprehensive way. Rapid developments are taking place in the technique of civil air transport and only a State organisation would be large enough and have the resources to take full advantage of such technical developments.

We found that the acquisition of the undertakings of the existing air companies could be secured only by enacting legislation in Parliament. The Bill which is now before the House embodies Government's proposals on the matter. I had extensive discussions with the representatives of the companies on the method of taking over their undertakings and on the principles of the compensation to be paid to them. I think I can fairly claim that there is good measure of agreement over a very large area of the provisions included in the Bill.

You will observe that the Bill provides for the setting up of two Corporations, one for the operation of long distance international air services and the other for domestic air services and for services to neighbouring countries, such as Pakistan, Ceylon, Burma etc. It could be argued that there need be only one Corporation for operating all services, international as well

as internal. We very carefully considered the pros and cons of this matter. It is universally admitted that Air-India International which is the company now operating our international services to the West, has established an enviable reputation. We felt that the good-will and traffic which had been built up by Air-India International were likely to be somewhat affected if there were a change in its name. A change in name would also necessitate immediate revision of the various contracts which had been entered into by Air-India International in foreign countries in most cases with private parties. This might lead to complications of various kinds and prolonged negotiations. A separate Corporation bearing the same name, *viz.*, Air-India International, would get over these difficulties.

There is another point. The proposed scheme envisages the unification of the different operating units in the internal field. This will involve large-scale reorganisation and readjustments. Many problems would arise in relation to standardisation of the terms and conditions of service of staff etc. A separate Corporation for international services would have the very important advantage of ensuring that the international operations and arrangements are not dislocated by these problems of reorganisation in the Internal field. Finally, the economy which is likely to be effected by having only one Corporation instead of two is not considered to be so high as to out-weight the possibility of the high reputation built up by Air-India International being affected.

In order to ensure a smooth changeover without dislocating the existing services, it is proposed that the two new Corporations should take over the undertakings of the existing companies as going concerns. The undertakings so transferred would comprise the properties of the air companies as well as their liabilities. All personnel of the air companies who were in service on the 30 June 1952, would be transferred to the two Corporations on their existing terms of service. *Bona fide* employees after that date, may also be transferred to the service of the Corporations. The Corporations will afterwards frame rules for regulating the service conditions of their employees and will make such adjustment as may be necessary in view of integration and rationalisation.

The question of the compensation to be paid to the companies for their undertakings was the subject of the most careful consideration by Government. As I stated earlier, I had more than one discussion with the representatives of the air companies. There were two broad alternatives before us. One method was to acquire the undertakings of the companies and pay them compensation calculated on the average market value of the shares of the company concerned quoted in the open market during the past few years. The other was that compensation should be paid on the basis of the valuation of the assets of each company making allowance for their liabilities. After considering fully

every aspect of each method, we decided in favour of the latter. The main arguments which weighed with us in not adopting the first method are these:

- (1) The market value of the shares of the air companies had been unduly low during the last few years. This was, doubtless, due to the lean years through which they had been passing and the poor prospects of any dividend being declared in the near future. The market prices of shares, did not, therefore, correctly reflect the value of the assets held by the companies. Thus, compensation paid on that basis would not be fair to them.
- (2) The shares of some of the companies have never been quoted in the share market. It would, therefore, not be possible to decide what the average market price of the shares of such companies is.
- (3) In some companies, there are preference shares, besides ordinary shares. Such preference shares have not been quoted in the market. It will be difficult to determine the price of these preference shares as they have the first claim on the assets of the company to the extent of their full face value.

The method of valuation on the basis of market prices of shares, therefore, involved complications and we did not consider it a good method to adopt in the case of Air Companies. We preferred the second method of paying compensation on the basis of valuation of assets, making allowances for liabilities.

In working out this method, a number of problems arose, in view of the special nature of some of the assets involved, *viz.*, aircraft engines. The general principles that has been proposed in the Bill for the valuation of assets is that it should be based on the cost which a company incurred when it acquired a particular asset and deducting therefrom depreciation, based mainly on the provisions contained in the Income-Tax Act. In the case of aircraft deduction for depreciation at the full rate, provided in the Income-Tax Act, was found to result in an exceedingly low figure of compensation. This is mainly because the rate of depreciation for aircraft prescribed in the Income-Tax Act is comparatively high. Aircraft, I said, are special category of property. This is because they are renewed practically completely, say, every year, under the system of Certificate of Air worthiness. They are thus different from other kinds of property, such as machinery, equipment, etc. The Bill, therefore, proposes that the rate of depreciation for aircraft should be not the full Income-Tax rate, but a percentage of that rate. We have proposed that in the case of Dakotas and Vikings, it should be 60 per cent. of the Income-Tax rate. In the case of the four-engined Constellations and Skymasters, the elements of obsolescence is much less. The rate of depreciation has, therefore, been put at 50 per cent of the Income-Tax rate. In respect of all other properties, the

rate of depreciation would be the same as allowable under the Income-Tax Act. There would however, be a few exceptions, such as cash and investments in other undertakings. The Schedule to the Bill details the principles of compensation to be paid to the companies.

The Bill provides that Government will negotiate with each operating company in order to arrive at an agreed figure of compensation on the basis of the principles embodied in the Schedule. In order to resolve differences between the Corporation and any Air Company regarding the amount of compensation provision is made for the setting up of a Tribunal. The Tribunal will consist of three persons, one of whom will be a High Court Judge.

Of the compensation amount, a proportion is to be paid in cash. The remaining part of the compensation would be given in the form of bonds to be issued by the Corporation concerned. These bonds would bear interest at the rate of 3.5 per annum, and the value of the bonds and the payment of interest would be guaranteed by Government. The bonds would be negotiable in the market. Government would undertake to pay the value of the bonds to the holder in cash after five years from the date of taking over of the undertakings, provided such payment is demanded by him within six months of the expiry of this period of five years. If he makes no such demand, payment will be made only at such time as Government may decide.

Each of the two Corporations would consist of a Chairman and not less than four and not more than eight members. The Chairman and the members would be appointed by Government. Provision is made in the Bill permitting common Chairman and common members for both the Corporations. Provision has also been made giving power to Government to issue directions to the Corporations in the national interest. The Corporations would have to submit to Government in advance their annual programme of operations, with financial estimates. Their accounts would be subject to audit by arrangements made by the Comptroller and Auditor-General. The accounts and the report of the Comptroller and Auditor-General thereon would be placed by Government before both Houses of Parliament.

The Bill includes provision for setting up an Air Transport Council in order to achieve co-ordination in common fields of activities between the two Corporations and to resolve any differences between them. The Council will be an Advisory Body, and will also consider all matters referred to it by Government, such as fares and freight rates, charges for carriage of man, adequacy and efficiency of the services, etc.

It also provides for the setting up of an Advisory Committee for each Corporation, on which the idea is to give representation to the users of the

service with a view to suggest improvement and provide facilities for the passengers.

An important feature provided in the Bill is the establishment in each Corporation, of Labour Relations Committee, on which representatives of Corporation and its employees will be represented in equal number. The main functions of the Committee will be to maintain good relation and also give opportunity to the employees to tender advice not only in matters connected with labour relations but in other matters also such as efficiency, economy etc.

When the Corporations are formed and have taken over the undertakings of the existing air companies, the operation of scheduled air transport services will become their monopoly. In other words, it will not be lawful for any other body or person to engage in scheduled air transport. Our idea is that the two Corporations should function as public utilities and also essentially as business concerns. I see no inconsistency in this. As I stated on another occasion, in regard to a different field of activity, a public utility can be so worked as not to be a burden on the tax-payer. In other words, it should pay its own way.

I shall now sum up. I must acknowledge that the operating companies have done a good job of work. From the purely operational point of view, their record is good. Any country could be proud of the performance of some of our Air Companies. The air Transport Inquiry Committee recognised this. They, at the same time, prominently brought to attention the serious weaknesses on the economic side. During the last two years, there has not been much encouraging sign of improvement. Not only has the air transport industry to maintain its present scale of operations on a reasonably economic basis, it has to plan for future development and implement such plans. It is clear that in regard to both these aspects, the air transport industry as it is at present organised will not be able to show results. Government have put forward their proposals which are embodied in the Bill before the House. I am firmly of the view that they would secure our objectives both immediate in the matter of putting the industry on its feet and long-term, *viz.* development and expansion.

As in all such cases the full success of the scheme depends on the whole-hearted co-operation of all concerned and their readiness to subordinate personal and private considerations to national progress most particularly the co-operation of the employees in all the grades. Among the employees in the existing Air Companies, we have got brilliant men, who in their technical skill and performance can hold their own in comparison to the same category of personnel from any other country. This applies equally to our pilots,

engineers and all other technical staff who function either in the air or on the ground. I have met representatives of the employees on more than one occasion and have held very frank discussion with them on the question of nationalisation. They have enthusiastically welcomed the proposal. As a matter of fact, the enthusiasm and patriotic zeal shown by them have encouraged me in my resolve to expedite the nationalisation of Air Transport Industry. Our pilots, our engineers, our communication officers and the officers and staff of the administrative traffic side have impressed me as persons imbued with that sense of duty, that spirit of service and patriotism which our country demands from every citizen in the present stage of her development. They have assured me of their sincere co-operation in making the venture a great success, in improving its efficiency and economy. I value this co-operation. I have no doubt such co-operation will be forthcoming to the fullest extent. I have no doubt also that commercial air transport in India can look forward to a very bright future.

With these words, Sir, I commend my motion.

It gave me great pleasure to see* that the Bill has been welcomed from all sides of the House. If there have been some discordant notes here and there, that was also I presume with a view to see that when we assume this responsibility, we discharge it properly. It is rather too late in the day to discuss why this industry should be nationalised. Even those hon. Members who have agreed that the industry should be nationalised have posed a question whether this is the opportune time for its nationalisation or not or whether it deserves the priority which is given in comparison with the other pressing needs of the country. One hon. friend went to the extent of saying that because it is a losing industry, because the Government knows it is a losing industry, it should not be nationalised. That argument might apply to that type of industry which might be engaged in producing some unimportant kind of consumer goods. But, we cannot apply it to this industry. It is not an industry which we can see as a silent spectator losing day by day and ultimately going to the dogs. It is not to be looked at from the point of view that this service provides some luxury to the aristocratic classes of the country, but it has to be looked from this angle as well that it is a service which has got to be maintained in the interests of the defences of the country, in the interests of the maintenance of law and order in the country, in the interests of supply of goods and services in cases of emergency and natural calamities.

* Reply to the points raised by Members on 21 April 1953.

Then, I have not looked at my hon. friend, Seth Govind Das as yet. He refers to a question of priority. I will look at that and take notice of him a little later.

It is very difficult, human nature as it is, to break away from a *status quo*. And whenever any proposal comes, which wants to break away from the *status quo*, persons who are advanced in life, persons who are advanced in their way of thinking, persons who have formed some sort of set ideas, it is very difficult for them willingly to fall in line with the change.

So, one question that has been raised is about priority: whether this is the opportune time. Another question is: why should we take over a losing concern? Now, as regards the question of the opportune time, would my hon. friends wait for some time and see that we liquidate the air services and the air transport in our country, and then, once again start from scratch and invest more money? I do not think that would be the wiser course. This is the most opportune time when we have to replace our aircraft. At least we have to place the order for the replacement of these aircraft. We have to take a quick decision in this matter. We are not manufacturing our own aircraft in this country. That will be a happy day indeed for our country when we will manufacture our own aircraft. But that will take some time. The condition in the world today is such that even if we place the order today, it takes years before we get the aircraft. So, we have to take a quick decision. There is no question of priority here, and if hon. Members will devote a little of their attention, they will agree that it cannot brook any further delay and this industry has to be nationalised immediately.

I was rather amazed when friends from that side asked: why not have complete nationalisation? Perhaps, they have been accustomed to slogans only. I do not know whether they know what nationalisation is, or not. If this is not nationalisation, then what is nationalisation? Is only a slogan nationalisation? I do not know what nationalisation is if this is not nationalisation. Where is the private interest in it? If my hon. friend will be a little patient, which he is not usually, he will see the point. What is the difference? Where is the private interest in it? Are we going to allow any private individuals to subscribe to the capital of this Corporation or Undertaking? Is the capital not entirely subscribed by Government? If we take any non-official in the Corporation, has he got any interest in the profit or loss of the industry? I am afraid my hon. friends have not cared to go through the Bill. They have been carried away by the slogan of nationalisation that they always raise. If this is not nationalisation then I say that they have not understood what nationalisation means, and I would request them in all

humility and earnestness to try to understand whether this is nationalisation or not. I do not want to labour this point any more.

Now, I come to this question: why a Corporation? What is the harm if there is not a Corporation? That is the question posed. They say: why not run it just like the Railway Board? Or, why not run it departmentally? Why not put the Secretary of the Communications Ministry in charge of this undertaking?

As I pointed out earlier, during my opening speech on this Bill, there are certain advantages in managing these undertakings through Corporations. We have been progressively assuming responsibilities of several undertakings, and we have been following two patterns—either managing them departmentally or through limited companies. We have found certain difficulties, in both of them. Now we are trying to develop a pattern for the management of all governmental undertakings which is likely to stay ultimately and that is the pattern of statutory Corporations, where the Corporations, subject to statutory control and direction of the Government, will have comparatively more freedom in the management of their business. Those who have the slightest knowledge of the working of business concerns will agree that business management requires greater freedom than what we have in our Government departments. Of course there should be enough of control by the Government. It should be seen that in matters of policy and broader details we can issue instructions and directions to the corporation, we exercise enough of vigilance and control to see that its funds and finances are not being wasted. Subject to such controls a fair measure of freedom will have to be given to these corporations so that the business can be managed efficiently and without any hindrance and impediments. That is why we have decided upon these Corporations. But I fail to understand their criticism and I still hold that it is cent per cent nationalisation—unalloyed nationalisation, if you like to call it.

A number of minor points have been raised. But the two very important points which have been raised by quite a number of hon. Members of this House were regarding the principle of compensation and on the question whether there should be only one Corporation or whether there should be two Corporations. I will come to them a bit later.

Comparison has been made with the Railways and it is asked: why not manage it exactly as the Railway Board? To that point I think I have given a reply briefly.

The other question was about efficiency. Many Members have alluded to the lack of efficiency or lack of honesty in the railway department. I am not here to speak on behalf of the Railway Ministry. But I would only like to point out that it has been admitted on all hands that the efficiency and regularity of the railways have tremendously increased since the war years. There have been occasions in this House also when Member after Member has paid glowing tributes to the Railway Minister for stepping up the efficiency of the Railway administration. But one thing I must say. Any means of transport which functions on the ground can afford for some time to neglect the repairing or overhauling of the machine but any system which functions in the air can do so not only at the risk of the passengers but at the risk of the personnel engaged in it. Therefore, to presume that the services or the management will neglect the upkeep of the aircraft is to presume a thing which will go beyond human nature. Nobody wants to risk his life himself and our ground engineers or pilots, as I have said yesterday, are a fine lot of people. They will never fly with a machine which is not properly maintained, which is not properly repaired or the worn-out parts of which are not properly replaced. I am saying these things because even if there is some slackness on the part of the management those who are directly in charge of those machines will not allow the repairs or replacements to suffer even for a moment. So the comparison in that respect with the railway or with the road transport or I will say even with the river transport does not hold good.

My friend, Shri Alva said that we have enumerated quite a number of functions for the Corporations but the production of aircraft has not been enumerated there. I may point out to him that Hindustan Aircraft is already engaged in that work and we do not want to duplicate that. A Government undertaking has already taken that work and let us hope and see that our experts in the H.A.L. will expedite the production of our own aircraft in that factory.

My friend, Shri Sodhia perhaps has raised the point that we are going to sink this money in this Corporation and what return Government is likely to get? Perhaps he is not aware that in all the nationalised undertakings which we are managing as private limited companies or Corporations, our intention is to charge income-tax from them as from private industry. Apart from that, we will be charging interest at the usual rates from the Corporation also.

When we find that there is going to be no profit at all—of course it is a sort of a public utility service—we have to consider whether to write it off or not but if, in a particular year, there is loss—if such a contingency should

arise which I hope will not—it will be carried forward and the Corporation will have to pay it. We are bound to make profit though our motive is not to make profit. Our motive is to give best service. As I said yesterday, in all these public utility service, our efforts would be to see that the service should not be a burden on the public exchequer. It should not be a burden on the taxpayer but it should earn its way.

The question has been raised that as soon as Government takes over any commercial undertaking, it is bound to go down and my friend, Seth Govind Das tried to fall in line with Dr. Jaisoorya. I think it was a strange thing when Seth Govind Das tried to corroborate.

Dr. Jaisoorya, when he named Tulsidas I thought he was referring to my friend Shri Tulsidas Kilachand. But he meant Tulsidas the writer of the *Ramayan*, and quoted a couplet from there.

He quoted:

“जेहिं गिरि चरन देइ हनुमंता,
चलेउ सो गा पाताल तुरंता॥”

But, my friend forgot another couplet.

I said, he forgot another couplet which follows very soon:

“गिरि पर चढि लंका कपि देखी,
कहि न जाइ अति दुर्ग विरीषी।”

It is not that every mountain on which Hanuman climbed, went down. It did when he so desired. When he had to prepare to defeat Ravana, when he had to prepare himself to conquer evil forces, he just climbed up a mountain and surveyed Lanka, the capital of Ravana. That mountain did not go down, did not sink. It provided a base for him to fight evil forces. I wish Seth Govind Das had remembered this couplet.

I am presenting this couplet not only to my hon. friend, Seth Govind Das, but also to my hon. friend, Dr. Jaisoorya and say that this will be the

base to fight the elements which have up till now brought disrepute to the Government. We will show that we can manage efficiently and make it a success.

Apprehensions have been expressed that as soon as this service is nationalised, there will be a tendency to raise the rates of fares and freight that the number of frequencies may be curtailed that efficiency may go down, etc. I can only assure them that it will be our earnest endeavour to see, unless some abnormal circumstances arise which are entirely beyond our control, that the rates of fares and freights are not raised, that frequencies instead of being curtailed are increased and that efficiency is increased. In the matter of nationalisation, I would go a step further and say that even if after nationalisation there is a likelihood of efficiency suffering slightly, it is worth trying as a great social measure.

Then, I come to the question of employees.

About the employees, apprehensions have been expressed and naturally too, that after the integration of the air companies, there is a likelihood of a certain category of staff being surplus to the requirements of the Corporations. Then, an apprehension has also been expressed that whatever assurance has been given will not be fulfilled. I want to make it clear what assurances have been given. The provision in the Bill and the statements which I have made on more than one occasion are to the effect that our intention is that the Corporation takes over these companies as going concerns. And when the Corporation takes over these companies as going concerns on an appointed date, in order that there is no dislocation in the service, we take over all the employees of those companies. So, on the day the Corporation takes over from the companies, there is no retrenchment. But after taking over, the Corporation will have to integrate all the companies, they will have to integrate the staff as well, and after the process is completed—it may take six months; it may take nine months, it may take even longer—it may be found that certain categories of staff are surplus to the requirements of the Corporation. Now, if the Corporation is to run economically, if it is to maintain a reasonable rate of fare and freight, if it is to maintain efficiency as well, nobody will advise that the Corporation should carry on with a staff surplus to its requirements. There are however, two alternatives: either we retrench the staff surplus to the requirements of the Corporation, or we find some additional avenues of employment for them. I will be the last person to follow the first alternative. I will try my utmost to expand the activities of the Corporation in order to absorb the staff which is found surplus to the

requirements of the existing routes. That is the one assurance I can hold out at present. Expand we will have to and we will have to run new routes. We will have, in course of time, and as early as possible, to run a number of feeder services to connect even centres of lesser importance with our trunk routes. We will have to increase the activities of our workshops so far as repairs and manufacture of small parts of aircrafts are concerned, and we will try by increasing the activities of the Corporation to absorb the staff that may be found surplus to our requirements. As I have said, it pricks one's conscience in the present state of our society when we have to throw anybody on the streets. And I will try my best to see that those who are found surplus to the requirements are absorbed either by expanding the activities of the Corporation or in some other governmental activities or undertakings.

Smt. Renu Chakravartty raised—perhaps she or somebody else—the point: what about the awards given by the tribunals in respect of the employees in certain companies? As I have said, we are taking over these companies as going concerns and we do inherit those awards also. So the Corporation will inherit the liabilities or privileges of those awards of the tribunals.

My friend, Dr. Satyanarain Sinha, and of course, Shri Alva also, raised the question of the Curtiss Commandos. My friend, Shri Joachim Alva raised many other things which concern directly the Defence Ministry, and not the Communications Ministry. So I will not take notice of those points.

The Curtiss Commandos have a long-drawn-out history, and perhaps you are aware of their position. In recent times, it has been examined on more than one occasion, whether it can be utilised by the Defence Ministry or the Communications Ministry. Up till now, the Communications Ministry did not directly possess aircraft, excepting a few which are necessary for our training centre. On all the occasions when this question was examined, it was found that they were not required by the Defence Ministry, and the Communications Ministry was not in need of aircrafts. Apart from that, the question was examined whether it will be economical to get these aircrafts repaired and run them. In the first place, I am not an expert. So, we have to go by the advice we get from our experts. We are told that all these aircrafts are not fit for passenger traffic, and that they can be utilised only for freight service.

And this opinion is not held by our own experts only, but by experts who came from outside the country also. It is the advice of the experts that these aircrafts are not fit for passenger traffic, and that they can be utilised only for freighter service. They are about 70, and their book value, perhaps as you are

aware, Sir, is rupees seven and a half crore. There is a large number of parts also. I understand their book value is rupees two and a half crore, but that is only the book value. On one occasion,—again I say, you are aware Sir,—there was an offer of Rs. 50,000 for all these aircrafts, and spare parts.

It was Rs. 50,000 at the initial stages. Then it came to Rs. 35 lakh but then again, the contract did not materialise. Again, a few months back, when world tenders were invited, no tender was given by any party, and the only tender which came, came perhaps after the expiry of the appointed date. On that occasion also, I got this question examined by the experts of the Civil Aviation Department. Then also, I was advised that we are not interested in these aircrafts. I rang up my friend the Minister of Works, Housing and Supply on another occasion and requested him to delay the disposal of these things till I had the question thoroughly examined. After I received the advice of my experts, I said 'You can go ahead'. We were afraid moreover that if we delayed the matter, we may not get even that amount. Again, a few days ago, some Members of Parliament brought this matter to my notice, and said 'Can we not take these planes and get them renovated and reconditioned so that they may be used by the Corporations?' It is too early for us to decide whether all these 'planes' will be required by the Corporations or not. After the amalgamation of the companies and integration of the services and routes, my idea is that we will have quite a number of Dakotas which will be surplus to our requirements and which we can utilise even for freighter service. ...

I have already got a note from my friend, the Deputy Minister of Works, Housing and Supply. Within the next two or three days I will get it further examined and if we find that we can advantageously utilise these aircrafts after they have been repaired, we will do the needful in the matter.

We must not forget that these are very old type of aircrafts which are not being manufactured now. I am told if we want any spares and stores we cannot approach certain firms or manufactures and indent these from them, but we will have to hunt out throughout the whole of America to find spares and stores. We have some spares with us also. So there are some obvious difficulties. My friend says that they fetch very good price. Well, the proof of that is that we invited tenders on a world-wide basis and till the appointed date there was not a single tender for these spares and aircrafts. That proves how much they are in demand in the world. But all the same, as I said, I will get this question further examined and do the needful in the matter.

Then a few Members raised the question as to why we should leave non-scheduled operations in private hands. They are perhaps apprehensive that this may be a channel through which the custom of the Corporation or the scheduled services may be affected. There should be no apprehension on that point because even if you allow private operators to operate non-scheduled services, it does not preclude the Corporation from undertaking non-scheduled operations. Wherever the Corporation will find that we are in a position, or it will be advantageous for the Corporation, to undertake non-scheduled or charter operations, it will do so. Thus there is no question of our revenue being affected, because usually we do not allow any large number of charter flights between any two points on which there is a scheduled service or on which the Corporation will be running a regular service. The charter flights will be mostly between points in which there is no regular service of the Corporation. Even there my idea is that the Corporation will have to engage itself greater and greater in non-scheduled or charter operations also.

Now, I come to the question of compensation. There have been two sets of opinion. One is that we have been very generous and liberal; the other is that we are not even fair and it cannot be said that it is compensation. I may tell you, Sir, that during all these times that we have considered this question of principle of compensation,—I mean with my friend, the Finance Minister—we have been very careful in the matter to see that we are fair. We determine principles of compensation in such a way that it will not produce serious adverse repercussions on future investments in private industry. That has been one consideration also. But due to that consideration, we have neither been generous nor tried to pay something more than what the companies deserve on the basis of their assets.

My friend has raised the question that these aircrafts were purchased from the disposals at a very cheap rate. But my friend forgets that that very cheap rate is going to be taken into consideration while assessing compensation for those aircrafts. We are not taking market value into consideration. If an aircraft was purchased for, say, Rs. 40,000 and Rs. 60,000 were spent in reconditioning it and making it 'flyable', only these two things will be taken into consideration while determining the compensation or price of the aircraft today. So it does not matter if they were purchased very cheap. Their value will be assessed today on the basis of that price which was paid by the company. The whole principle involved in this question is that a person has spent something out of his pocket, he has enjoyed the fruits of it to some extent and....

Then there is reduction in its value in the shape of depreciation. We find out what is the remainder and we pay for that. That is the principle that we

have adopted and we felt that we tried to be fair, not to be unfair; but we have not tried to go out of our way to prove that we are generous to them. I do not want to say anything more on this point, because if the Members will go into detail, they will find in the schedule that we are not trying to pay more. Seth Govind Das raised the question that we should pay the market value. I do not agree with him. We cannot pay the market value of the assets; we can proceed only on the basis of what amount one has spent in acquiring a particular asset, what has been the reasonable depreciation in that asset and what is the residuary value of that asset, and we pay that residuary value.

Smt. Renu Chakravartty said that on this basis an aircraft even in a period of 20 years will not be reduced to zero. Perhaps, she will calculate once more and find out that it is not so.

We have, of course, provided something for those engines and air frames which have been renewed and made air-worthy recently. Unless we provide some incentive for the companies, a good number of aircraft engines will go out of order and when the Corporation takes over these things, we will find that we have to make a large number of engines and air frames air-worthy and we will have to spend a large amount and it will take time. Therefore, we have provided some amount as an incentive, so that when we take over the engines and aircraft, we find that they are air-worthy and we start operating them.

Then many questions have been raised as to why there should be two Corporations.

In other countries also, it has been mostly the practice to run internal services by separate Corporation and external services by a separate Corporation or company, or whatever it may be. Our pattern is mostly like Australia where there are also two separate Corporations to run the internal and external services. It has been said that in that case the expenditure will increase. I do concede that the expenditure will increase to some extent. When I say to some extent, I say that it will be, compared to the assets and services involved, not a very appreciable amount. If I may give an indication, we got this point examined in great detail and we found that if we had two Corporations instead of one, the expenditure would go up by rupees six lakh more. The extra expenditure would be of that order if we had two Corporations. Now, that is not a consideration which should deter one from having a separate Corporation for the external services. I do not want to repeat the arguments which I advanced yesterday and which have been repeated today by some other hon. Members, but I would like the House to appreciate only this point, that in the external services, we have to maintain a certain standard and a certain reputation, because we have to compete with other nations as well and compete with airlines belonging to other countries.

Smt. Renu Chakravartty said that there would be a split among the workers. I could not follow exactly what she meant by that. She also said: the international service will be a profitable one and the internal one will be a losing one. I do not know how and I do not know, further why the internal service should be a losing concern for all times to come.

It may be so even knowingly because we will have to start certain routes in the country that we know from the very beginning are not economic routes. In that case, the Internal Air Corporation may lose for some time. By having both these bodies together, it is said that the profit made by the International Air Corporation may be used for making good the loss incurred by the internal air Corporation. That should not be the consideration. I am convinced and I still hold that in the interests of both the Corporations, in the interests of the early expansion of the activities of the internal Corporation, so that it may devote more and more time and attention to the development of new route patterns and to the development of new stations and to the opening out of new feeder lines etc., in the interests of all these things, the internal Corporation should be kept aloof from the international Corporation and the international Corporation should not be mingled with the internal Corporation. Both should be allowed to function separately, so that they can function efficiently and the international Corporation may maintain the reputation and name that it has earned for the country.

About fifth freedom of air traffic, I think Shri Alva who raised that point was working under some misapprehension. No foreign airlines are allowed to carry passengers between any two points in the country.

The question has been raised as to why there should be a Transport Council and an Advisory Committee. In one sentence I may answer that point. The Transport Council will be to advise the Government and the Advisory Committee will be to advise the Corporations. The Labour Relations Committee, as is obvious, will be to promote good relations between the authorities of the Corporation and the employees of the Corporation.

I think I have tried to deal with all the points that have been raised here. There are a number of points of a minor nature regarding the qualifications of the Directors etc. We will consider them in the Select Committee and try to make improvements.

With these words, I commend the motion to the House.

EXPANDING COMMUNICATIONS NETWORK*[‡]

Let me begin by expressing my thanks to the Members of this House for their kind words and noble reference to the Ministry and the various Departments under my charge.

The major Department or the Department which has got mostly to do with the people, I mean the Posts and Telegraphs Department, has already been dealt with by my colleague. That is a Department which equally services the highest and the lowest, □ the richest and the poorest, the employed and the unemployed. The activities of the Department covers all nooks and corners of the country where any human foot has ever traversed. You can realise the importance and the utility of that Department. I need not, as my colleague has already dealt with it, dilate on that Department.

I come to the other Departments. About Meteorology, it is a fact that the people do not know much about it because it is a highly technical and scientific department. But the service it renders to the people is invaluable. No aircraft can fly and no ship can ply without the aid of the Meteorological Department. Minute after minute information has to be supplied to the aircraft. Any ship plying in the ocean or the sea has to be briefed with weather conditions, and this is done by the Meteorological Department.

One popular aspect of this Department is agricultural meteorology, and we have functioned in this Department with close co-operation and coordination of the Indian Council of Agricultural Research. They give certain grants for certain agricultural research and we have very fine officers and scientists engaged in the work of agricultural meteorology. The question of disseminating meteorological messages is a problem. I do concede that we have not been able to tackle that problem as yet. My friend Shri Joshi, complained that the messages are not broadcast. That is true. We have been trying to broadcast these messages through the All India Radio and its various stations also. A number of telegrams are sent to a number of centres which have been detailed by the State Governments for dissemination of agricultural intelligence to the farmers. But to say that it has been very useful or very widely disseminated will be far from reality. Still we have not touched the fringe of the problem, but we are trying. It may be that in many cases you

* *L.S. Deb.*, 22 March 1956.

[‡] Participating in the Demands for Grants as the Minister of Communications.

may feel that in a particular place, the forecasts are not quite correct. But the meteorological science, as it has developed up till now, can give forecasts about a particular zone; it cannot localise the place. And in that zone the particular phenomenon which was forecast by the meteorological science may occur and at a place five or ten miles from that place it may not occur, say, in the case of rainfall or wind or tempest. But in many cases I have found that the forecasts do come correct.

We are going to have a large number of observatories and I think we have given in the pamphlet that we have circulated a list of the observatories. If you have not got it, I will supply you with a complete list of the observatories that we have got in the country. We are going to increase the number of the observations. And I may tell that these meteorological observations concern the air, the earth and underground. There is a seismological section in which we read the movement of earthquakes.

I would not say very much about meteorological, but it is a useful, scientific and highly technical department. When we approach the farmers and agriculturists more and more—and that will depend mostly on the co-operation of the State Governments and the other Departments concerned—it may become to some extent popular.

I come then to the Civil Aviation Department. Here we have got an organisation of the employees of the Civil Aviation Department. That has been recognised as an association of Government employees. Due to historical reasons, the trade union of the P&T employees has been recognised as a trade union, but the association of the Civil Aviation Department employees has been recognised, as in the case of associations of other Government servants, as an association of civil servants. And they are as good civil servants as any other civil servants are. Much is made about the full trade union rights, full citizenship rights, and abridgement of citizenship rights! I do not want to make it a secret,—and it is not a secret because it is known to everybody—that entry into the service of the Government and having full-fledged civil servants' rights do mean abridgement of the citizenship rights to some extent. There is no denying the fact. It is not however for the Posts and Telegraphs Department or the Ministry of Communications to decide whether we ought to do away with that abridgement and give full citizenship rights to our employees. It is a question of policy—a policy to be determined not only by the Government but by the Parliament, which is the supreme body. It raises fundamental questions—whether the loyalty of the civil servants is to change along with the change in the Ministry of the day or whether the civil servants are to be kept immune from the changes in the political

complexion of Government. I am just posing that question. But, I personally do feel—if you see the working of the Governments in many countries of the world, you will yourselves find—that it is in the best interests of the country and of smooth government and administration of the country—that the civil servants should be kept aloof and not mixed up with the political parties—today this party, tomorrow that party. What do trade union rights mean? Associations have got every right. They represent their grievances and put forward their demands. They meet officers and authorities; they meet the Ministers and discuss with them. The only right that they have not got is the right to go on strike. Here again, it is for the House to decide and not for me to decide, whether the civil servants should be given the right to go on strike or not. I will leave it entirely to the House. It is a question of larger policy. There again, I feel that the administration will be hard to run if there is no distinction between a civil servant and an industrial worker; that distinction will have to continue.

So far as the other grievances and demands of the employees that have been raised by Shrimati Renu Chakravartty and others, are concerned, I and the directorate are fully alive to these demands. We have examined several times those questions. We examined a number of their demands and discussed with them. We accepted some and rejected others and certain others are under consideration.

There are certain obvious things about which there could not be any difference of opinion between the employees and the administration—say, about accommodation. I do agree that we should provide accommodation to our employees, especially in areas like Assam, Tripura, etc. We are trying to do that. I am myself not satisfied with the progress that we have made. My colleague just now says that we have come to certain arrangements with the C.P.W.D. for expeditious working so far as the construction of office buildings and accommodation for the employees are concerned. Let me hope that this arrangement will yield better results and we will be able to put up more buildings for the staff either of the P&T or of the civil aviation or the meteorology.

As regards transport, I myself felt that, situated as our aerodromes were, the staff and officers, stationed there should be given certain transport facilities for sending their children to the schools in cities and towns. It was at my instance that the question was taken up and certain arrangements have been made for the use of the Government transport for sending their children to the school at charges which are very nominal.

In other places where we do not have vehicles it is difficult. But I will further examine that. Wherever we do possess vehicles we will extend this concession to our employees at those aerodromes also.

Then with regard to transport for sick people, well, the arrangement was made in consultation with the Union. That is what I have been told and then I have nothing to add to that.

Whatever has been agreed to is in consultation and in agreement with the Union, that is what I am saying. If that is not working satisfactorily then it is always open to us to examine that because there is no difference on that point. I myself am anxious to see that whoever is suffering, formality apart, we should immediately go to his rescue.

Similarly, about the duty of the chowkidars, perhaps, Smt. Renu Chakravartty was not properly informed that on this point also some agreement has been arrived at with the Union. The question of implementing that has been taken up. It requires the recruitment of a larger number of chowkidars and an expenditure of Rs. 3 lakh to Rs. 4 lakh. The question has been taken up but there again I myself was very anxious that some uniformity about the duties of chowkidars as it exist on the Railways and other Ministries should be enforced and it has been done.

Then, about promotion and promotional avenues, there are avenues into the detail of which I do not propose to go. There are certain categories of staff for whom certain percentages have been reserved for promotion from lower cadre to the higher. In certain cadres it is 50 per cent and in certain cadres it is 25 per cent. Those cadres are filled up to that extent by promotion from the lower cadre and one should not forget, as has already been said that in the Communications Ministry and especially in the P&T. Department as also in the Civil Aviation Department, we have more avenues of promotion than perhaps in any other Ministry. I am trying to see that the percentages which are reserved for the employees of the lower cadre for promotion to a higher cadre are actually filled up by them. I am also trying to simplify the examinations and tests. Every year I am watching the progress and whenever I find that the progress has not been quite satisfactory I am trying to simplify or eliminate some portions of the examinations. So I should like to assure the House that I am myself very anxious to have more and more promotional avenues for the employees of the lower cadre to higher cadre, of course, consistent with the efficiency required for the higher cadre. Always, it will have to be seen that the efficiency does not deteriorate.

Somebody asked why the postmen who have been working for so many years are not being promoted as clerks. We do 50 per cent of the clerk's cadre

are reserved for promotion from the postman's cadre but a minimum amount of efficiency is necessary so that a postman when he is promoted as a clerk will satisfactorily function as a clerk and discharge the duties that are incumbent upon him. So, it is not a question of automatic promotion. It is a question of testing and seeing that the man who is promoted is capable of coping with the responsibility that is cast upon him. That is what I think about the Civil Aviation Department.

I am talking only about the points that have been raised in the speeches of the various Members of the House and I am not replying to each of the cut motions that have been moved.

I now come to the Indian Airlines Corporation. Shri Gurupadaswamy laboured very hard to show that.....

It is for the hon. Members to decide what he has produced. He strived to prove that the Air India International was making a profit and that the Indian Airlines Corporation was running at a loss and asked why it was so. The reply is very simple. The Air India International is a member of the I.A.T.A. as all the international airlines are. The fare and freight structure of all the international air operators are determined by I.A.T.A. No international air operator can reduce the rates of fares and freights, and they have to charge at a particular rate which, according to the I.A.T.A., leaves a reasonable margin of profit. That is one fact. In the case of the Indian Airlines Corporation, we never can think of having a fare and freight structure which will in anyway compare with the international fare and freight structure. Ours is much cheaper. Our rate varies between two annas and four annas per passenger mile. Four annas is the highest. In any sector where the terrain is difficult we have found that this rate of four annas does not meet the cost of operation. That is one simple reason.

Then I shall give the other reason. All the international air operators are given a rebate of the petrol duty which might be charged in a country. So, whatever petrol duty we charge in this country from any international air operator, we ultimately refund it at the end of the year. So, Air India International, being an international operator, is given the rebate or refund of the petrol duty that is charged. That does not apply in the case of the Indian Airlines Corporation.

I am coming to that. I have not got the figures for the Air India International, but I have got the figures for the Indian Airlines Corporation. You will see that in the year 1954-55, the total loss of the Indian Airlines

Corporation, as given in the pamphlet, is Rs. 98.96 lakh. The customs and excise duty that we have paid on petrol during that year come to Rs. 84.43 lakh. I will repeat it. Our loss is Rs. 98.96 lakh and the duty on petrol that we have paid to the Government comes to Rs. 84.43 lakh.

I am just making my hon. friend Shri M.S. Gurupadaswamy appreciate this point.

Those are the very simple points.

I shall go to the third point, which he tried to understand, but confused: that is the pay scales and salaries of the employees in the two Corporations. He posed the question, why not in the Air India International, why in the Indian Airlines Corporation only. My hon. friend forgets that the Air India International was a single entity before nationalisation and continues to be a single entity after nationalisation, whereas the Indian Airlines Corporation has to integrate 9 different companies with employees with varying terms and conditions of service, with varying scales of salaries. The integration itself was a complicated affair. The introduction of uniform scales of salary and conditions of service for the employees of 9 different companies with different scales of salaries for the same category of workers did result in a tremendous increase in the wage bill to the extent of Rs. 52 lakh a year. That was the third reason.

The fourth reason—and that applies to Air India International also but in their case, the amount of compensation that they had to pay was very small as compared to the amount of compensation that the Indian Airlines Corporation had to pay. One distinction that the hon. Member should not forget between a company and this Corporation is this. No company pays any return on its capital till it earns a profit whereas, in our case, on the bonds that we are issuing, the Corporation has to pay interest. That is one fundamental difference between a private company and this Corporation.

Indirectly we are declaring some sort of a dividend though we are incurring a loss. This is the anomalous position. I am placing these two or three points for elucidating why, though on the face of it, it appears that we are incurring a loss, in actual practice, we are not incurring a loss. Perhaps, I may say, as I have said on previous occasions, barring one or two companies in Latin America, nowhere in the world any internal air service makes any profit. They have to be subsidised. I think I have explained this point why the Air India International is making a profit and why the Indian Airlines Corporation is running at a loss.

Then, we come to the question about the Herons. I must admit that the performance of this aircraft has not been up to our expectation. The advice

which was given to us by the experts was that it is a good aircraft. It was running the Garuda Airways in Indonesia. We purchased these because we wanted light aircraft, four-engined aircraft, for small distances. It is not commodious, it is not comfortable. I will not mind that, because it is primarily for short hops. It is meant for hops where you do not require to be served with a cup of coffee or tea or some refreshment. But it has given us some troubles. Perhaps there are certain defects, and some new defects do occasionally develop. There has not been any major breakdown so to say, but there have been many pin-pricks on various occasions, and therefore I say that the performance of this aircraft has not been up to our expectations. The manufacturers are constantly kept in touch. They have stationed one engineer here who is looking after whatever defects are detected and doing away with them.

That is what I have said that an engineer has been stationed here in India by the manufacturers, and whatever defects we have detected are either being removed, or till those defects are removed the particular aircraft does not fly.

Madam, I say it was not an unproved aircraft in the sense that the Garuda Airlines had been working that aircraft before we placed our orders with the manufacturers for this aircraft.

The expert advisers are the engineers, the aircraft engineers. They examine a particular engine or aircraft and then they base their advice on that.

No, no, Indians. Our own officers, I think. But I say in this case it may happen—I will not blame my officers or the engineers. I am a layman but when the aircraft came here, I also flew in that aircraft over Delhi. I found it had quite a good performance, but I say I will not go by my own judgement. I am a layman, but even the engineers who saw that particular aircraft, who examined the engine and everything, found that it was quite good. I have said that there is nothing very serious, but it is not up to our expectations.

Then, Smt. Renu Chakravartty raised the question of recruitment and promotions and other things. I may tell her and the House that we had a very happy, pleasant and amicable settlement with the employees of the Air Corporation regarding their terms and conditions of service, pay scales and

other things. And it will be flattering myself publicly if I say that I received a very good and congratulatory letter from the employees when our discussions and negotiations came to an end and finally we arrived at an agreement. My purpose in disclosing that to the House was that the Members, when they find that an agreement has been reached between the employer and the employee, should not unnecessarily try to find out something where nothing exists.

If you will have a little patience I will take due notice of all those things that you have brought to the notice of the House. What I was saying is that it should not be the policy of certain people in season and out of season to find fault, where there is no occasion for any fault.

I am going to say that there is no fault.

The point that has been raised by the hon. lady Member has been settled with the union, and if she has been given any contrary information, I should say that she has been wrongly informed.

I am coming to that. I have said only about the union and the agreement reached with them. I have not touched the subject of recruitment yet.

There have been recruitments. And the corporation is an autonomous corporation. It has to make its recruitments according to the rules formulated by the corporation itself. Recruitments have been made of clerical staff, mechanics and the lower cadre staff. So far as officers and those in the higher cadre are concerned, very few recruitments have been made. I may inform the House that so far as recruitment of officers is concerned, we have laid down that all appointments to posts carrying a salary of Rs. 1,000 or more shall be made with the approval of Government. So far as the recruitment of clerical cadres, mechanics' cadres, and cadres lower than that of mechanics is concerned, I put this question to this House, are we not to leave this to the corporation itself.

I do not agree that even the posts of mechanics should be advertised.

...because the cost of advertisement itself may be tremendous.

When there are several hundreds of mechanics and workers of that category doing work, do you think, or does any hon. member of this House think, that a business concern which is to run on business lines—and it has been ordained by this House that this corporation is to run on business lines—should advertise all these posts in newspapers?

Do you think that because it is a nationalised concern, and it is an all-India organisation, these posts should be advertised in the newspapers of every State? I do not agree to that. Do you think that we should waste thousands of rupees on advertisement, and yet run the corporation in a business way? I do not concede that. But I do concede, and perhaps I did take notice of that matter before it was pointed out by Smt. Renu Chakravartty, that there should be certain criteria regarding minimum qualifications etc. In fact, in November last, when these things came up, we had given a directive to the corporation as to the minimum qualifications and experience that should be satisfied by incumbents of all categories of posts in the corporation, and we had directed that these should be followed for all recruitments. Then, we had also given a directive to the corporation in regard to the extent to which the posts will be filled by promotion and by direct recruitment from outside. This may admit of a certain amount of flexibility, but the proportion should be fixed, which should be generally adhered to.

In the case of recruitment from outside, we had said that arrangement must be made for giving wide publicity to the existence of the vacancies. We had also laid down the conditions whether there will be tests, practical, written or oral, and also interviews, and who the officers will be who will compose the interviewing bodies. So, we have taken all these precautions. There should be the widest publicity but I will not agree that they should be advertised in all the papers.

They will be hung up on the notice-boards of various offices, saying that so many vacancies exist. But I will not concede to the demand that it should necessarily be advertised, because the Corporation being a national corporation, an all-India organisation, if we have to advertise, we will have to advertise in the papers of all the States which will involve the Corporation in unnecessary cost.

For these posts, I have indicated the work that is mostly to be done. So far as the higher officers are concerned, I have said that it is done only with the approval of Government and in their case it may be advertised in this country and, where we find it necessary, it may be a world-wide advertisement. But I am talking of appointments and recruitments at a lower category, not of officers getting Rs. 1,000 and above.

There is a Board formed by the Corporation. The Board invites applications. They make selections. They interview where necessary, they

hold a test, where they feel a test is called for, and then they make appointments. But, as I said, we issued the directive in November. Certain appointments were made before that. There have been allegations of some favouritism in those recruitments even at the lower ranks. I will ask the Chairman to look into the matter and take whatever steps he thinks necessary in the matter. The House will also agree that we must make the Corporation an autonomous Corporation so that they will have flexibility to work. It should not be for Government to intervene in these minor appointments because that will take away initiative from the Corporation.

Therefore, I say that the House will not like me to intervene. Of course, if I find a *prima facie* case for intervention, I will not hesitate to intervene. But I do feel the House will not allow me to intervene in all such cases of minor appointments.

Then the question was raised about standing orders and Works Committees. Perhaps Smt. Renu Chakravartty forgets that the standing orders, to which she refers, are the standing orders of the nine then existing companies. Once we have taken over the workers and introduced our scale of salaries and conditions of service, those standing orders of the nine different companies cannot exist. Therefore, we have framed our own conditions of service and we are going to have our own standing orders. In these matters, we do it in consultation with Unions.

Then I come to the Works Committee. Formation of these Committees is incumbent under the Industrial Disputes Act only where the appropriate authority asks the industry concerned to form it. The Chief Commissioner, Delhi, asked them. They have formed it here. But no other Works Committee has been formed anywhere else. But they have been talking to the Unions and negotiating with them. When they have anything to say the Chairman or the regional managers of wherever necessary, I also, see them.

Certain steps have been taken. She will agree that Labour Relations Committee means the election of certain representatives. Till we had fully integrated all the employees of the nine different companies, we could not take that step. Now, as integration has been completed, steps will be taken for the formation of the Labour Relations Committee.

Then a few small points were raised by other hon. Members. Smt. Ila Palchoudhury was very solicitous about air hostesses.

There is no difficulty. I repeat once again that I am prepared, if the hon. Members so choose and your Secretariat and you decide, Sir, to say that hon. Members may travel by air on the same terms and conditions as they travel by rail. Perhaps, my hon. friend Shri Keshavaiengar will have no difficulty. Now, it is a question to be settled between him and you.

The same thing about telephone. I am prepared to provide a telephone to every Member of the House on the same conditions as travel by the railway is permitted to them.

I am entirely in your hands. You have to decide and if you order, I will do that, but on the same terms and conditions as are on the railway.

I do not know what is the difficulty about the air hostesses. They are very charming girls and well-behaved and useful too. They are so nice. Perhaps the hon. Member is not aware that some of the Radio officers had a grievance once and it so happened that their grade was slightly lower than the grade of these hostesses. Again, there was a question of complex. They said: How is it that while we travel in the same aircraft, the air hostesses get more than the Radio officers. She will find that the grade we have fixed is quite attractive and it does attract good air hostesses.

Where is it lower than what they were getting? I say it is much higher than what they were getting in many of the lines. It is much higher and the hon. Member will get it confirmed if she makes enquiry from them. They will admit that the scale that we have introduced is much higher than they were getting in many of the companies.

I could not follow what the hon. Member's point was. The only difficulty is that the turnover of these air hostesses is quite rapid. If you can only prolong the turnover, perhaps, that will be useful for the Corporation.

Then again, in these days of equality, I do not know how an enlightened lady like Smt. Ila Palchoudhury can raise the question of separate seats for lady passengers. Perhaps, our Constitution prevent any discrimination on the ground of sex. Perhaps, she was not serious.

The seats in the night airmail services are quite comfortable and I feel that Smt. Ila Palchoudhury has enjoyed that and does not feel the necessity for separate accommodation for ladies like a 'ladies compartment'. That will, perhaps, be a retrograde step and, perhaps, the Women's Council would be

fretful with her when they know that she was insisting on such a thing. There have been some points raised by Member here or there about local matters. The question of timings of Air services in Gujarat were raised. I will get them examined, and wherever possible I will see that those demands are met and grievances are removed.

I will say a few words about the points raised by my friend Shri Jogeswar Singh. You will please allow me your indulgence if I exceed my time by a few minutes. In those areas in Assam, Manipur and Tripura, so far as postal employees are concerned, we do give some compensatory allowance in certain stations in the shape of hill station allowance or remote area allowance. As regards other employees also, we have been giving certain allowances. The non-gazetted staff of the Indian Meteorological Department, the Civil Aviation Department, and, I presume, other Departments of the Government of India also, posted at various stations in Assam, Tripura and Manipur areas, get compensatory allowance at the following rates. In Shillong, for pay below Rs. 55 the allowance is at Rs. 3 per mensem, for Rs. 55—Rs. 100 at Rs. 5, for Rs. 101—Rs. 140 at Rs. 7, for Rs. 141 and above at Rs. 10 per mensem. This applies to Shillong in Assam and to Imphal in Manipur. At Agartala in Tripura, for pay below Rs. 35 it is at Rs. 5 per mensem, for Rs. 35—Rs. 60 at Rs. 7/8, for Rs. 61—Rs. 80 at Rs. 10, for Rs. 81—Rs. 140 at Rs. 12/8, for Rs. 141—Rs. 200 at Rs. 15, for Rs. 201—Rs. 300 at Rs. 17/8, and for pay above Rs. 300 at Rs. 20. At Passighat, there is a rate of 20 per cent of the basic pay subject to a maximum of Rs. 25 per mensem for staff other than Class IV. The above rates of compensatory allowances are those laid down by the Ministry of Finance. These are some compensatory allowances which we are paying at certain stations in Tripura, Manipur and even Assam.

The hon. member said something about the reduction of air fares and freight rates. I do know that this area is an area where even the ordinary people have to use the air services for travelling from one place to another or for coming to Calcutta. We have set up an Air Transport Council and we have asked that Council to go into the question of rationalisation of the fare and freight structure. They have issued a questionnaire to the public and after they have even their report I think we will revise the fare structure and the freight structure.

There are one or two difficulties in that area. The area is so difficult that wear and tear of tyres and other parts of the aircraft is abnormally high. When we have to fix the fare and freight rates, we have to take this matter into consideration. These are the factors which come into play. As I stated, the question has been referred to the Air Transport Council, they are seized of the matter, and when we receive their report, we will revise the fare and freight structure of that area.

On the ground, my dear friend.

About postal buildings at Manipur, I may assure my friend that I will look into the question.

Some more questions have been raised by Rajmata and others, and I shall ask my Department to look into them.

One thing I may point out and it is a very good point made out by Shri Mishra, about rationalisation.

I myself know that there is a large scope for rationalisation not only in the postal department but also in the telegraph and telephone departments. The expansion has been phenomenal and the stage was one of expansion. Now the stage of consolidation will start hereafter and that will be the stage for rationalisation. At present suppose we have telegraph offices at two points and we have telegraph offices at ten points in between. Offices which would have been connected with an office at a smaller distance had been connected with larger distance office. All these things do exist and that requires rationalisation.

As regards post offices, it has become a question of prestige with many villages. When a village gets a post office, the adjoining village thinks: why shall not this village have a post office and then everything starts. Whether we should have post offices so near each other is a question of public conscience also because on every post office that we start in rural areas which is not self-supporting, we spend Rs. 700 of the public exchequer and it is the duty of the public to see that post offices are not demanded at places where they are not required. Today we have many post offices where the mail bag goes empty and comes empty. Rationalisation is necessary. There, I agree. We have taken up the question of rationalisation of mail routes, post offices, telegraph circuits and telegraph offices. We will do that but that will take some time.

It does not stand on prestige. Sometimes, the public pressure becomes so great that even a thing which is justified, we are not in a position to do. As a utility department, it has to exist on the goodwill of the public. We have to respect public sentiments and that becomes our difficulty.

I think I have met all the points that were raised and if any had been left, I may assure the House I will get it examined and if it is possible to implement that, I will implement that and if it is not possible or is impracticable, that will be left at that.

I once more thank the hon. Members of the House for the kind references that they have made to the Ministry and those good and kind words, I fully realise, are due to a large number of workers—something like 300,000 or even more—in the Ministry of Communications who are putting in hard, efficient, honest and sincere work to serve the nation in their own humble way.
