

COMMITTEE ON GOVERNMENT ASSURANCES

FIFTEENTH REPORT

SHRI B. K. DASCHOWDHURY (Cooch-Bihar): I beg to present the Fifteenth Report of the Committee on Government Assurances

11.06 Hrs.

STATUTORY RESOLUTION RE. DIS-APPROVAL OF PAYMENT OF BONUS (AMENDMENT) ORDINANCE, 1975 AND PAYMENT OF BONUS (AMENDMENT) BILL—
contd.

MR. SPEAKER: Now, further discussion on the resolution moved by Shri Indrajit Gupta, Shri Raghunatha Reddy.

श्री राम रतन शर्मा (बादा) : मैं ने बादा के हार्जनो के कल्ल के गबन्ध में 377 का नोटिस दिया है ।

अध्यक्ष सहोदय मैं ने उम को मजूर नहीं किया है ।

THE MINISTER OF LABOUR (SHRI RAGHUNATHA REDDY): Sir, I am extremely grateful to the Hon. Members on both sides of the House who have participated in the debate on the provisions of this Bill before the House with a lot of understanding, interest and ability. Our esteemed friend Shri Indrajit Gupta had put forward his case with his usual brilliance and ability. It was indeed a very fascinating speech; but I have to tell my friend with great respect that, unfortunately, his case is based on wrong facts, wrong logic and erroneous appreciation of both national and international economic and political situation. I will be failing in my duty to my friend if I do not say that, once the major premises are based on wrong

facts, even if he uses his brilliance and sound logic, only conclusions, which may be astounding even to himself, will follow.

Before I deal with some of the aspects of Shri Indrajit Gupta's case please permit me to emphatically deny some of the observations made by Shri S. M. Banerjee in his speech that Government acted under pressure or on the advice of the monopolists like Tatas. Let me reiterate that the Government, having taken into account the national and international economic situation and the compulsions of economic development which would achieve economic independence and self-reliance for the country and the logic of our fight against right reactionary forces, have decided on this policy. I can tell you that it is not easy for Government to decide, or for the Labour Minister to agree, to bring this legislation except with a genuine desire to rationalise the law relating to payment of bonus.

I am in full agreement with my good friend, Shri Indrajit Gupta, that, for the purpose of fighting the forces of fascism and right reaction, the rural poor, the middle class, the working class, the intellectuals, the poor peasantry and the totality of the democratic forces must be mobilised and made politically conscious of the danger of right reaction. This is exactly what the Government is doing. The Prime Minister's 20-point Economic Programme is essentially meant to correct the imbalances and to generate social forces which would fight against the forces of right reaction and fascism.

May I say with great respect that fascism is counter-revolutionary in essence, but it is also a special historically conditioned form of counter-revolution. Intensification or economic crisis and despair on the part of the capital in finding normal solution for the impasse created by the limitations of investment is one of the basic reasons which would be taken advantage

of by the forces of reaction and fascism. Wherever the forces of fascism have taken advantage of the existing situation, one would see it historically that they take advantage of the economic crisis that develops both at the international level as well as at the national level; that was one of the main ingredients, a fertile ground, which could be exploited by the forces of fascism. That is exactly the situation which the Government wants to avoid and prevent.

That is why, it is the endeavour of the Government to see that investment climate is not only generated but investment potential is created for the purpose of expansion of social investment.

The development of fascism, my good friend Shri Indrajit Gupta knows assumes different forms and patterns in different countries according to historical, social and economic conditions and to the national peculiarities and international position of the given country. We have to clearly understand the political sociology and economic causistry of forces of fascism. For proper appreciation of the social forces, we must have some understanding of the social classes in India.

The number of agricultural labour, according to 1971 census, was about 48 millions. According to an estimate, the number of landless share croppers/tenants is approximately 15 millions. The total number of workmen engaged in organized industries, including the services under the Central and State Governments, quasi-government bodies and local bodies is approximately 20 millions, and factory workers constitute less than one per cent of the total population in India. Statisticians have estimated that the total number of people in India living below poverty line is anywhere between 40 and 50 per cent. This is the political, sociological and historical setting in which the danger of fascism will have to be understood.

Therefore, in order to prevent any such situation, planning must succeed not only on the side of demand but also on the side of investment. At the present moment, given the problems of industrial development and the problems in the agricultural and energy sector. I have no doubt, Shri Indrajit Gupta and other friends would agree, that one should give priority to investment side. This is exactly the objective which Government want to achieve by the changes sought to be incorporated in the law. Without economic surpluses, there cannot be any social investment. This is the simple but hard logic of economic development. If this step is not taken now, we will only be abetting and aiding the forces of fascism.

Demand for economic gains at the stage of economic development at which the majority of the masses are poorer than the organised workforce will isolate the working class. I may say with great respect that I completely subscribe to this proposition. In this connection, may I remind my friends, the leaders of the working class what Marx said:

"The proletariat has no right to isolate itself; it must, no matter how hard this may appear, reject all that would separate it from its allies."

SHRI INDRAJIT GUPTA (Alipore):
That is the bonus!

SHRI RAGHUNATHA REDDY: Government is extremely grateful to the historic role played by the working class in fighting forces of fascism in India. Fascism and right reaction is represented by counter-revolutionary forces like Anand Marg, R.S.S. and others. In this context, I would like to submit that undue emphasis is placed on economism and economic demand for certain sections of people who are employed and whose wages are being revised periodically while leaving large sections of the people helpless in a state of disarray. This would only lead

[Shri Raghunatha Reddy]

to alienation and not consolidation of democratic forces. Economism has a debilitating effect even on the working class.

If the sole purpose of the working class is to gain concessions and reforms resulting in higher wages and better benefits then the war in Vietnam did help many American companies to make enormous profits and the companies in their turn shared their profits with the working class. As a result of economism American trade unions have become the most conservative force in American history.

In this connection, may I quote from the writing of Lenin, one of the greatest leaders that humanity in history has produced. Great Lenin said :

"For its self-realization, the working class must not only have a theoretical—rather it would be more true to say—not so much a theoretical as a practical understanding, acquired through experience of political life, of the relationships between all the various classes of modern society. That is why, the idea preached by our economists, that the economic struggle is the most widely applicable means of drawing the masses into the political movement, is so extremely harmful and extremely reactionary in practice".

I do not want to say anything more.

There is some misunderstanding about the concept of allocable surplus as it has been used in the Bill and the provisions of the Act. For clarification, I propose to explain that in order to compute the allocable surplus, the first step is to work out the 'gross profit' for the accounting year. As explained in the first schedule (second schedule in the principal Act), the net profit shown in the profit and loss account is taken as the starting point. To this, certain amounts e.g., provision for bonus, depreciation, donation in excess of permissible limits are added

back. Similarly, there are some deductible items, e.g., extraneous profits, subsidy etc. This exercise leads to the determination of 'gross profits'.

The second step is to find out the available surplus. This is done by making the following main deductions from on the figure of gross profits : (a) depreciation, (b) development rebate, (c) taxes (d) return on capital, (i) 8.5 per cent in the case of equity capital and (ii) 6 per cent. in the case of reserves. 60 per cent. of the available surplus becomes the allocable surplus as laid down under Section 2(4) of the Payment of Bonus Act, 1965.

Therefore, I would like to make it very clear that under the Bonus Act, on the principle of roll-on, if there is an allocable surplus, even if it is a nominal surplus, on a roll-on basis, over four years the workers are entitled to a minimum bonus of 4 per cent. That is the provision made and I have no doubt in actual practice the leaders and the working class will realise that this is a very beneficial measure. Otherwise, in one year you may get a bonus and in another year you may not get it. And this has rationalised the entire concept of bonus on roll-on basis... (Interruptions)

Then, Sir, the question of bonus shares has been raised. Bonus shares are allowed to be allotted under some regulations and procedures governing the same. Those who are acquainted with the procedures of the corporate sector and the Company Law would be able to appreciate that the issue of bonus shares is regulated under some rules and regulations. It is not left to the will and pleasure of the corporate body. It is not as if the company management has been allowed to run amok. The issue of bonus shares *ipso facto* is preceded by profits accumulated in reserves. If there are adequate profits resulting in allocable surpluses, the workers are assured of bonus. Bonus shares add to the capital base, provide for the stability of the corporate body

and assure continued employment and production and in all probability, further surpluses. Therefore, the question that one should ask himself is this. Do you prefer this situation of stability or a situation of instability? These are the two questions that any leader of the working class should ask himself—whether he would like to have a situation of the stability of the corporate body ensuring the stability of employment and normal employed wages for every month or he would like to have bonus for one year and create a situation of instability leading to losses and no bonus next year and not only that, further leading to a situation of unemployment of the employed. Whether you would like to employ more of the unemployed, it is a different question. This is likely to lead to a situation of making the employed unemployed. This is the most unfortunate situation which is likely to arise.

Then, questions have been raised by my friend, Shri Erasmo de Sequeira—why agreements on the basis of collective bargaining under Section 34(2) have been precluded now? In this context, I would like to submit that in the case of a large number of corporate bodies, the public financial institutions have a substantial shareholding. In fact, those who are acquainted with the working of the corporate sector would know that the stake of the management involved is very negligible in quite a number of very large bodies ...

SHRI DINEN BHATTACHARYYA (Serampore): Even in the case of ICI and Dunlops. You are talking of stakes. Have they got any stake?

SHRI RAGHUNATHA REDDY: I do not think Mr. Bhattacharyya knows anything about the corporate sector. In fact, those who are acquainted with the working of the corporate sector would know that the stake of the management involved is very negligible. Let us assume for the sake of argu-

ment that the management and the trade unions come to an agreement with regard to bonus which will wipe out even the capital. If it is an agreement under Section 34(2) and if the sanctimonious principle of collective bargaining, as Mr. Sequeira has suggested, is to be followed then, the management and the trade unions are free to declare any amount of bonus eating away even the capital itself, let alone the reserves...

SHRI INDRAJIT GUPTA: What kind of management is it?

SHRI ERASMO DE SEQUEIRA (Marmagoa): No such thing has ever happened.

SHRI RAGHUNATHA REDDY: While both parties, in such a situation, may be happy in ultimately making gains, the company would go into liquidation. It would not only be a national loss but create unemployment of those employed in the very undertaking itself which has gone into liquidation.

DR. KAILAS (Bombay South). This is what Mr. Sequeira wants—unemployment to go on increasing.

SHRI RAGHUNATHA REDDY: Therefore, bonus has to be regulated by some rules and procedures and law in as much as the issue of bonus shares is regulated. Therefore, the argument that has been raised by Mr. Sequeira has no substance and it is only an argument *ad nauseam*. Another question that was prominently raised was why this top limit 20 per cent. is fixed. The very same logic would apply to this case also. Suppose if economic surpluses are created to what extent should they be utilised for purposes of consumption and what should go into socially desirable channels for economic development? If the entire surplus is to be shared between management and employees of particular undertakings then the question

[Shri Raghunatha Reddy]

of investment does not arise, expansion does not take place and the potential for employment would not go up. Thus while a section of the people in this country may be happy the large section of the people would be left high and dry. This would lead to economics of anti-growth aided and abetted by monopoly capital which would also welcome such a situation.

My friend Mr. Indrajit Gupta no doubt has referred to the crisis of capitalism. This crisis of capitalism in various countries is not confined to one country or the other. It is a crisis of international capitalist system in its political, social and economic aspects. The Cocoyoc Declaration states:

"The problem today is not one of shortage but of economic and social maldistribution and misuse; mankind's predicament is rooted primarily in economic and social structures and behaviour within and between countries.

Much of the world has not yet emerged from the particular historical consequences of almost five centuries of colonial control which concentrated economic power so overwhelmingly in the hands of a small group of nations. To this day, at least 3/4 of the world's income, investment, services and almost all of the world's research are in the hands of 1/4 of its people."

Under the illustrious leadership of the Prime Minister, the Government recognises the historical consequences of almost five centuries about the necessity of achieving rapid economic development and for achieving self-reliance, economic and technological independence. The Government is also fully aware of warnings given by Cocoyoc Declaration. I quote:

"There is an international power structure that will resist moves in this direction. Its methods are well-known, the purposive maintenance of the built-in bias of the existing international market mechanisms,

other forms of economic manipulation, withdrawing or withholding credits, embargoes, economic sanctions, subversive use of intelligence agencies, repression including torture, counter-insurgency operations, even full-scale intervention. To those contemplating the use of such methods, we say: 'Hands off.'

We have no doubt that the hon. Members would agree when we say 'hands off.'

It would be a complete misunderstanding and misrepresentation of the Government's case to say that the Government is against bonus being given to the workers. In fact the Bill before the House is a legislation relating to providing for bonus on a rational basis. All that the Government states is that in the interest of economic development and continued employment, concerns making losses over a period should not be compelled to pay bonus as that can only be done by eroding the capital base. If surplus is available bonus will follow automatically upto a ceiling of 20 per cent, the logic of which has already been explained by me.

I will illustrate my point. Take the case of National Textile Corporation. There are more than 100 mills employing 1.60 lakhs of persons out of a total workforce of 9 lakhs employed in the entire textile industry. These were taken over in the interest of maintaining employment and production. The total loss incurred by National Textile Corporation during the last 8 months, April to November 1975, is about the order of 46 crores. If bonus at the rate of 8.33 per cent. was to be given to the employees the company would have to bear an additional expenditure of 8 crores. Suppose these mills were closed down for want of finances, ...even if the workers got bonus for one year, they may face unemployment and gain through bonus would have been illusory while unemployment will be a stark reality. I need not multiply instances of this type. They

are far too well-known to be mentioned. Will the hon. Leaders of the working class opt for bonus in preference to employment in such circumstances? This is a question which the leaders of the working class should ask for themselves and find an answer.

I am grateful to my friend, Shri Stephen, who has given a new approach to the problem in his speech yesterday. I cannot but agree fully with what he stated that unless the working class established a hegemony over the process of production and the economy there is hardly any prospect of balanced economic development and growth. We have already in a very realistic way announced the Scheme of 'Workers' Participation in Industry, particularly, in shop floor and plant level. The working class should take advantage of this scheme and must acquire hegemony leading to further evolution of the scheme, which might satisfy my friends, Shri Stephen and Shri Vesant Sathe

Our esteemed friend, Shri Indrajit Gupta, has put forward his case no doubt with utmost brilliance. But, I may tell my hon. friend with great respect once again that his case is not based on facts (*Interruptions*). While I appreciate his brilliance you will permit me to say that we cannot afford to take to populist slogans as convenient to anyone. A responsible Government which has the highest interest of the people at heart, cannot afford to choose populism in place of hard realities of life. It is easy to announce financial policies which may evoke claps. But, this is exactly the type of policy which had been desired by Karl Marx. (*Interruptions*) I quote him

"Gifts of money and loans on easy terms—such was the perspective with which he hoped to charm the masses. Money given, or money lent without security! These are the beginning and the end of financial science for the stum proletariat, whether dressed in rags or in purple and fine linen. Such were the

only motives to which Bonaparte knew how to appeal. Never did any pretender speculate in more stupid fashion upon the stupidity of the masses."

In all humility, I must state again that no responsible Government can follow the path of populism. The time has come in this country when all sections of the Indian society will have to make the necessary sacrifices to make the 20-Point economic programme of the Prime Minister fulfilled reality so that the working class can be assured full employment, economic security, social security in a different type of society that is sought to be created. Then only the problem could be sorted out and not by mere demanding of 4 per cent or a little more than 4 per cent, as bonus.

I move the Bill, Sir, for consideration

SHRI INDRAJIT GUPTA (Ahpore): I wish I could compliment the Labour Minister for his not so brilliant exposition of Marxism-Leninism. (*Interruptions*.) Well if he is not a Marxist, he should not trespass into unknown territory.

SHRI N. SREEKANTAN NAIR (Quilon): Some people rush in where angels fear to tread.

SHRI INDRAJIT GUPTA: In any case, oldman Marx, sleeping peacefully in this tomb in Highgate cemetery, would, I think, turn in his grave if he heard the way he was being quoted, or rather misquoted.

SHRI S M BANERJEE (Kanpur): He would have come out and beaten him!

SHRI INDRAJIT GUPTA: My friend, Mr Raghunatha Reddy, who has read many of these books, I know, pulled out a quotation of Lenin's from that famous work *What is to be done?*, and tried to show that Lenin had given

[Shri Indrajit Gupta]

a warning of the fate that would overcome the working class if it was sunk in pure economism. But he knows as well as I do that in the history of the Russian Social Democratic Labour Party, as it was then called Lenin was waging an ideological struggle against those people who were advocating that the working class and its trade unions should have nothing to do with politics, that they should confine themselves purely and simply to immediate economic demands. And it was in this context that he wrote *What is to be done?*, it was in this context that he mercilessly criticised those people and said, 'If you want to change the social and economic order, if you want to replace the system of capitalism by a system of socialism, then the working class and its organisations cannot confine themselves only to economic demands and economism, but must concern themselves very much with political issues and take a political stand. What has that got to do with this context in which we are debating this bonus issue?

In this country, some people from the other side complain that the unions in this country are too much politicalised. He is talking now about workers and unions being sunk in economism, but what about the general complaint and propaganda made by so many people in this country that every political party has got a separate trade union organisation of its own, which is also a fact—and a fact which I deplore very much? It is a fact, a historical fact; we cannot overlook it. Therefore, each political party is propagating the politics of its own through its respective trade union among the workers. So people are complaining, and some people demand sometimes that trade unions should be forced to give up politics, and confine themselves only to the question of their living and working conditions. But if they did that, then they would precisely be guilty of that very economism which he is trying to denounce and using Lenin's name for it also.

So please do not take things out of their context. Mr. Raghunatha Reddy. Let those two old men, one at Highgate and the other in Red Square, sleep peacefully. They have done whatever they had to do. Do not disturb them like this.

AN HON. MEMBER: You are disturbing them now.

SHRI INDRAJIT GUPTA: As far as populism is concerned, I do not like to say this, I did not say it in my speech yesterday; but since he is making so much out of this claim of his party that it does not want to go in for populist slogans, I would just remind him of the timing when this announcement of 8.33 per cent was made. When a new decision was taken to raise the minimum bonus from 4 per cent to 8.33 per cent, that was done precisely for populist considerations.

THE PRIME MINISTER, MINISTER OF PLANNING, MINISTER OF ATOMIC ENERGY, MINISTER OF ELECTRONICS AND MINISTER OF SPACE (SHRIMATI INDIRA GANDHI): That is wrong.

SHRI INDRAJIT GUPTA: That was done in 1971 on the eve of the general elections, and it was done as a populist slogan to get the votes of the working class. Now because an emergency has come, the elections are being postponed and the rest of it, under the cover of this emergency that 8.33 per cent and even 4 per cent minimum bonus are being done away with. When it suits you, you take to populist slogans; when it is not necessary, you talk against populism.

Now, I do not want to take much time. The point is that he has made some remarkable statements. One was on the issue bonus shares, that because it means capitalising of the reserves, it contributes to the stability of the corporate sector and also generates funds for social investment. And he asked us this question: would you

prefer stability of the corporate sector or would you prefer instability, which will lead to political chaos? What is this corporate sector which you are talking about? You did not say a word about that. Mr. Raghunatha Reddy, as to who are the masters of this corporate sector. You gave only one or two examples from the public sector. But the companies which are floating these bonus shares, as I quoted yesterday, and which have been permitted to issue bonus shares up to the extent of their paid up capital are all private sector firms, big firms of these monopoly tycoons. Are the Government prepared to give a guarantee that the bonus shares which are floated by them and the amounts of money, huge amounts of money, which they take out from the reserves in order to make them into capital, are really being invested for productive, socially productive, purposes? What is being done is that a greater amount of appropriations of these companies will be paid out as dividends to the shareholders who will get bonus shares. So dividend payment will go up, but in your present economy, what steps have Government concretely taken to ensure that this money is utilised for productive purposes? At least, that is not what Mr T A. Pai says I do not know whether Mr Pai is a big Marxist or Leninist, or what he is—I do not know. Perhaps he is not so familiar with Marxism or Leninism as my friend, Mr. Raghunatha Reddy, is. But I was glad to see that Mr Pai at least in a forthright manner, has in one or two recent meetings, been compelled to castigate those big owners of the private sector precisely for this, that they are not using these funds for expanding production; they are keeping 50 per cent of their installed capacity idle deliberately; they want to create an artificial shortage to boost up prices and keep their profit rate up. He has said to them: 'You go on asking for concessions from Government, and Government have given you many concessions. But in spite of that, you are seeing to it that production does not expand.' These are the people who

are issuing bonus shares and then Mr. Raghunatha Reddy gives them a compliment by saying that these bonus shares will strengthen the stability of the corporate sector.

You want to have a big, real debate about all these questions? I cannot go into it on this question of the bonus Bill. I would welcome such a debate. Sometime or other, this Parliament should concern itself with these fundamental, basic, economic questions. Unfortunately, in recent years, we have given up debating these questions; there is very little opportunity to debate these things.

Then he gave an example. If the National Textile Corporation Mills have to pay a minimum bonus every year, they will have to close down, which would you prefer—would you prefer the mills functioning without paying bonus or do you insist on bonus and force unemployment on the workers? But why should I answer this question? Am I responsible for the mismanagement and bungling of these mills which had to be taken over by NTC? He knows very well that these mills have been ruined and made bankrupt by their previous owners. They stole all the money of those mills and ran away, brought the mills to the verge of closure and Government were compelled to step in and take over those mills. Naturally they are in a rotten shape. But am I to blame for that? And because these mills have been mismanaged by their previous owners, the entire working class of the country must be made to give up its bonus!—I do not understand this logic and argument at all.

Anyway, now one or two other points and I will have done. Quite a lot was said yesterday, today also the Minister has implied it; yesterday it was said openly by some members like Shri Nathu Ram Mircha who was very much eloquent about the fact, according to him, that people in the cities, particularly the working class in the industrial cities and towns and the

[Shri Indrajit Gupta]

people who run their trade unions, are suffering from a kind of narrow and sectarian outlook; they do not see the villages, they do not see the miserable conditions of the masses of the villages and so on and that we must learn to have a wide vision, a broad vision like he has and so on. I am surprised that a person like Mr. Mirdha forgot that the overwhelming majority of our working class in this country still comes from the villages and has very close contact with the villages. He should know it. These people come from the poverty stricken villages of Eastern U.P., Northern Bihar and Orissa

SHRI NATHU RAM MIRDHA (Nagaur): But the same man with hammer in the factory is called worker. If that man with a spade works in the village farm, he is called mazdoor.

SHRI INDRAJIT GUPTA You did not understand that the man with the hammer gets some bonus and that bulk of the bonus goes by money order to the village. This you don't remember. I have not got those figures with me now. But the Labour Department of the West Bengal Government has compiled statistics to show how many crores of rupees go out by money order from the city of Calcutta to UP, Bihar, Orissa and even to Rajasthan because all the Rajasthanis in Calcutta are not Birlas, Singhanias and Jaipurias. There are other working class people also from Rajasthan and the money orders are going out to all these villages and the families in Bihar and Orissa who are surviving because of these money orders which they get from their relatives who are employed as workers in the mills and factories in Calcutta. Where does the bonus go to? Is it not helping the people in the villages?

In Maharashtra, in the industrial complex of Bombay, you will find that the people working there are from the most backward, the most under-developed districts, and the most poverty stricken areas of the States. These

people are compelled to go and work in the mills and factories of Bombay city. About six lakh people alone from the Ratnagiri district, which is one of the most backward areas, are employed in Bombay. If they get some money as bonus and transmit a bulk of it by money order to their families who are depending on them in the villages, is that supposed to be a big crime? The hon. Member says that we are not thinking of the social responsibility and the money is swallowed by the people sitting in towns and cities. Who are those people sitting in towns and cities? Our workers have not yet developed as a modern working class as in the Western countries who have nothing to do with the rural country-side. Our working class people are not like that. The people working in the coal-mines and big steel projects are all recruited from round about the country-side and from some other States also. So, this is not the way to argue. It is the wrong way of arguing. I am sorry that this argument is being put forward in a more sophisticated way. The Labour Minister is talking about the social investment and social services being generated. This money, the bulk of it, is trickling back to the families and dependents of workers in those villages. You go and talk to the jute workers in Calcutta who are sending money every month, every year to Monghyr district, to Darbhanga, to Muzaffarpur, to Balia and to all the Eastern districts of UP. He does not consider himself to be a full-fledged worker with his base in West Bengal. He has always considered himself as an outsider who has come from UP, Orissa or Bihar or somewhere. All his ties are with his village. What is wrong with it if he earns and sends money to his family? Is he not performing a social service? This is a very distorted way of arguing. I must say.

Sir, I am not satisfied with the reply he has given because he says that provided these is an allocable surplus

bonus will be payable to workers in future also. The point I was arguing yesterday was that the existing bonus formula is such that in the majority of cases, no allocable surplus will accrue. Therefore, they will not get any bonus from the next year. And the Major Mahajan Sangh of Ahmedabad to which I referred yesterday has sent a letter addressed to Shri Raghunatha Reddy, by the Textile Labour Association, Ahmedabad. The letter reads like this:

"We have our apprehensions that the fact that in the accounting year 1974, the employees of 61 mills in Ahmedabad were paid minimum bonus. The profits of the accounting year 1975, even though remaining the same as that of 1974, the employees of only four mills will get bonus and the rest of the 61 textile mills' workers will not get any bonus on the ensuing Diwali holidays."

"We have our apprehensions that the Payment of Bonus (Amendment) Ordinance will act adversely against the interests of production, which is the prime need of the day.. "

The profits remaining the same or even increasing, under the new dispensation, no allocable surplus will be got and a majority of workers will not get any bonus. That is the total effect of this Bill and that is why I said that the doing away with the minimum bonus irrespective of profit or loss is not the only mischief of this Bill. In a majority of cases, no bonus will be payable in future. That is why we are so strongly opposed to it.

Some valuable points have been raised by many other members who spoke, including friends on the other side. I would make an appeal to the Government—the Prime Minister is here also. You are going to pass this Bill; we cannot stop it. Having passed it, are you prepared even now to sit down and talk to the central trade unions on this question, whom you have completely bypassed earlier? Questions have been raised, for example, about balance sheets. Have the workers not got the right to have some mechanism

to safeguard against the fraudulence of a balance sheet, because you are asking us to depend on some allocable surplus which may flow from the audited and published balance sheets. Yesterday I explained how the balance sheets are cooked up. Everybody knows it. The Chairman of the PAC sitting on my left presented a report only last week to this House, which has enough evidence to show how even a big foreign bank like the Grindlays cooks up its accounts. Even your tax assessors could not catch hold of it and you have lost a huge amount of taxes because they are able to manipulate their accounts. This is just one example. This is being done everywhere. Therefore, this question was raised by many members here supporting the Bill. Should there not be some mechanism whereby the veracity of the balance sheets can be properly checked? Long ago we had raised the demand about nationalising audit. That also you are not willing to accept. You say that the auditing system as it is existing is okay. But the cases in which fraudulent balance sheets are detected are also audited balance sheets. Another point raised is, you should have effective workers' participation. That is, the workers' representatives in those committees should also have the right to go into the accounting system of those companies. This is a demand which every trade union has made, irrespective of its politics, including the INTUC. When the Labour Ministry produced its scheme of workers' participation in management, we were expecting that we would get some satisfaction. But under that scheme, the workers' representatives are to concern themselves only with production. How the company buys its raw materials, where it buys them, what is the pricing policy, what is the costing policy, what is the inventory policy, how it is dealing with private contractors—all these matters will not be within the competence of that committee to discuss, under that scheme. Then, where is the check going to come from? Then do not talk about workers' participation. This is one of

[Shri Indrajit Gupta]

the points of the 20-Point Programme. You are saying that it is not a populist thing. If that be so, then do something more about it. You do not allow that; you do not allow nationalisation of audit and you want us to depend on these audited balance-sheets and when no allocable surplus comes out, no bonus will be given. I do not know whether you can satisfy the workers by reading passages from Karl Marx and Lenin to them. You can try it if you like but you should have your feet on the ground also. But that way, I do not think, you will be able to improve the industrial relations atmosphere very much. I heartily recommend reading Marx and Lenin, nothing better, but with your feet on the ground and not up in the air.

Sir, these points are there to which no satisfactory reply is given. I would say that once you have passed this Bill despite our opposition, it is your responsibility and the responsibility of this Government to sit down with the central trade union organisations and have a discussion in depth with them as to how even within the ambit of this Bill, it will be possible or it may be possible for the workers at least to claim a bonus where it is their due on the basis of the profit made.

Why do you tell me about the National Textile Corporation when I am telling you about the Shipping Corporation of India which has made record profit? For the past three years, they have been paying 20 per cent bonus. And this year having made a record profit, the bonus is to be not more than 4 per cent. The Chairman is running round in circles and says: "I cannot face my employees; what am I going to tell them?" Is this the way of improving industrial relations? They have got enough money, enough resources and they can pay. I do not know why this did not occur to the Prime Minister. If you are afraid of inflation, you could have said and you did on earlier occasions in another context, that all right, if this minimum

bonus of 8.33 was given, only 4 per cent out of it would be paid in cash and the remaining part of it would be credited to your provident fund accounts and then the fear of bogey of inflation would not be there. You did it in the Compulsory Deposit Scheme; you did that with the Central Government employees whom you were owing five instalments of dearness allowance and after protracted negotiations, you came to an agreement that you would pay to them not in cash but it would be credited to their provident fund accounts. Why do not you deal with this bonus in that way and take unions into confidence and come to some kind of an agreement? Why do not you take the workers into confidence? We are not insisting that everything should be paid in cash just now. A part of it may be credited and a part of it may be paid. But that is not your philosophy. Your philosophy is what is being expounded by Mr. Raghunatha Reddy—stability of the Corporate sector which means Tata, Birla and Company must be given stability. That is the whole trouble. I do not mind, in a period of emergency if you talk of all-round discipline for everybody. Very good; try to live up to it. Discipline for the workers, discipline for the employers; do it and enforce it with even-handed justice, let me see

Now after six or seven months of emergency, belatedly after so much howling and shrieking by us, you are bringing forward a limited Bill to say that you cannot close down a factory, you cannot retrench the workers, you cannot lay-off the workers unless Government gives its approval. They have created havoc for the last six months. Did you deal with them the way you dealt with the workers? Your first thought was to attack the workers rights. This way you cannot mobilise popular enthusiasm. And when you are talking about discipline, discipline should be for everybody. Discipline for the workers, discipline for the students, discipline for the Parliament.

all is being done, but no discipline for the big tycoons of the monopoly sector.

I hope the Prime Minister, at some suitable time and occasion—I leave it to her—will also react, publicly, to this kind of insufferable, insolent propositions which are being made by these American organizations and business-men who have come to our country to talk with our people in this Indo-U.S. Business Council. They are not satisfied with all this. They want something more, they are demanding that we should give up all our national sovereignty. You read Mr. Orwell Freeman's speech. He says that multi-national corporations must be allowed to penetrate everywhere. We are already bowed down under the load of our own Tatas and Birlas. If on top of that, multi-national corporations also come in, then I do not know what will be left of us, or of anybody in this country. So I urge upon the Government, I appeal to the Government—there is nothing more that I can do—that even after getting this bill passed, don't treat this bonus as a closed chapter. Every year, Durga Puja, Diwali, Id, Pongal and everything will come round. These are also customs in our country, over which you cannot ride roughshod in the space of a few months. There are social and religious traditions in our country. These religious festivals have got some meaning in the social life of the people and the workers. It has become customary for them and their families to indulge themselves a little bit during these festivals and they used to do this with the help of the customary bonus. Don't treat the chapter as closed. This problem will crop up every year; in the workers' minds at least it will crop up. Pass the bill by all your majority and everything. Then take the unions into confidence, sit down with them,—the INTUC, AITUC, CITU and everybody. (Interruptions) Why not? Even CITU. Every party has its union. So, you are talking about economism. Let us sit down, talk and see that within its am-

bit at least, some concrete steps and measures are taken to see that the workers are not cheated and defrauded of what is their due. I realize that the concept of minimum bonus irrespective of profit and loss has been demolished and buried by you. You are the grave-digger of that minimum bonus. In history, you will be written down as the grave-digger of this concept of minimum bonus.

(Interruptions) All right; it does not matter. I do not also bother, provided I get my due bonus on the profits made, because what I am apprehensive of, is that gradually, by stages, the workers will be forced into a position where there will be no bonus linked with profits; and they will be told that it will only be linked with production and productivity. That is a different type of bonus; production-linked and incentive-linked bonuses are not something new in this country. It exists in many companies and concerns, he knows it. In all our engineering industries, there are various schemes of production bonus and incentive bonus. But that is a different thing. Don't try to replace or supplant this bonus on profits by that. It is linked with whatever I produce—as much production as I give, I will get some bonus on it. It is a different matter. But what about the huge profit which I am helping to create by my toil and my sweat? I must not be defrauded of my share in it. And if this bill is left where it is now, it is going to deprive me altogether. That is why we are opposed to it, because we are not given any assurance whatsoever by the Government that they will take any practical step to safeguard the position of the workers. We see it in the kinds of workers' participation scheme that they have evolved. We see it in their refusal to nationalize audit; we see it in their encouragement to the issue of bonus shares recklessly by these companies. That is why we are apprehensive. Therefore, I see no reason whatsoever why I should withdraw my Resolution.

[Shri Indrajit Gupta]

We are totally dissatisfied with what the Government has done and said. Therefore, I commend my Resolution to the House.

MR. SPEAKER: The question is:

"This House disapproves of the Payment of Bonus (Amendment) Ordinance, 1975 (Ordinance No. 11 of 1975) promulgated by the President on the 25th September, 1975"

The Lok Sabha divided;

Division No. 21]

[12.01 hrs.

N O E S

A Y E S

Badal, Shri Gurdas Singh
Bade, Shri R. V.
Banerjee, Shri S. M.
Bhargavi Thankappan, Shrimati
Bhattacharyya, Shri Dinen
Bhattacharyya, Shri S. P.
Chandra Shekhar Singh, Shri
Chandrappan, Shri C K.
Chatterjee, Shri Somnath
Chaudhuri, Shri Tridib
Chowhan, Shri Bharat Singh
Dutta, Shri Biren
Gupta, Shri Indranil
Halder, Shri Krishna Chandra
Hazra, Shri Manoranjan
Horo, Shri N E
Jharkhande Rai, Shri
Kamble, Shri N. S
Kathamuthu, Shri M.
Lakshmikanthamma, Shrimati T
Mavalankar, Shri P G.
Modak, Shri Bijoy
Mohammad Ismail, Shri
Mohanty, Shri Surendra
Mukherjee, Shri Samar
Mukherjee, Shri Saroj
Muruganantham, Shri S. A.

Nair, Shri Sreeekantan
Pandey, Shri Sarjoo
Parmar, Shri Bhaljibhai
Patel, Kumari Maniben
Ram Hedao, Shri
Reddy, Shri B. N.
Saha, Shri Ajit Kumar
Sen, Dr. Ranen
Sequeira, Shri Erasmo de
Shastri, Shri Ramavatar
Shastri, Shri Shiv Kuma

Achal Singh, Shri
Aga, Shri Sved Ahmed
Ahirwar, Shri Nathu Ram
Alagesan, Shri O. V.
Ankineedu, Shri Maganti
Arvind Netam, Shri
Austin, Dr. Henry
Awdhesh Chandra Singh, Shri
Aziz Imam, Shri
Babunath Singh, Shri
Balakrishniah, Shri T.
Banamali Babu Shri
Banerjee, Shrimati Mukul
Barua, Shri Debabrata
Basumatari, Shri D.
Bhagat, Shri H. K. I.
Bhargava, Shri Basheshwar Nath
Bhatia, Shri Raghunandan Lal
Bhat.acharyyia, Shri Chapalendu
Bheeshmadev, Shri M.
Bhuvancharan, Shri G.
Bis, Shri Narendra Singh
Brahmanandji, Shri Swami
Brij Raj Singh-Kotah, Shri
Chakleshwar Singh, Shri
Chandra Gowda, Shri D. B
Chandrashekarappa Veerabasappa
Shri T. V.
Chaturvedi, Shri Rohan Lal

Chaudhuri, Shri Amarsinh
Chaudhary, Shri Nitiraj Singh
Chavan, Shrimati Premalsbai
Chavan, Shri Yeshwantrao
Chhotey Lal, Shri
Chhutten Lal, Shri
Chikkalingalah, Shri K.
Dalbir Singh, Shri
Darbara Singh, Shri
Das, Shri Anadi Charan
Daschowdhury, Shri B. K.
Deo, Shri S. N. Singh
Desai, Shri D. D.
Dhillon, Dr. G. S.
Dhusia, Shri Anant Prasad
Dinesh Singh, Shri
Dixit, Shri Jagdish Chandra
Doda, Shri Hiralal
Dube, Shri J. P.
Dwivedi, Shri Nageshwar
Engti, Shri Biren
Gaekwad Shri Fatesingh Rao
Gandha, Shrimati Indira
Gangadeb, Shri P.
Gavit, Shri T. H.
Gill, Shri Mohinder Singh
Giri, Shri S. B.
Godara, Shri Mani Ram
Gokhale, Shri H. R.
Gomango, Shri Giridhar
Gopal, Shri K.
Goswami, Shri Dinesh Chandra
Gokhinde, Shri Annasaheb
Gowda, Shri Pampan
Hansda, Shri Subodh
Hanumanthaiya, Shri K.
Hari Singh, Shri
Ishaque, Shri A. K. M.
Jamlurrahman, Shri Md.
Jeyalakshmi, Shrimati V.

Jha, Shri Chiranjib
Kadam, Shri J. G.
Kadannappalli, Shri Ramachandran
Kader, Shri S. A.
Kailas, Dr.
Kakodkar, Shri Purushottam
Kakoti, Shri Robin
Kale, Shri
Kamakshajah, Shri D.
Kamble, Shri T. D.
Karan Singh, Dr.
Kasture, Shri A. S.
Kaul, Shrimati Shella
Khadilkar, Shri R. K.
Kisku, Shri A. K.
Kotoki, Shri Liladhar
Kotrashetti, Shri A. K.
Krishnan, Shri G. Y.
Lakkappa, Shri K.
Laskar, Shri Nihar
Lutfal Haque, Shri
Mahajan, Shri Vikram
Majhi, Shri Gajadhar
Mallanna, Shri K.
Mandal, Shri Jagdish Narain
Mandal, Shri Yamuna Prasad
Manhar, Shri Bhagatram
Maurya, Shri B. P.
Mirdha, Shri Nathu Ram
Mishra, Shri Bibhuti
Mishra, Shri G. S.
Mishra, Shri Jagannath
Modi, Shri Shrikishan
Mohammad Tahir, Shri

Mohammad Yusuf, Shri
Mohan Swarup, Shri
Mohsin, Shri F. H.
Munsi, Shri Priya Ranjan Das
Nahata, Shri Amrit
Naik, Shri B. V.
Negi, Shri Pratap Singh
Oraon, Shri Tuna
Painuli, Shri Paripoornanand
Palodkar, Shri Manikrao
Pandey, Shri Damodar
Pandey, Shri Narsingh Narain
Pandey, Shri R. S.
Pandey, Shri Tarkeshwar
Pandit, Shri S. T.
Pant, Shri K. C.
Paokai Haokip, Shri
Parashar, Prof. Narain Chand
Patel, Shri Arvind M.
Patel, Shri Prabhudas
Patel, Shri R. R.
Patil, Shri E. V. Vikhe
Patil, Shri Krishnarao
Patil, Shri S. B.
Peje, Shri S. L.
Pradhan, Shri Dhan Shah
Raghu Ramalah, Shri K.
Rai, Shri S. K.
Rai, Shrimati Sahodrabai
Raju, Shri P. V. G.
Ram Singh Bhai, Shri
Ram Surat Prasad, Shri
Ramji Ram, Shri
Ramshekhar Prasad Singh, Shri

Rao, Shrimati B. Radhabai A.
Rao, Shri Jagannath
Rao, Shri K. Narayana
Rao, Shri M. S. Sanjeevi
Rao, Shri M. Satyanarayan
Rao, Shri Nagewara
Rao, Shri Pattabhi Rama
Raut, Shri Bhola
Reddy, Shri K. Kodanda Ram
Reddy, Shri M. Ram Gopal
Reddy, Shri P. Narasimha
Reddy, Shri P. V.
Reddy, Shri Sidram
Rohatgi, Shrimati Sushila
Saini, Shri Mulki Raj
Samanta, Shri S. C.
Sankata Prasad, Dr.
Sathe, Shri Vasant
Satpathy, Shri Devendra
Satyanarayana, Shri B
Savant, Shri Shankerrao
Savitri Shyam, Shrimati
Shailani, Shri Chandra
Shankaranand, Shri B.
Sharma, Dr. H. P.
Sharma, Shri Madhoram
Sharma, Shri R. R.
Sharma, Dr. Shanker Dayal
Shashi Bhushan, Shri
Shastri, Shri Biswanarayan
Shastri, Shri Sheopujan
Shivappa, Shri N.
Shivnath Singh, Shri
Shukla, Shri B. R.

37 St. Res. re. Payment of Bonus (Amndt.) Ord. & Payment of Bonus (Amndt.) Bill
 38 St. Res. re. Payment of Bonus (Amndt.) Ord. & Payment of Bonus (Amndt.) Bill

Siddayya, Shri S. M.
 Singh, Shri Vishwanath Pratap
 Sinha, Shri Nawal Kishore
 Sinha, Shri R. K.
 Sehni Lal, Shri T.
 Sekhi, Sardar Swaram Singh
 Stephen, Shri C. M.
 Sudarsanam, Shri M.
 Sunder Lal, Shri
 Suryanarayana, Shri K.
 Tayyab Hussain, Shri
 Thakre, Shri S. B.
 Tombi Singh, Shri N.
 Tulsiaram, Shri V.
 Ulkey, Shri M. G.
 Venkatasubbaiah, Shri P.
 Vidyalkar, Shri Amarnath
 Vikal, Shri Ram Chandra
 Yadav, Shri Karan Singh
 Yadav, Shri R. P.
 Zulfiquar Ali Khan, Shri

MR. SPEAKER The result of the division is: Ayes: 38, Noes: 191.

The motion was negatived.

MR. SPEAKER I shall now put Amendment No. 1 moved by Shri C. K. Chandrappan to the vote of the House.

The questions is:

"That the Bill further to amend the Payment of Bonus Act, 1965, be referred to a Select Committee consisting of 14 Members, namely:—

Shri S. M. Banerjee,
 Shri Dinen Bhattacharyya,
 Smt. Roza Vidyadhar Deshpande.
 Shri K. R. Ganesh,

Shri Indrajit Gupta,
 Shri Krishnan Manoharan,
 Shri Saroj Mukherjee,
 Shri Vayalar Ravi.
 Shri K. V. Raghunatha Reddy,
 Shri Vasant Sathe,
 Shri Shashi Bhushan,
 Shri Ramavatar Shastri,
 Shri K. P. Unnikrishnan, and
 Shri C. K. Chandrappan with instructions to report by the 1st April, 1976" (1)

The motion was negatived.

MR. SPEAKER: I shall now put amendment No. 2 moved by Shri Dinen Bhattacharya to the vote of the House.

The question is:

"That the Bill further to amend the Payment of Bonus Act, 1965, be referred to a Select Committee consisting of 14 members, namely:—

Shri S. M. Banerjee,
 Shri Tridib Chaudhuri,
 Shri M. C. Daga,
 Shri Dinesh Joarder,
 Shri Hukam Chand Kachwai,
 Shri Madhu Limaye,
 Shri Prasannbhai Mehia,
 Shri Mohammad Ismail,
 Shri H. N. Mukerjee,
 Shri Noorul Huda,
 Shri Era Sezhiyan,
 Shri Digvijaya Narsain Singh,
 Shri K. V. Raghunatha Reddy, and
 Shri Dinen Bhattacharyya with instructions to report by the 5th April, 1976" (2)

The motion was negatived.

MR. SPEAKER: The question is:

"That the Bill further to amend the Payment of Bonus Act, 1965, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

MR. SPEAKER: We shall now take up clause 2.

Clause 2—(Amendment of long title)

SHRI DINEN BHATTACHARYYA:
I beg to move:

Page 1, line 11,—

for "on the basis of profits" substitute—"irrespective of profits" (23)

Page 1, lines 11 and 12,—

for "on the basis of production or productivity" substitute "loss" (24)

My amendment concerns line 11 on page 1. There it has been stated as follows:

"An act to provide for the payment of bonus to persons employed in certain establishments on the basis of profits or on the basis of production or productivity."

I have suggested for "on the basis of profits" substitute "irrespective of profits".

In amendment No. 24, I have asked for "on the basis of production or productivity" substitute "loss". So, the contention of the amendment is very clear in respect of the minimum bonus that was there, which the workers got not at the mercy of Mr. Raghunatha Reddy or his boss the Prime Minister.

The workers had to fight long long battles to get this minimum bonus. It is now being snatched away from them. So, I have moved this amendment.

Now, you have linked bonus with production. My hon. friend, Shri Indrajit Gupta, has stated very ably that perhaps Mr. Raghunatha Reddy does not know what is the production bonus, how our factories are run on piece-rate basis, how the workers get production bonus or the incentive. You must go to a jute mill or any other factory which is producing engineering goods. There the workers are paid on the basis of results, not on daily-wage basis. There are hundreds of factories where there is the production bonus system.

On the contrary, you are putting a ceiling on the maximum production bonus that a worker is entitled to get if he exceeds the target. Yesterday, the hon. Member, Mr. Damodar Pandey very eloquently stated how in the coal mines, they exceeded the target. But Mr. Raghunatha Reddy is putting an axe on the maximum limit, that the workers will not get more than 20 per cent. I hope, even at this stage, the hon. Minister will not commit the sin. As Mr. Indrajit Gupta rightly described it, he is even taking away the minimum bonus that the workers are entitled to. I would request him to please reconsider his views and accept my amendment.

SHRI RAGHUNATHA REDDY: No, Sir

MR. SPEAKER: Now, I put amendment Nos. 23 and 24 to the vote of the House.

Amendments Nos. 23 and 24 were put and negatived.

MR. SPEAKER: There is no amendment to Clause 3 also. So, I put Clause 2 and 3 together to the vote of the House.

The question is:

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

41 St. Res. re. Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill

MAGHA 15, 1997 (SAKA) St. Res. re Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill 42

Clause 4—(Amendment of section 2)

The motion was adopted.

SHRI S. M. BANERJEE (Kanpur): I beg to move:
Page 2,—

Clauses 4, 5 and 6 were added to the Bill.

omit lines 32 to 36. (8)

Clause 7—(Substitution of new section for section 10)

SHRI N. SREEKANTAN NAIR: I want to move my amendment No. 18.

SHRI ERASMO DE SEQUEIRA: I beg to move:

MR. SPEAKER: It is the same as No. 8.

Page 3, line 11,—

after "year" insert—

"or any set-on carried forward from the previous year" (3)

Page 3, lines 18 and 19,—

omit "subject to a maximum of twenty per cent of such salary or wage" (4)

Page 3,—

omit lines 20 and 23. (5)

SHRI S. M. BANERJEE: I beg to move:

Page 3,—

for lines 10 to 19, substitute—

"10. (1) Every employer in any accounting year shall be bound to pay every employee in respect of that accounting year a minimum bonus which shall not be less than 8.33 per cent of the salary or wage earned by the employee during that accounting year or one hundred rupees whichever is higher". (9)

Page 3, line 27,—

for "four per cent" substitute—

"8.33 per cent" (10)

SHRI N. SREEKANTAN NAIR: I want to move amendments 19 and 20.

MR. SPEAKER: They are the same as 9 and 10.

SHRI RAGHUNATHA REDDY: The Supreme Court has already struck it down. This is in order to make the law clear.

MR. SPEAKER: I put Amendment No. 8 to the vote of the House.

Amendment No. 8 was put and negatived.

MR. SPEAKER: There are no amendments to clauses 5 and 6 also. So, I put clauses 4, 5 and 6 together to the vote of the House.

The question is:

"That Clauses 4, 5 and 6 stand part of the Bill."

SHRI N. SREEKANTAN NAIR: We want our names also on record.

MR. SPEAKER: All right.

SHRI DINEN BHATTACHARYYA:
I want to move amendments 25, 26, 27,
28 and 29.

MR. SPEAKER: Amendment No. 27
is the same as amendment No. 4. He
can move the rest of the amendments.

SHRI DINEN BHATTACHARYYA:
I beg to move:

Page 5, line 13,—for 'four' sub-
stitute 'ten' (25)

Page 3, lines 14 and 15.—for 'one
hundred rupees' substitute 'two
hundred and fifty rupees'. (26)

Page 3, line 23,—for 'sixty' substi-
tute 'one hundred and twenty-five'
(28)

Page 3,—omit lines 31 to 35. (29)

SHRI RAMAVATAR SHASTRI: I
beg to move:

Page 3,—

for lines 10 to 19 substitute—

"10 (1) Every employer in any
accounting year shall be bound
according to this Act to pay every
employee in respect of that account-
ing year a minimum bonus which
shall not be less than 8.33 per cent
on any pretext of the salary or
wage earned by the employee dur-
ing that accounting year or one hun-
dred rupees whichever is higher".
(33)

SHRI ERASMO DE SEQUEIRA: My
amendments deal with the question,
firstly, of when bonus should be paid
and, secondly, how much should be
paid. On the question of when bonus
should be paid, I would like to make
it very clear that even if it is set-on
from the previous year, bonus should
be paid. I would like to draw atten-
tion to p. 4 on the top, sub-section 3
which says:

"(3) for the purposes of this sec-
tion, the allocable surplus shall be

computed taking into account the
amount set on or off in the three
immediately preceding accounting
years and in the accounting year in
respect of which the bonus is pay-
able..."

What I am going to suggest to the
Minister is that if the Government's
intention is that—it says that it is—
bonus should be linked with producti-
vity, then the loss of the previous
year should not be allowed to be
carried on for the purpose of allo-
cable surplus where the minimum is
to be determined because if a company
which, in previous years has made a
loss, in a succeeding year makes a
profit, then the allocable surplus
should, in the first instance, be deter-
mined only with reference to that year
because if, having made a loss, it
begins to make a profit, it can only
mean that the workers have become
more productive. If you don't provide
this, you are not linking bonus with
productivity.

My second amendment deals with
the upper limit of 20 per cent which,
to my mind, is completely contrary to
the concept that bonus is linked with
production or productivity because
how can you have a limit on produc-
tion or productivity. Listening to the
Minister, his argument was, while
replying to what Mr. Gupta and I
had said about the original motion,
that if you allow such a thing, the
management and the union can, in
collusion, diddle a company out of its
profits and even out of its capital.
What I would say is that since the
Bonus Act came into force, it has not
been possible for anybody to do that
and neither was there any such
attempt. In any case here Mr. Ragh-
natha Reddy, a Minister of this Gov-
ernment said, talking about populist
slogans, that there should not be popu-
list slogans—which is like hearing
some fallen angels quoting the scrip-
tures. I would suggest that unless he

removes this 20 per cent restriction—and I want to remind him that what we are talking of is 20 per cent of the wage bill and not 20 per cent of the profits—he can never say that he has linked his bonus with either production or with productivity.

SHRI S. M. BANERJEE: My amendment No. 9 is that I want to substitute lines 10 to 19 with other lines. Now, lines 10 to 19 are:

“Subject to the other provisions of this Act where an employer has any allocable surplus in any accounting year, then, he shall be bound to pay to every employee in respect of that accounting year a minimum bonus which shall not be less than four per cent of the salary or wage earned by the employee during the accounting year or one hundred rupees whichever is higher.”

Now, my amendment is that should be substituted by:

“Every employer in any accounting year shall be bound to pay every employee in respect of that accounting year a minimum bonus which shall not be less than 8.33 per cent of the salary or wage earned by the employee during that accounting year or one hundred rupees whichever is higher”.

The hon. Minister, while replying to the debate, has spoken about the limit of bonus; he has said that he would link the whole thing with production or productivity. In many units, whether in the public sector or in the private sector, the workers are getting production bonus separately. That has nothing to do with the annual bonus. Production bonus is paid in the public sector undertakings, specially in departmental undertakings like ordnance factories and also in private undertaking like TISCO. In that case, does he want to apply this limit of 20 per cent in that? I would like to know from him what his argument is,

whether he wants to see that the annual bonus is replaced by production bonus or whether he wants the annual bonus to be continued. The workers in ordnance factories and other private undertakings are entitled to profits and also to production bonus. When production bonus was introduced in Bhilai, I know, it was objected to by many people, saying that it would affect the annual bonus. It was agreed that that it had nothing to do with the annual bonus. I would request the Minister to clarify these points before he rejects the amendment. Let him not reject this without realising the implications of it or without understanding the meaning of it. Let him reject after giving some convincing arguments.

My other amendment is, for four per cent, 8.33 per cent may be substituted.

श्री श्रीहनुमन्त इस्लाम (वैरकपुर) :

पहली एमेंडमेंट के जरिये मैं 4 परसेंट को दस परसेंट से सबन्टीट्यूट करना चाहता हूँ। यह इसलिए कि आजकल प्रापिट्रस बढ़ रहे हैं और बहुत सी कम्पनिया घाट परसेंट से भी ज्यादा, बारह, पंद्रह, बीस, पच्चीस और तीस परसेंट तक दे रही हैं। इसलिए चार परसेंट पर निमित्त लगाना ठीक नहीं है। चार परसेंट की जगह जब 8.33 परसेंट का प्रॉपोजल आया तो यह उसी वक्त खत्म हो गया। इसलिए मैं चाहता हूँ कि इसको दस परसेंट कर दिया जाए।

दूसरी मेरी एमेंडमेंट यह है कि लाइन 14 और 15 में सी रुपये की जगह मैं चाहना हूँ कि 250 रुपये कर दिया जाए। 250 तक उनको मिलना चाहिये। सी का कोई प्रॉपोर्शन मालूम नहीं होता है। इसलिए, यह 250 होना चाहिये।

मेरी अगली एमेंडमेंट यह है कि लाइन 18 और 19 में जहां आने कहा है कि

[श्री मोहम्मद इस्माइल]

सबसेकट टू ए-बीक्सकम आफ 20 परसेट आफ सब हॅल्लरी धार बेजिब, इसको मैं चाहता हू कि ओमित किया जाए। यह मैं इसलिए चाहता हू कि 20 परसेंट से भी ज्यादा दिया जा रहा है। राम सिंह भाई ने कहा कि उनका एप्रीमेंट 35 परसेट पर हुआ और मिला। इस बास्ते लिमिट लगाने के कोई माने नहीं है। इसको ओमित कर दिया जाए।

पेज 3 लाइन 23, यहा पर साठ रुपये की जगह मैं 125 रुपये करना चाहता हू। इसी तरह से पेज 3 पर मैंने यह चाहा है कि लाइज 31 मे 35 को ओमित कर दिया जाए।

मैं आशा करता हू कि मेरी इन एमेंडमेंट्स को मंत्री महोदय स्वीकार कर लेंगे।

श्री रामावलार शास्त्री (पटना) मेने 33 और 34 नम्बर के दो सशोधन रखे है। सरकार है मूल कानून की धारा 10 मे सशोधन करने की बोगिज की है। मैं चाहता हू कि टमको हटा दिया जाए। इसका कारण यह है कि आपने इस में अग्रर मगर की बात कही है। टमका अर्थ अस्पष्ट है। लगता यह है कि सरकार मजदूरों को बोनस देने के गज में नहीं है। सो कहने की इस बात को साफ तौर से उसकी हिम्मत गही है। इसलिए इस कानून मे अग्रर मगर का जाल बिछा कर मजदूरों के टम हक को वह छीन लेना चाहती है। मैं चाहता हू कि उसको हटा दिया जाए और मेरा जो सशोधन 33 है उसको मान लिया जाए। कई माननीय सदस्यो ने भी उस तरह के सशोधन रखे है उन में से एक को स्वीकार किया जा सकता है। मैं चाहता हू कि 8 33 परसेट या सी रुपये जो भी अधिक हो वह दिया जाए। यह बिना किसी प्रकार की अग्रर मगर के या किसी और शर्त हो। मजदूरों ने बहुत ही

सबर्ष के बाद अपने इस हक को हासिल किया है और इस सबर्ष में तमाम बिचारों के मजदूर शामिल थे, काप्रेस को मानने वाले भी थे, कम्पुनिस्टों को मानने वाले भी थे और दूसरे भी थे। तमाम ने मिल कर सबर्ष किया और नतीजा यह हुआ कि 8.33 परसेंट बोनस देने का निर्णय सरकार ने लिया। अब उन। इस हक को आप छीन लेना चाहते हैं। यह उचित नहीं है। जब इस बीस सूत्री आर्थिक कार्यक्रम को कार्यान्वित करना चाहते हैं और ज्यादा से ज्यादा सहयाग मजदूरों का लेना चाहते हैं ताकि देश का उत्पादन बढ़े और स्थित स्वार्थ जो लोग हैं, जो प्रतिक्रियावादी लोग है, जो फासिस्ट शक्तिया है उनको हम बिकस्त देना चाहते हैं तो इस काम में मजदूरों का सहयोग अपेक्षित है। बोनस के उनके हक वा छीन लेने से या उसको कम कर देने से मजदूरों में अमन्तोप बडेगा, बीस सूत्री कार्यक्रम के कार्यान्वयन है कठिनाई होगी, उत्पादन है कठिनाई होगी, इस बास्ते सरकार 8 33 परसेंट बोनस मे किमी भी प्रकार को कटौती न करे और अग्रर वह करेगी तो समस्त मजदूर वर्ग सगठित हो कर इसका मुकाबला करेगा।

SHRI DINEN BHATTACHARYYA
Sir, I would like to say a word about amendment No 29 I will request the Labour Minister kindly to reply to this. The other day you passed the Bill, Equal Remuneration Bill, kindly look into its provisions. Those workers who have not yet attained the age of fifteen will get less bonus though they will do the same job like an adult or those who are above fifteen. These workers are doubly exploited. There is a law that you cannot give employment to a child who is below fifteen You are giving sanction to an employer to employ a boy below fifteen and at the same time, he will get less bonus than an adult. What is the philosophy in

this matter? Is there any such thing in the Marxism that you quoted?

SHRI RAGHUNATHA REDDY: The Equal Remuneration Bill was meant for equal remuneration between men and women and not between persons below fifteen and grown-up people. The question that has been raised by my friend, Shri Sequeira, which is a relevant question, I would like to answer that, and the rest of the questions that have been debated since morning, I do not think, I need reply them.

Clause 19 says that notwithstanding anything contained in this law, if an agreement or settlement is entered into between the parties concerned, then the rest of the provisions of the Bonus Act will not apply. The basic principles on which the entire law is sought to be placed is, on one side, profit and on the other, production and productivity. This clause deals with production and productivity. Whether the concern makes profit or not, it has nothing to do with it. This is purely based on production and productivity.

I think the hon. Member's question has been answered.

SHRI ERASMO de SEQUEIRA: I would like to draw his attention to one thing. That is a fact that there is a clause in this Bill which says that if any employer pays more than what is provided, then, in that case, he shall not be allowed a deduction under income-tax.

SHRI RAGHUNATHA REDDY: There are two questions to it. One is whether an undertaking makes any profit or not. If it comes under clause 19, then he is bound to pay according to the agreement entered into or the settlement arrived at, regarding bonus. But the limit is 20 per cent and beyond that even the agreement cannot prescribe bonus.

SHRI ERASMO de SEQUEIRA: I am suggesting that it can make that

agreement but he will not get a deduction under income tax agreement or no agreement.

SHRI INDRAJIT GUPTA: With regard to production and productivity bonus, there are many instances at present where productivity schemes are in force where people are earning already on the basis of production and productivity more than 20 per cent. and if this Bill comes into force, is he suggesting that the extra money will have to be refunded by them or abolished or what?

SHRI RAGHUNATHA REDDY: What has been paid already, need not be refunded.

SHRI INDRAJIT GUPTA: Suppose on the basis of 50 per cent increase in productivity. I have been getting a certain quantum of productivity bonus in a particular concern, now you put a ceiling on that, that I cannot get more than 20 per cent. Then am I also entitled to reduce my productivity to that extent? What is the implication?

SHRI DINEN BHATTACHARYYA: He cannot understand.

SHRI RAGHUNATHA REDDY: The question is very simple. The law lays down that beyond 20 per cent, there cannot be any agreement entered into.

MR. SPEAKER: I will put amendment No. 9 of Shri S. M. Banerjee to vote.

The Amendment No. 9 was put and negatived.

MR. SPEAKER: Now, I will put all other amendments to clause 7 viz., 3, 4 and 5 by Mr. Sequeira, 10 by Shri S. M. Banerjee and 25, 26, 28 and 29 by Shri Dinen Bhattacharyya and 33 by Shri Ramavtar Shastri—34 is the same as an earlier one—to the vote of the House.

[Mr. Speaker]

Amendments Nos. 3 to 5, 10, 25, 26, 28, 29 and 33 were put and negatived.

MR. SPEAKER: Now, the question is:

"That clause 7 stand part of the Bill."

The motion was adopted

Clause 7 was added to the Bill.

Clause 8—(Omission of Section 11)

SHRI INDRAJIT GUPTA: I beg to move:

Page 4.—

for clause 8, substitute—

"8. In section 11 of the Principal Act, sub-section (2) shall be omitted." 11)

MR. SPEAKER: Now, I will put Amendment No. 11 of Shri Indrajit Gupta to the vote of the House

Amendment No. 11 was put and negatived.

MR. SPEAKER: Now, the question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill

Clause 9 and 10 were added to the Bill

Clause 11—(Substitution of new section for Section 15)

SHRI ERASMO de SEQUIRA: I beg to move:

Page 4, lines 18 to 21—

Omit "subject to a limit of twenty per cent. of the total salary or wage of the employees employed

in the establishment in that accounting year, be carried forward for being set on the succeeding accounting year and so on, to" (6)

Page 4, line 31,—

omit "set on and" (7)

SHRI INDRAJIT GUPTA, I beg to move:

Page 4,—

for lines 16 to 30, substitute—

"15 (1) where for any accounting year, the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under section 11, then the excess shall subject to a limit of twenty per cent. of the total salary or wage of the employees employed in the establishment in that accounting year be carried forward for being set on in the succeeding accounting year and so on up to and including the fourth accounting Year to be utilised for the purpose of payment of bonus.

(2) Where for any accounting year, there is no available allocable surplus or the allocable surplus falls short of the minimum bonus payable to the employees in the establishment under section 10, and there is no amount or sufficient amount carried forward and set on under sub-section (1) which could be utilised for the purpose of payment of the minimum bonus, then such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on up to and inclusive of the fourth accounting year." (12)

SHRI N. SREEKANTAN NAIR
(Qullon) : I beg to move :

Page 4,—

after line 22 insert—

“(1A) The excess amount that is carried forward for set on under sub-section (1) shall be maintained as a separate banking account, which cannot be utilised by the employer for any purpose, other than set on for bonus in future years, and utilising it for any other purpose shall be treated as misappropriation and shall be punishable under the Indian Penal Code :

Provided that is the majority of the employees agree by secret ballot to utilise a portion of the accumulated amount for welfare measures for the employees, it shall be utilised in that manner.” (21)

SHRI ERASMO DE SEQUEIRA : This amendment also is dealing with the actual amount that should be paid to the workers. Here again I am suggesting that the limitation of 20 per cent. be removed.

When he was replying to the debate, the hon Minister put forth as justification for the retention of the limit of 20 per cent the fact that in the national interests money should not be distributed for consumption. If I may say so, the explanation he has put forward, to use a kind word, is rather puerile because, what is the guarantee, what is the legislative guarantee that this government can give us that if this money is retained by the employers, it will not be used for something even more undesirable than direct distribution to the workers? If you are not looking after the common man of this country, the working man, then whom are you trying to protect as a Government, I ask. When the hon. Minister comes with facile explana-

tions like quoting Marx and Lenin to Mr. Inderjit Gupta even our voting machine refuses to work. Thank you.

SHRI S. M. BANERJEE : We have already moved our amendments I request the Minister to accept it. This is what I said :

‘15 (1) there for any accounting year, the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under section 11, then the excess shall, subject to a limit of twenty per cent. of the total salary or wage of the employees employed in the establishment in that accounting year be carried forward for being set on in the succeeding accounting year and so on upto and including the fourth accounting year to be utilised for the purpose of payment of bonus.’

Now, Sir, the Minister said, if there is any surplus, then that means, every worker has a chance to get bonus, as if that is the welcome feature of the Bill. I say that this can be carried forward for being set off in the succeeding accounting year upto and inclusive of the fourth accounting year for the purposes of the payment of bonus. Then I say this :

‘Where for any accounting year there is no available allocable surplus or the allocable surplus falls short of the minimum bonus payable to the employees in the establishment under section 10, and there is no amount or sufficient amount carried forward and set on under sub-section (1) which could be utilised for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on upto and inclusive of the fourth accounting year.’

[Shri S. M. Banerjee]

This is in substitution of that particular portion. Let the hon. Minister accept this. If he is not accepting, may I know what are the specific objections to this? He is always very logical and reasonable and I request him to accept this.

SHRI N. SREEKANTAN NAIR: Sir, although my amendment is slightly different it is very important and this is in case of companies which make profits and continue to make profits. In such cases there is a solution. Under Section 15(1), the additional amount is set on but, if that is set on for some time, and, if at a particular time, the employer becomes bankrupt, then the workers lose everything. It is through his effort that the employer has made the profits. That becomes an allocable surplus for the set on after three or four years and if the workers want it and by 51 per cent. majority they decide that that should be utilised for some amenities, that should be allowed. That is one point.

The additional amount that is set on must be kept in a separate banking account so that the employees would not be able to get away with that amount. Shri Reddy ruling the Labour Department must be aware of this fact that over Rs. 30 crores of money was misappropriated and no action was taken against these responsible in the Provident Fund Account. It is the money of the workers. The employers should have come forward to give that legitimate amount of Rs. 30 crores. Why should that be allowed to be misappropriated by the employers? Whatever be the surpluses after giving them the bonus, let that be kept in a separate bank account. I shall therefore read my amendment. My amendment is:

"That after 15(1), add new section 15(1) (A)."

"The excess amount that is carried forward for set on under sub-sec-

tion (1) shall be maintained as a separate banking account which cannot be utilised by the employer for any other purpose."

Suppose the set on for bonus in future years is utilised for any other purpose. Then, it shall be treated as misappropriation and the employer shall be punishable under the Indian Penal Code.

"Provided that if the majority of the employees agree by secret ballot utilise a portion or the whole amount for welfare measures for the employees, it shall be utilised in that manner".

Here is a very limited protection given to the profits accumulated by the workers' own efforts. And such profits are accumulated by the employer. Why should not the workers get the benefit of the profit and why should the employer be allowed to misappropriate that? Let that be kept in a separate bank account. If he touches that let him be prosecuted under the Indian Penal Code. After three or four years if there is accumulated money and if workers by ballot decide that they must utilise it for welfare purpose—for the welfare scheme of workers—let that be utilised. That is my other point.

SHRI RAGHUNATHA REDDY: Sir, I explained the concept of allocable surpluses yesterday and this morning and I do not think need to go into the question again. The entire concept of allocable surplus is now put on roll on basis. There may be a loss in one year and profit in another. That is how the concept of allocable surplus is based on the principle of roll-on basis.

SHRI N. SREEKANTAN NAIR: As in the Provident Fund, suppose there is sufficient money and it is eaten away by the employer what will you do? That is why I say that let this be kept in a separate account.

57 **St. Res. re. Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill** **MAGHA 15, 1957 (SAKA)** **St. Res. re Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill** 58

SHRI RAGHUNATHA REDDY: Eating away of money is quite a different transaction. What we are concerned with here is the allocable surplus.

MR. SPEAKER: I shall put the amendment Nos. 6 and 7 moved by Shri Erasmo de Sequeira to the vote of the House.

Amendments Nos. 6 and 7 were put and negatived.

MR. SPEAKER: Now I shall put amendment Nos. 12 and 21 moved by Shri Indrajit Gupta and Shri Sreekanth Nair to the vote of the House.

Amendments Nos. 12 and 21 were put and negatived.

MR. SPEAKER: I shall take up clauses 11 and 12 to 18 together. There are no amendments to clauses 12 to 18. I shall put them all to the vote.

The question is:

"That Clauses 11 and 12 to 18 stand part of the Bill"

The motion was adopted.

Clauses 11 and 12 to 18 were added to the Bill.

(Clause 19)—(Insertion of new Section 31(A))

SHRI INDRAJIT GUPTA: I beg to move

Page 6, lines 38 and 39,

omit "linked with production or productivity in lieu of bonus based on profits payable under this Act."

(13)

Page 7.—

omit lines 1 to 3. (14)

SHRI DINEN BHATTACHARYA: I beg to move:

Page 6, lines 38 and 39,—

omit "production or productivity in lieu of bonus based on" (30)

MR. SPEAKER: 31 is the same as 14, so also amendment No. 35 of Shri. Ram Singh Bhal.

श्री राज सिंह भाई (इंदौर). अध्यक्ष महोदय, जैसा कि श्री इन्द्रजीत गुप्त ने कहा है, बोनस को अलग अलग रूप हैं प्रापित बोनस प्राइकशन बोनस, प्राइकिटबिटी बोनस और हाजरी बोनस। हाजरी बोनस शायद मंत्री महोदय के ध्यान में नहीं रहा है। बाकी सब उन्होंने एक पोटीली में बाध दिया है।

मेरा सशोधन बहुत महत्वपूर्ण है और मंत्री महोदय के फेवर में जाता है। इसलिए उन्हें इस को स्वीकार कर लेना चाहिए। जहां प्राइकशन नहीं हो रहा था, वहां प्राइकशन को बनाने के लिए अंवरटाइम काम लिया जाता है और फैक्टरीज एकट मुताबिक अंवरटाइम काम के लिए डबल पैसा दिया जाता है। हम जितना प्राइकशन चाहते हैं हमारी कंपैमटी उतनी नहीं है। सरकार जितना प्राइकशन चाहती है, थ्रमिक अपना खून पसीना बहा कर उस से ज्यादा प्राइकशन दे रहे हैं। इसलिए यह विचार किया जा रहा है कि फिनिशिंग डिपार्टमेंट में मशीनें लगाई जायें, ताकि पिछले प्रोडक्शन को फिनिश किया जा सके। चूंकि प्राइकशन ज्यादा हो रहा है, इसलिए थ्रमिको को प्राइकशन बोनस दिया जा रहा है, जो बेन में कम होता है।

7 टन की कंपैमिटी है और प्राइकशन 4 टन आता था। यह एग्जिमेंट किया गया कि अगर प्राइकशन 6 टन से ज्यादा होगा, तो थ्रमिको को प्राइकशन बोनस दिया जायेगा। अब प्राइकशन 9 टन तक पहुंच गया है। फिनिशिंग डिपार्टमेंट के डिप्टी सेक्रेटरी ने मुझ से कहा है कि फिनिशिंग डिपार्टमेंट में पीछे प्रोडक्शन से जो आता है उस को फिनिश नहीं

[श्री राम सिंह भाई]

कर पाते हैं इसलिए हम वहाँ प्रीर मशीनरी लगाते जा रहे हैं जिस से एम्प्लायमेंट बढ़ेगा।

प्रश्न यह है कि आप ने जो वचन दिया है अगर आप उस के प्रतिकूल प्रावधान बोनस देना बन्द कर देते हैं तो फिर हमारा क्या अगर आप अपनी जुबान पर कायम न रहे तो फिर हम भी एक्काउंट टर्न कर देंगे कि आप जानें प्रीर मशीनरी जानें। मैं मानता हूँ कि अम मंत्री महोदय भी इस बात को नहीं समझे होंगे प्रीर उन्होंने प्राइम मिनिस्टर को भी नहीं समझाया होगा मेरा निवेदन यह है कि हम सीमित साधनों से उसी कैपिटल से प्रीर उसी लेबर से ज्यादा प्रावधान बढ़ा रहे हैं। तो फिर सरकार बीच में क्यों आती है ?

12.58 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

मेरा निवेदन है कि मेरा संशोधन बहुत सीधा-सादा प्रीर नवर्नमेंट के पक्ष में है। वास्तव में यह संशोधन लेबर मिनिस्टर को लाना चाहिए था। अब मैं इस को लाया हूँ। अगर वह इस को स्वीकार कर लेंगे तो बड़ी ठुपा होगी।

13 hrs.

SHRI S. M. BANERJEE (Kanpur): I am speaking on amendment No. 13 which seeks the omission of lines 38 and 39, "linked with production or productivity in lieu of bonus based on profits payable under this Act." Another amendment of ours, No. 14, seeks the omission of lines 1 to 3 on page 7. I really support what my hon. friend, an experienced trade unionist, Ram Singh Bhai, has said. There is production bonus, there is

attendance bonus. There are various incentives in kind also. Some rewards are also given for good production. By bringing in this clause and linking it up with productivity and production, a gross folly is being committed by the government; they do not realise the implications. I have been with the workers all my life and I have served them for 16 years, except for a brief period. I know what it is; there are piece workers; there are supervisors who have actually to supervise that. I know how the workers feel if there is no incentive. If the government is not accepting our amendment, No. 13, let them accept the amendment of Shri Ram Singh Bhai; we shall be satisfied with that; though it does not serve our purpose fully, still we shall be happy to accept even that amendment. I only request him not to withdraw that amendment but to press it to a division to show that he is a staunch trade unionist who could not be influenced by the government or the Labour Minister. Lines 1 to 3 of page 7 say: "Provided that such employees shall not be entitled to be paid such bonus in excess of twenty per cent of the salary or wage earned by them during the relevant accounting year." These lines have to be omitted and there should be no limit. If by agreement we could get 22 to 23 per cent, what is the harm in it? Is it not a fact that even after the issue of the ordinance, there was a settlement with Kulkarni's union in the ONGC for 18 per cent? It could be 20 or 22 per cent. There should be no restriction. Let not the government defend the employers to that extent that if the employers want to pay or want to enter into an agreement with the bargaining agents of the trade union in excess of the stipulated limit, let them not ban it on behalf of the government. That is why we want to omit those lines.

SHRI DINEN BHATTACHARYYA: I have got only one sentence to add and that is my request to Shri Raghunatha Reddy at least to understand

what is production bonus, what is productivity bonus and what is the annual bonus. They are jumbling up the whole issue. The question is one of annual bonus which you have dealt with while referring to profit. Now you are linking up bonus with production and productivity. It has been stated here again and again that there is a system of production bonus and incentive. Are you going to take all the other bonus benefits and give only one bonus that is to be linked both to profit as well as production? Suppose there is a factory where due to the maximum effort of the workers, there is maximum production but because of some circumstances created by the employer the company gets a loss, will you say to the workers: even if you have given maximum production, you are not entitled to any bonus? I urge upon him to kindly understand what is incentive bonus, what is production bonus and what is annual bonus? How can you link it up with profit as well as productivity. He should consider these points.

SHRI RAGHUNATHA REDDY: I have been explaining this since yesterday evening. I do not mind even if I further take the trouble of explaining this to Mr. Dinen Bhattacharyya that as far as incentive schemes are concerned, they are not affected by this law. The incentive schemes continue. Under this clause, the profits are distinguished, the profit scheme is distinguished from the productivity and production. The profit is on the basis of production or productivity. The only thing is that the maximum limit of giving bonus is 20 per cent, once there is an agreement between the parties concerned that they could not have a profit-sharing scheme on the basis of production and productivity, then they can enter into agreement. They can work out their own norms. The trade unions should be in a position to work out norms for determining the bonus on the basis of production or productivity. This is the situation as far as this clause is concerned. The law is

very clear and I do not think that he requires any further elaboration on that.

MR. DEPUTY-SPEAKER: I shall now put all the amendments to clause 19 to the vote of the House.

Amendments Nos. 13, 14 and 30 were put and negatived.

MR. DEPUTY-SPEAKER: The question is—

“That clause 19 stand part of the Bill”

The motion was adopted.

Clause 19 were added to the Bill.

Clause 20—(Amendment of Section 32)

SHRI INDRAJIT GUPTA: I beg to move:

Page 7,—

omit lines 8 to 14 (15)

MR. DEPUTY-SPEAKER: I shall now put the amendment to the vote of the House.

Amendment No. 15 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

“That Clause 20 stand part of the Bill”.

The motion was adopted.

Clause 20 was added to the Bill.

Clause 21 was added to the Bill.

Clause 22—(Substitution of new section for section 34)

SHRI INDRAJIT GUPTA. I beg to move:

Page 7,—

for lines 18 to 21, substitute—

“34. Nothing contained in this Act shall be construed to preclude

[Shri Indrajit Gupta]
employers employed in any establishment or class of establishments from entering into agreement with their employer for granting them an amount of bonus under a formula which is different from that under this Act." (16)

Sir, I have already explained the position on this point. I want to emphasise again that this Government has no right whatsoever to prevent the solution of bonus disputes by means of collective bargaining. There is no other tried and tested method by which these disputes can be amicably resolved and he knows very well that over the years, a large number of such agreements have been entered into and wherever those agreements have been entered, there has been no kind of unrest or agitation or anything on this bonus issue. The matter was amicably settled. He put forward an absurd example, a hypothetical example saying that if you leave employer and employee to come to an agreement, they will agree on such a quantum of bonus that the whole capital base of the company will be eroded. Well, of course, this is not a very high compliment he is paying to these managements. Of course there are no such foolish people that they will agree to bonus which will finish all the capital base of the company. But does he know a single such instance? Such agreements have been entered into for several years and now there are many subsisting agreements also. Can he tell me a single case where the employee entered into an agreement of which the effect was that the capital base of the concern was eroded? It is an absurd thing. Therefore, in my opinion it is a vital issue. Subject to the other provisions of the Bill my amendment reads as follows.

"34. Nothing contained in this Act shall be construed to preclude employees employed in any establishment or class of establishments from entering into

agreement with their employer for granting them an amount of bonus under a formula which is different from that under this Act."

This was there in the original Act. It was unanimously agreed to by all the parties to this legislation, including the Bonus Commission. The representatives of the employees, the government, the trade unions, etc. were all there. They came to an agreement. It is a salutary arrangement. Even now many employers are really upset over the fact that this thing is being taken away because it will bind their hands even in cases where they have more than adequate resources to pay. They apprehend in the long run this will have a deleterious effect on industrial relations. Therefore, I am pressing this amendment.

SHRI S M BANERJEE: Sir, I wish to remind the minister of his promise. What will happen to those agreements which were entered into between the employees and corporations in the public sector? The agreement was for four years. I am specifically mentioning the agreement in which the Minister himself played a very vital role in 1974 when the employees of the LIC—all the unions including my union, i.e., All India Insurance Employees Federation—started negotiations with the LIC Chairman, Mr. Puri, who is now the Governor of the Reserve Bank. After 2 months of negotiations, the amount which was Rs 4 crores in the beginning was raised to Rs 65 crores. The agreement was a sort of package deal in which the bonus was fixed at 16 per cent. What happens to that? At that time, we wanted it only for 2 years, but the management wanted to bind the unions and they said, it should be for 4 years. This can be checked from the records. It was the desire of the management of LIC and the then Finance Minister, Shri Y B. Chavan that it should be for four years and we reluctantly agreed. The allocable surplus and

everything was considered by the Corporation, including the total business upto 1978. What happens to that agreement? We went to a court of law and the High Court has issued a stay order. The case may come up on 3rd March. What happens to such agreements? What happens to the Indian Oxygen agreement? In HMT, Pinjore. In 1973-74 when the profit was only Rs. 78 lakhs, they got 20 per cent bonus. But when the profit is more than Rs 2 crores 38 lakhs, they are offered 4 per cent. Is it not a sad commentary on the industrial relations? I would like to know what happens to such agreements.

SHRI RAGHUNATHA REDDY: Sir, if Mr Indrajit Gupta's amendment is accepted, there is no necessity at all for the provisions of this Bill. Mr Banerjee has raised the issue about LIC. The provisions of this Bill or even the Act do not attract the LIC

SHRI S M. BANERJEE: Then why are they trying to recover the amount?

SHRI RAGHUNATHA REDDY: Whatever happens outside has nothing to do with the Bill. Whether the agreement is valid or not must be determined under some other law. I certainly believe that a wise man like Mr Banerjee would not like the LIC to be brought under the provisions of this Bill.

MR DEPUTY-SPEAKER: I am told the machine is out of order. Slips will have to be collected and that will take some time. I am told the lobbies have been cleared. Now, the rules do not permit show of hands. Members will have to rise in their seats and they will have to be counted.

MR. DEPUTY-SPEAKER: The question is:

Page 7,—

for lines 18 to 21, substitute—

4 Nothing contained in this Act shall be construed to preclude

2360 L.S.—3.

employees employed in any establishment or class of establishments from entering into agreement with their employer for granting them an amount of bonus under a formula which is different from that under this Act." (16)

Let the Lobby be cleared.

The Lobby has been cleared. The rules do not permit the show of hands. Members will have to rise in their seats and they will be counted. The rule says:

" he may ask the members who are for 'Aye' and those for 'No' respectively to rise in their places and, on a count being taken, he may declare the determination of the House. In such a case, the names of the voters shall not be recorded "

Now, the "Ayes" may stand in their seats—

Now, the "Noes" may stand in their seats—I think the "Noes" have it.

SHRI P. G. MAVALANKAR (Ahmedabad): Mr. Deputy-Speaker, Sir, I have a point of order. You quoted from the rules, saying that the determination can be done only by rising in the seats. We had to rise in our seats because the machine is not working.

MR. DEPUTY-SPEAKER: It comes to the same thing.

SHRI P. G. MAVALANKAR: No, Sir, my point is that if the machine were working it would have recorded as to who voted for and who voted against. Now, merely asking us to stand up and your giving the total, does not reflect and record the true intention and decision of the House.

MR DEPUTY-SPEAKER: Now let us have an easy way out. (Interruptions) Let me dispose of this. To

67 St. Res. re. Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill

[Mr. Deputy Speaker]

have an easy way out, we will distribute these slips. You all put your names there.

The Lok Sabha divided.

Division No 22] [13.17 hrs.

AYES

Banerjee, Shri S M
Bhattacharyya, Shri Dinen
Bhattacharyya, Shri S P
Chandrappan, Shri C K
Chatterjee, Shri Somnath
Gupta, Shri Indrajit
Halder, Shri Krishna Chandra
Joarder, Shri Dinesh
Kathamuthu, Shri M
Krishnan, Shri E R
Lakshmikanthamma, Shrimati T
Mavalankar, Shri P G
Mayathevar, Shri K
Modak, Shri Bijoy
Mohanty, Shri Surendra
Mukerjee, Shri H N
Mukherjee, Shri Samar
Mukherjee, Shri Saroj
Muruganantham, Shri S A
Pandey, Shri Sarjoo
Parmar, Shri Bhaljibhai
Saha, Shri Ajit Kumar
Saha, Shri Gadadhar
Sen, Dr Ranen
Shastri, Shri Ramavatar
Shastri, Shri Shiv Kumar
Sher Singh, Prof
Singh, Shri D N

NOES

Aga, Shri Syed Ahmed
Agrawal, Shri Shrikrishna
Ahrwar, Shri Nathu Ram

FEBRUARY 2, 1959 St. Res. re. Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill

Alagesan, Shri O. V.
Amabesh, Shri
Ankineedu, Shri Maganti
Ansari, Shri Ziaur Rahman
Appalanaidu, Shri
Austin, Dr. Henry
Awdhesh Chandra Singh, Shri
Aziz Imam, Shri
Babunath Singh, Shri
Banerjee, Shrimati Mukul
Barua, Shri Bedabrate
Basappa, Shri K
Bhagat, Shri H K L
Bhargava, Shri Basheshwar Nath
Bhattacharyya, Shri Chapalendu
Bhuvarahan, Shri G
Brahmanandji, Shri Swami
Brij Raj Singh-Kotah, Shri
Chakleshwar Singh, Shri
Chandra Gowda, Shri D B
Chaturvedi, Shri Rohan Lal
Chaudhari, Shri Amarsinh
Chaudhary, Shri Nitiraj Singh
Chavan, Shrimati Premalabai
Chhotey Lal, Shri
Chhuttan Lal, Shri
Chikkalingalah, Shri K
Daga, Shri M C
Dalbir Singh, Shri
Darbara Singh, Shri
Daschowdhury, Shri B K
Dhillon, Dr G S
Dhusia, Shri Anant Prasad
Dixit, Shri G C
Dixit, Shri Jagdish Chandra
Doda, Shri Hiralal
Dube, Shri J P
Dwivedi, Shri Nageshwar
Engti, Shri Biren
Gangadeb, Shri P
Gavit, Shri T. H
Gill, Shri Mohinder Singh

69 St. Res. re. Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill

Godara, Shri Mani Ram
Gogol, Shri Tarun
Gokhale, Shri H. R.
Gomango, Shri Giridhar
Gopal, Shri K.
Goswami, Shri Dinesh Chandra
Gotkhinde, Shri Annasaheb
Gowda, Shri Pampan
Hansda, Shri Subodh
Hari Singh, Shri
Jadeja, Shri D. P
Jamilurrahman, Shri Md.
Jeyalakshmi, Shrimati V.
Jha, Shri Chiranjib
Joshi, Shri Popatlal M
Joshi, Shrimati Subhadra
Kadam, Shri J G
Kadannappalli, Shri Ramachandran
Kader, Shri S. A.
Kahandole, Shri Z. M.
Kailas, Dr.
Kale, Shri
Kamakshalah, Shri D
Kamala Prasad, Shri
Kamble, Shri T. D
Kamla Kumari, Kumari
Kapur, Shri Sat Pal
Karan Singh, Dr
Kaul, Shrimati Sheila
Khadilkar, Shri R. K.
Kisku, Shri A. K.
Kotaki, Shri Liladhar
Krishnappa, Shri M. V
Kureel, Shri B. N.
Laskar, Shri Nihar
Lutfal Haque, Shri
Mahajan, Shri Vikram
Majhi, Shri Gajadhar
Majhi, Shri Kumar
Mandal, Shri Jagdish Narain
Mandal, Shri Yamuna Prasad
Manhar, Shri Bhagatram

70 St. Res. re. Payment of Bonus (Amdt.) Ord. & Payment of Bonus (Amdt.) Bill

Maurya, Shri B. P.
Melkote, Dr. G. S.
Mirdha, Shri Nathu Ram
Mishra, Shri G. S
Mishra, Shri Jagannath
Modi, Shri Shrikishan
Mohammad Tahir, Shri
Mohammad Yusuf, Shri
Nahata, Shri Amrit
Naik, Shri B. V.
Negi, Shri Pratap Singh
Oraon, Shri Tuna
Pahadia, Shri Jagannath
Painuli, Shri Paripoornanand
Palodkar, Shri Manikrao
Pandey, Shri Damodar
Pandey, Shri Narsingh Narain
Pandey, Shri R. S.
Pandey, Shri Tarkeshwar
Pandit, Shri S. T.
Pant, Shri K. C
Paokai Haokip, Shri
Parashar, Prof. Narsin Chand
Patel, Shri Arvind M.
Patel, Shri Natwarlal
Patil, Shri E. V. Vikhe
Patil, Shri Krishnarao
Patil, Shri S. B
Patnaik, Shri J. B.
Peje, Shri S. L.
Prabodh Chandra, Shri
Pradhan, Shri Dhan Shah
Raghu Ramalal, Shri K.
Rai, Shri S. K.
Rai Shrimati Sabodrabai
Raj Bahadur, Shri
Ram Singh Bhai, Shri
Ram Surat Prasad, Shri
Ram Swarup, Shri
Ramji Ram, Shri
Rao, Shrimati B. Radhabai A.
Rao, Shri Jagannath

Rao, Shri M S Sanjeev
 Rao, Shri M Satyanarayan
 Rao, Shri Nageshwara
 Rao, Shri P Ankaneedu Prasada
 Rao, Shri Pattabhi Rama
 Rathia, Shri Umed Singh
 Raut, Shri Bholā
 Reddy, Shri K Kodanda Rami
 Reddy, Shri P V
 Reddy Shri Sidram
 Rohatgi, Shrimati Sushila
 Saini Shri Mulki Raj
 Salve, Shri N K P
 Samanta, Shri S C
 Sankata Prasad, Dr
 Sant Bux Singh Shri
 Sarkar, Shri Sakti Kumar
 Sathe Shri Vasant
 Satpathy, Shri Devendra
 Satyanarayana Shri B
 Savant, Shri Shankerrao
 Shallani, Shri Chandra
 Shambhu Nath, Shm
 Shankaranand, Shri B
 Sharma, Shri A P
 Sharma, Dr H P
 Sharma, Shri Madhoram
 Sharma, Shri Nawal Kishore
 Sharma, Dr Shanker Dayal
 Shashi Bhushan, Shri
 Shastri, Shri Biswanarayan
 Shastri, Shri Sheopujan
 Shivnath Singh, Shri
 Shukla, Shri B R
 Siddayya, Shri S M
 Singh, Shri Vishwanath Pratap
 Sinha, Shri Nawal Kishore
 Sinha Shri R K
 Sohan Lal, Shri T
 Sokhi, Sardar Swaran Singh
 Stephen, Shri C. M.

Sudarsanam, Shri M
 Sunder Lal, Shri
 Swamy, Shri Sidrameshwar
 Swaran Singh, Shri
 Tayyab Hussain, Shri
 Thakre, Shri S B
 Tombi Singh, Shri N
 Tulsiram Shri V
 Uikay, Shri M G
 Unnikrishnan Shri K P
 Vekaria, Shri
 Venkatasubbaiah, Shri P.
 Vikal, Shri Ram Chandra
 Yadav Shri Chandrajit
 Yadav Shri Karan Singh
 Yadav Shri R P

MR DEPUTY-SPEAKER The result of the division is Ayes 28, Noes 186 The amendment is lost

The motion was negatived

MR DEPUTY-SPEAKER The question is

"That Clauses 22 to 28 stand part of the Bill"

The motion was adopted

Clauses 22 to 28 were added to the Bill.

Clause 29— (Amendment of section 36 of the Income-tax Act)

MR DEPUTY-SPEAKER: Now Clause 29 Mr Indrajit Gupta do you move the amendment?

SHRI INDRAJIT GUPTA. Yes, Sir. I beg to move

Page 9 line 24,—

add at the end—

"or under any agreement or settlement between the employees and their employer under a formula which is different from that under this Act" (17)

SHRI ERASMO DE SEQUEIRA: Sir, I have a point of order on this. Please look at Clause 29 at line 19 of page 9. (Interruptions)

MR. DEPUTY-SPEAKER: Order please. I am hearing a point of order. I am not able to hear it. Members who want to go may do so quietly please. Order.

SHRI ERASMO DE SEQUEIRA: This clause as you will see, introduces a provision in the Income-tax Act, viz.:

"Provided that the deduction in respect of bonus paid to an employee employed in a factory or other establishment to which the provisions of the Payment of Bonus Act, 1965 apply shall not exceed the amount of bonus "payable under that Act."

What this clause is saying is that if an employer pays to his worker more than what the Act provides for, he shall not be allowed to deduct whatever he has paid in excess, from his income-tax return. The effect of this is that an income which, before this clause, would not be taxable, becomes, by the introduction of this clause, taxable. And, therefore, I submit that this is a measure of taxation. Please refer to Article 117 of the Constitution. It reads:

"(1) A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President...."

If you refer to Article 110, you will find that 1(a) of it says as under:

"(a) the imposition, abolition, remission, alteration or regulation of any tax;"

I have submitted to you that the effect of the introduction of this provision is to tax an income which, before this clause, would not be taxable.

Therefore, this Clause seeks to introduce a tax. This, Sir, is prohibited from consideration in this House without the recommendation of the President. I, therefore, submit that unless this clause 29 is removed from this bill, the consideration of this bill must stop at this very moment. This is my point of order.

SHRI RAGHUNATHA REDDY: Clause 29 of the Payment of Bonus Bill, 1976 seeks to add the following proviso to section 38(1) (2) of the Income-tax Act, 1961:

"Provided that the deduction in respect of bonus paid to an employee employed in a factory or other establishment to which the provisions of the Payment of Bonus Act, 1965 apply shall not exceed the amount of bonus payable under that Act."

The proviso has been proposed to be added by way of abundant caution and is essentially of a declaratory nature. Under the proviso the deduction under section 38(1) of the Income-tax Act in respect of sums paid to an employee as bonus shall not exceed the amount payable as bonus under the Payment of Bonus Act, 1965 in relation to an employee employed in a factory or other establishment to which the Bonus Act applies. Obviously, the amount deductible cannot exceed the amount of bonus payable under the law, being the Bonus Act. Hence, the proviso cannot be regarded as purporting to alter or regulate the income-tax within the meaning of article 110(1)(a) of the Constitution, or imposing or varying the income-tax within the meaning of article 274(1) of the Constitution and, as such, recommendation of the President is necessary under article 117(1) or article 274 of the Constitution.

MR. DEPUTY-SPEAKER: My difficulty is that Ministers come and just read out a prepared statement, without answering the points raised by the hon. Member. I am not able to follow

[Mr. Deputy Speaker]

it. There are two or three questions that have been raised. You would have to help me. Otherwise, how can I give a decision? The first question is whether this particular clause makes any deduction or payment in excess of the specified limit to the workers taxable. That should be made clear. If it is made taxable under the Income-tax Act, does it mean a variation of taxation which will attract article 110 of the Constitution? These are the points I would like him to meet, and then only I will be able to give a decision.

SHRI RAGHUNATHA REDDY: Article 110 of the Constitution can be attracted only if it falls within the subject-matter which is covered by the Income-tax Act. It is my submission that it is purely of a clarificatory nature and whether this provision is here or not, unless a deduction is covered by the provisions of the Bonus Act, it cannot be deducted under the Income-tax Act. Therefore, it is purely of a clarificatory nature and it does not fall within the purview, within the ambit, of article 110. If it is agreed that it does not fall under article 110, then the question of application of the provisions of article 117 or 274 does not arise.

SHRI N. K. P. SALVE: The terms "tax" and "total income" have been defined in the Income-tax Act. I have sent for the Income-tax Act. As soon as that is received, I will read it out to you. The two are conceptually different entirely. The total income is not tax and tax is not total income. On a very careful reading of this proviso, let us see whether it impinges either on what has been defined as "tax" or it gets into the "total income". If it comes on the periphery of the total income then, of course, article 110 is not applicable; but if it falls within the postulates of what is described as "tax", then, of course, he will have to deal with it. The provision reads:

"Provided that the deduction in respect of bonus paid to an employee employed in a factory or other establishment to which the provisions of the Payment of Bonus Act, 1965 apply shall not exceed the amount of bonus payable under that Act."

This will come as a proviso to subsection 1 of Section 36.

Section 36 of the Income-tax Act is the section which deals with various deductions in the computation of what is known as business income for arriving at the total income. So, this is entirely a deduction under a section, section 36 of the Income-tax Act, which is sought to be amended. If this is a section which deals entirely with the deductions to be allowed in the computation of the total income and statutorily you determine a certain ceiling for achieving certain social objectives, then I submit such an amendment would only impinge on the question of what ought to be the total income of an assessee, and it has nothing to do with what might fall within the purview of the term "tax".

If something is not to fall within the purview of "tax", the question of imposition, remission, alteration, regulation etc., are utterly irrelevant.

Firstly, it has to be established that what is sought to be modified or altered falls within the purview of the tax itself. Section 36 is not a charging section. It is the charging section which deals with the levy of tax and there are other sections which create an artificial charge. Section 36 does not in any way create any artificial charge also. It deals only with deduction in the computation of the total income and as such I submit that this provision is not at all hit by article 110 in any manner whatsoever.

SHRI SOMNATH CHATTERJEE (Burdwan): The hon. Minister himself said that the amendment was of a

clarificatory nature with regard to tax. Mr. Salve does not agree with him, and he has made the case worse. If I may say so with respect. On the hon. Minister's own admission, and I find that he is in good company now.

SHRI RAGHUNATHA REDDY It is purely a matter of abundant caution.

SHRI SOMNATH CHATTERJEE: You said that it was clarificatory with regard to tax

SHRI RAGHUNATHA REDDY Not clarificatory with regard to tax. The caution is clarificatory

SHRI SOMNATH CHATTERJEE He is going back, he should make up his mind

MR DEPUTY-SPEAKER If you are too cautious, you run into difficulties. You should be a little adventurous.

SHRI SOMNATH CHATTERJEE: Mr. Salve says that there is a distinction between tax and total income and that because this matter relates to computation of the total income, it has nothing to do with tax, and that therefore it does not come under article 110. But without ascertaining the total income, there is no question of assessment of tax. For computing the total amount of tax payable, computation of total income has to be made. In any event, Mr. Salve has not read sub-clause (g) of article 110(1) which says:

"any matter incidental to any of the matters specified in sub-clauses (a) to (f)"

A matter which is incidental will be sufficient for the purpose of bringing it within the term "Money Bill".

SHRI N. K. P. SALVE (Betul): Is he arguing that it does not come under (a) but falls within (g)?

SHRI SOMNATH CHATTERJEE: If it relates even incidentally to matters regarding tax or imposition of tax, it comes under Money Bill. Therefore, I submit that on their own showing, on the basis of both Mr. Reddy's statement and Mr. Salve's statement, this is intrinsically connected with the question of tax and therefore it comes within Money Bill

MR DEPUTY-SPEAKER. I find myself in a very difficult situation. In the first place, I had not anticipated this question to arise, although I do make efforts, before coming to the Chair, to read all the Bills. I am not a lawyer, but I try to apply my common sense and understanding. I hope the House will agree that it is too much for any person, even if he is a tax expert, off-hand to grasp everything of the submissions that the Members have made and then come to a conclusion. In any case, it is not for the Chair to decide whether this is constitutional or not constitutional....

SHRI S. M. BANERJEE: Allow us to move a motion for adjournment..

MR. DEPUTY-SPEAKER I am not here to give a judgment whether this attracts this part of the Constitution or not. If it attracts this part of the Constitution, then certain things follow from that. If it does not—I think, it is too complicated a question to be decided off-hand in this manner. Therefore, I have only two alternatives open to me. I will do that with the consent of the House. I think, in life one has to learn that if is often discretion which is the better part of valour. Either the House cooperate by having a look into this clause a little more closely—the rules provide for that, there is rule 89, they can always come back tomorrow, let no mistake be committed, it is upto you—or, if you do not want that, if the House so

[Mr. Deputy Speaker]

decides, I will put this to the House. Then, of course, it is for the courts to decide. If somebody goes to the court later on, that this is unconstitutional

SHRI S. M. BANERJEE: The House cannot decide it.

SHRI SOMNATH CHATTERJEE: You have to decide about the point of order.

MR. DEPUTY-SPEAKER: I am just putting the two alternatives before the House. The House is supreme. It will decide. My ruling will be, either one of the two alternatives

SHRI S. M. BANERJEE: Sir, a point of order has been raised by Mr. Sequeira which has been supported by my hon. friend Shri Somnath Chatterjee. According to our submissions, this Bill by any stretch of imagination, even if you want to stretch it to any extent, falls within the definition of money Bill. In that case, certain requirements are necessary. Mr. Salve has argued the case. There is apparently some difference between the argument of Mr. Salve and that of Mr. Raghunatha Reddy. The Law Minister chooses to remain silent. He has not applied his mind or mouth. It is agreed sign. I hope, he understands the implications of it.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): The Law Minister is ready to speak.

SHRI S. M. BANERJEE: I always know he can speak.

The question is, you have to give a ruling on the point of order raised. The point of order cannot be decided by this honourable House, however supreme and sovereign it may be. You say, the legal matters cannot be decided by you. As a Member of the House—I am here since 1957, rightly or wrongly—I am unable to take a

decision. You have to give a ruling on the point of order. We appeal to you, to your sense of justice, fairness and impartiality, to give your own judgment. Let them come back tomorrow before the House.

MR. DEPUTY-SPEAKER: I am not giving a ruling. What I was saying is that I have my grave doubts, I am not able to digest all these legal arguments within this short time. There is a saying in Latin: *In dubio pro comitate* which means when you are in doubt, act on behalf of the community. This is the community here. I have my grave doubts because of the very constitutional issues that have been raised. I have got to study them myself, even if I am to give a ruling which can be considered fair. Therefore I would say that rather than give a ruling when I am in doubt, I will act on behalf of the community by putting it to the House.

SHRI TRIDIB CHAUDHURI (Berhampore): It has been the practice and procedure in this House that when the Speaker is in doubt or the House or a section of the House is in doubt about the constitutionality of a proposed Bill, then only the matter is brought to the whole House. Otherwise, on a point of order, the Chair gives the ruling. But, anyway, when you yourself are in doubt, it means that you require some time to consider this thing. The best course would have been, I submit, for you to take some time. I would appeal to the majority Party—they can ride rough-shod over everything but, still, I would appeal to their sense of fair-play not to press upon deciding this by majority vote. This is a legislative measure; let us take some time. Nothing is lost and the Heavens will not fall if you pass this Bill one or two days later.

SHRI K. RAGHU RAMAIAH: We accept your ruling. Your suggestion was that when you are in a doubt of this nature, you should ascertain the community's feeling.

81. St. Res. re. Payment MAGHA 15, 1967 (SAKA) St. Res. re. Payment 82
of Bonus (Amdt.) Ord. & of Bonus (Amdt.) Ord. &
Payment of Bonus Payment of Bonus
(Amdt.) Bill (Amdt.) Bill

My friend just now said that if it is a constitutional issue, then the Chair has no jurisdiction—or whatever it is—but on a point of order, the Chair has to decide. But supposing a point of order involves constitutional issues?

MR. DEPUTY-SPEAKER: Your hands speak more than your mouth!

SHRI ERASMO DE SEQUEIRA: My submission is that you are acting on a wrong premise that this is a money Bill. It is my submission that it is not a money Bill. If our thinking is correct, we say that it is a financial Bill.

Mr. Salve said that the concept of tax and the concept of income are separate things. I would like to bring to his attention 110(a) which I had quoted which says 'anything that falls under that section which is exemption, abolition, remission or alteration' and I think there is no doubt that the introduction of this proviso in the Income-tax Act will result in the alteration of the tax as it exists today because this was not taxable before but now it is become taxable income and therefore the tax rate is affected.

I would also like to submit, regarding what you said about putting it to the community, that when a point of order is raised, since you are looking for a way out, it is for the Minister of Law to find out a way; I don't think it will take long but, if he has not found a way out, in a sense of fairness from the Opposition to the Government, I would like to suggest a way out. The way is presumably under the Article which makes this a financial Bill. All that it requires is the President's sanction. Let him obtain it from the President and come forward to the House tomorrow and then we will deal with it.

SHRI N. K. P. SALVE: The problem will become very much simpler if I read out the concept of tax. 'Tax' is

defined in the Income-tax Act; I am reading section 2(43):

"Tax in relation to the assessment year commencing on the first day of April, 1965 and any subsequent assessment year means income-tax chargeable under the provisions of this Act and in relation to any other assessment year, income-tax and super-tax chargeable under the provisions of this Act prior to the aforesaid date."

Does it, in any manner, impinge on the question of income-tax or super-tax payable under this Act? 'Total income' has been defined. 'Total income' means "the total amount of income referred to in section 5 computed in the manner laid down under this Act". This is computation of total income; section 36, a section which is in Chapter IV of the Income-tax Act dealing with computation of the business income, reads as follows:—

"The deductions provided for in the following clauses shall be allowed in respect of matters dealt with therein in computing the income referred to in section 28."

And section 28 deals with business income.

Therefore, I submit that, so far as tax is concerned, there can be no doubt left now that 'tax' means income-tax and super-tax payable under the provisions of this Act. Therefore, I submit that this particular proviso, in no way whatsoever, impinges on the question of income-tax and super-tax payable under the provisions of this Act. It is only relatable to total income.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. GOKHALE): The issue is simple, according to me, and has a very narrow compass. The hon. Member has rightly referred to article 117. If I may read only the relevant portion of that:

[Shri H. R. Gokhale]

"A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 10...."

A reference was made to sub-clause (g). (g) is not included in this.

"...in sub-clauses (a) to (f) of Clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President.."

That is the relevant portion. This now takes us to the other relevant article, which is in fact more relevant, but is related to article 117, that is, article 110. If you see article 110—we are really concerned with sub-clause (a) of Clause (1) of article 110 for the present purpose—you will find this:

"(1) For the purposes of this chapter, a Bill shall be deemed to be a Money Bill if it contains only provisions dealing with all or any of the following matters, namely,

(a) the imposition, abolition, remission alteration or regulation of any tax;"

Therefore, in order that the scope of sub-clause (a) of Clause (1) of article 110 is attracted, it should be imposition of tax or abolition of tax or remission of tax or alteration of tax or regulation of tax. Unless it falls under any one of these, the Clause will not be attracted.

So far as the proviso is concerned, it only says:

"Provided that the deduction in respect of bonus paid to an employee. . . shall not exceed the amount of bonus payable under that Act"

It really reiterates the existing position, in my submission. That is why, my colleague, the Labour Minister, has said that it is by way of abundant caution. Even under the existing Act,

such deductions can only be in respect of bonus which is legally payable. Therefore, it is not as if anything new has been added by the proviso. It has rightly been said that it is just an explanation, something which he said is by way of abundant caution. What really the proviso does is, assuming that the proviso does for the first time, —on that point, I support my hon. friend, Shri Salve—that really the tax is the tax which is determined on the computation of the total income and it is a process in the computation of the total income that certain deductions are permitted under the Act. The bonus is only a deduction, it is not the remission of a tax, it is not the alteration of a tax, or the imposition or a tax. When you compute the total income, you will not take into account the quantum of bonus which is not permitted under the Act

14 hrs.

SHRI INDRAJIT GUPTA: It is a regulation

SHRI H. R. GOKHALE: It is not a regulation, because the tax payable as it is under the Act is in respect of a valid legal deduction permissible. I would submit that in view of this provision, there is no question of clause (a) of Article 110 being attracted and I would submit with all respect to the hon. friend, who has raised an objection, that it is not a valid objection. . . (Interruptions)

MR. DEPUTY-SPEAKER: We have had enough discussion and as far as I am concerned, I have stated the position. I will act according to the collective wisdom of the House and about constitutionality or unconstitutionality, the courts will take care of that later on

SHRI ERASMO DE SEQUEIRA: The procedure has not been followed.

MR. DEPUTY-SPEAKER: If I am clear in my mind that this is a financial Bill, of course, I would ask them

to obtain the President's recommendation, but I am not clear about it. I say that the best thing is to leave it to the House and I am going to do that, and it is upto you to throw it out or to accept it. The arguments are there, everybody has heard; the House will apply its mind.

MR. DEPUTY-SPEAKER: Now I shall put amendment No. 17 to clause 29 moved by Shri Indrajit Gupta to the vote of the House.

Amendment No. 17 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That clause 29 stand part of the Bill"

The motion was adopted.

Clause 29 was added to the Bill.

Clauses 30 and 31 were added to the Bill.

Clause 1—(Short title and commencement)

SHRI RAMAVATAR SHASTRI: I beg to move:—

Page 1, lines 11 and 12,—

Omit "On the basis of profits or on the basis of production or productivity and for matters connected therewith." (32)

उनाध्याक्ष महोदय : यह जो लांग टाइटल था उसे इन्होंने बदल कर नयी शकल में इस बिल में शामिल किया है जो इस प्रकार है:

"An Act to provide for the payment of bonus to persons employed in certain establishments on the basis of profits or on the basis of production or productivity and for matters connected therewith"

मेरा संशोधन है कि जहां एस्टेब्लिशमेंट्स का जिक्र है जैसे

"An Act to provide for the payment of bonus to persons employed in certain establishments"

वहां आ कर के फुलस्टाप लग जाना चाहिए और उस के बाद के जो शब्द हैं उन शब्दों को निकाल देना चाहिए। मेरे संशोधन का अर्थ इतना ही है। इस के जरिए मैं चाहता हूं कि जो मुनाफे की बात कही गई है, जो उत्पादन की बात कही गई है, जो उत्पादन क्षमता की बात कही गई है इन तीनों बातों को यहां इस बिल में रखने की जरूरत नहीं है। यह बहुत सफाई के साथ कहा जा चुका कि मजदूरों का वोनस जन्मसिद्ध अधिकार है, वह मिलना चाहिए। उनकी कमाई का एक हिस्सा जमा रहता है मालिकों के यहां जिसको डेफेंड वेज भी कहते थे, उसी रूप में वह माना जाना चाहिए और इस बात को मानते हुए जो मैं ने संशोधन दिया है कि आगे के शब्दों को निकाल दिया जाये, शब्द "इस्टेब्लिशमेंट" के बाद के, तभी हम मजदूरों के हकों की हिफाजत कर सकेंगे नहीं तो अभी मालिकों की मर्जी पर, कारखानेदारों की मर्जी पर उनको छोड़ना चाहते हैं जिनको कि हमने तरह तरह के नाम से पुकारा है जिनको मजदूरों और गरीबों का खून चूसने में विश्वास है, जो देश की तरक्की में या देश में जनतन्त्र विकसित हो इस पर विश्वास नहीं करते, उनका एकमात्र मकसद यही है कि मैक्सिमम प्रॉफिट कैसे मिले। यदि ऐसे लोगों को आप इतना बड़ा हथियार दे देंगे तो अच्छा नहीं होगा। हिन्दुस्तान में पूंजीवाद बढ़ रहा है, वह अरबों अरबों के मालिक होते जा रहे हैं और मजदूर तबाह हो रहे हैं। इसलिए मेरा निवेदन है कि लांग टाइटल में इतना ही रखिए और बाकी जैसा मैं ने बताया है उन शब्दों को निकाल दीजिए।

SHRI RAGHUNATHA REDDY: This question was debated since yesterday

[Shri Raghunatha Reddy]

afternoon and I do not think I am in a position to accept the amendment.

MR. DEPUTY-SPEAKER: I will now put amendment No. 32 of Shri Ramavatar Shastri to vote.

Amendment No. 32 was put and negatived.

MR. DEPUTY-SPEAKER: Now, the question is:

"That clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

The Enacting Formula and the Title were added to the Bill.

SHRI RAGHUNATHA REDDY: I beg to move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill be passed"

Now, why so many names again? We have had so much discussion on this.

Shri Ramavatar Shastri—you just made your speech. Then, Shri Dinen Bhattacharyya. Shri D. D. Desai

Shri Somnath Chatterjee. Whenever I see your name....

SHRI DINEN BHATTACHARYA: You get nervous.

MR. DEPUTY-SPEAKER: He is so much in the mind of everybody. Then, Shri B. V. Naik's name is there. Why so many? you will kindly realise that we are running much behind time. Not more than five minutes each I can give.

Shri Somnath Chatterjee.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): Five minutes each will mean one hour. We are already much behind schedule. One or two minutes should be enough.

MR. DEPUTY-SPEAKER: I know. Hon Members will be as brief as possible.

SHRI SOMNATH CHATTERJEE: cannot be dictated like this.

MR. DEPUTY-SPEAKER: No, no. There is no question of dictation. He is only appealing. He is expressing his difficulties.

Shri Somnath Chatterjee.

SHRI SOMNATH CHATTERJEE (BURDWAN): This is nothing but an anti-labour Bill. The tragedy is that Shri Raghunatha Reddy is presiding over it and taking away the very minimal right of the working class in this country which one of his predecessors has condescended to accept after a good deal of struggle by the working class in this country.

Since emergency I have seen that two bonuses have been granted by this government. One is by means of voluntary disclosures of concealed income by which only Rs. 750 crores have been whitened and these admitted cheats, admitted income-tax dodgers have got the benefit of this Government's wonderful socialistic policy by which they have avoided all prosecution, they have avoided all penalty under the Income Tax Act and the Wealth Tax Act. Now, they are having a large bonanza of Rs. 750 crores in their hands, to do whatever they want and the working class must suffer. Kindly remember. In that Bill you did not make any provision how that extra money which has now got your blessing and which has now been purified will be utilised even for

industrial production in the country. Now you are accusing the working class of economism and you want to take away the very minimal bonus that they were getting after a good deal of struggle. That you want to take away.

Now, what is this bonus? How many thousands of rupees are granted by way of bonus?

At the end of the year if they want to purchase some clothes for the children, if they want to purchase some necessities of life, if they want to pay off their debts which have accumulated in the course of the year, due to rising cost of living, all that cannot be done, all this is taken away. They have taken away the minimum right even which the working class have been enjoying for the last few years. This is my submission. The Ministry and the Minister have carried out researches for which there is not even slightest justification, in the theory propounded from the decision of the Supreme Court. It is being quoted day in and day out as if they have found out the real ratio of determining the bonus system. What is payment of bonus and what is it that they say? It must be connected with production or productivity. Now, that was a case where the Birlas and big moneybags were trying to get increased prices for their cars. And in considering this aspect, the Supreme Court, in fixing the ceiling price of the car, made certain observation about bonus. But that is now being taken out of context and this Government becomes enamoured of or admirers of the Supreme Court suddenly, and quoting this in and out of the House it wants to build up a facade for this obnoxious Bill. You are just taking the people for a ride and you know fully well that there is no justification at all. The Grindlays Bank employees for instance are taken out of the purview of the Bonus Act. Mr. Gupta's Union is controlling it. Before this

Ordinance came into being, they entered into agreement with management for payment of bonus of 20 per cent. Now after this ordinance came into existence, the Management said, we are not bound at all. Section 31A was shown to them and it was said that this was outside the purview of the Act. What is this wonderful thing, I do not know. The management is willing to pay but the Reserve Bank has issued a circular asking the Bank not to pay. Management does not oppose but the Government does not allow payment to be made. This is the position. This only shows the true character of this Government. We have got a completely rotten economic position of the corporate sector. There is completely rotten economics. There is no control over them, their diversion of funds, the way money is being accumulated in the blackmarket, companies' directors living in luxury and so on. All these things are not affected but they are increasing day by day and they are not suffering. When it comes to workers they are being made the targets of your attack. I submit that this is only an attempt to take away even the minimum rights of the working class in this country. You have declared a war on the working class of this country. You want to teach them a lesson because the working class are your enemy. This is the true picture of this Government.

DR. RANEN SEN (Barasat): Sir, 4th February, 1976 is the 'Blackest Day' for the working classes of India.

I say, the working class will remember this as the 'blackest day' in their lives. Yesterday and today Mr. Indrajit Gupta has rebutted all the arguments Mr. Reddy could mobilise in support of the Bill which cannot be supported by any honest man. Whether he is connected with any trade union movement or not, no honest man would support such a Bill.

[Dr. Ranen Sen]

That takes away the existing right. Sir, I am not a lawyer. But, I can recall that there have been court cases and judgments too and there have also been Government instructions to the effect that the existing rights enjoyed by the workers cannot be eroded. That is the existing right. And, as all Members have said, the workers got that right after several years of fighting.

Therefore, I say that this is a very black day for the working class. It is not a question what would be the effect of this Bill. The effect is that the bonus is linked up with production. What is going to happen? I want to highlight that point. So much has been said about increase in production which the workers should give to the nation. Already the production position is very bad. Take for example the jute industry employing more than 2 lakhs of workers. Owners are telling that they propose to curtail the production still more. And what would be the effect of this Bill on the workers. Even if they want to produce more they won't get any scope. That scope is being completely blocked by the employer. Take also the case of textiles. I can quote another example. Take Jay Engineering works. The workers get the production bonus over and above their wages. Now, there the production has come down gradually—to a very low level. The workers have now lost their production bonus. The linking of annual bonus to production would really affect the total income of the workers and they are going to lose in all sectors of industry. This is what would happen everywhere in almost every industry. I have cited one example. Take the Hindustan Motors—a very big company employing thousands of workers. There these things are happening. Production bonus is already existing there and production is being cut and now you are linking that up with production.

Sir, Shri Reddy was making a suggestion that if the management and the trade union enter into a conspiracy to pay extravagant bonus, then what would happen? The whole firm may be liquidated. The Company may lose everything. Mr. Reddy was formerly the Minister of Company Law Affairs. Shri Indrajit Gupta had asked him to cite one example where this has been done. After all he knows that all these things are determined by the Director Board. There are examples of Government's and workers money having been eaten up. You are a former Minister of the Company Law Affairs. I do not think there has not been any agreement being entered into by the management with the works just to liquidate everything

My last point is this because you have already rung the bell. Even today, the far-sighted employers are prepared to enter into an agreement in many cases, with the trade unions and the working-class. And there are employers who are farsighted in the sense that they want better industrial relations. But, this Bill will only create an atmosphere in our country that it will only hamper that industrial relation by and large I can visualise that day when the workers might react. This year they have not reacted because they were taken by surprise. They have reacted to some extent. But, next year or a year after that, the working class are not going to tolerate this. They are going to hit back and go on strike. And Government will be held responsible for the bad industrial relations. Government is speaking about production being hampered. If there is no proper industrial relation, the national production will be hampered.

Therefore, I say this is a piece of legislation which is disturbing. Our Party Chairman, Shri S. A. Dange, has said that this is a bonus to the employers, to industrialists and to big business.

MR. DEPUTY-SPEAKER: As I said, we are hard pressed for time. If Shri Desai and Shri Naik would forgo their right to speak, it will be a great help. You are going to support the Bill. The Minister can defend it. We have had enough discussion.

SHRI D. D. DESAI (Kaira): I think I will forgo it.

SHRI B. V. NAIK (Kanara): You are not calling me?

MR. DEPUTY-SPEAKER: I said if Shri Desai and Shri Naik forgo their right to speak, it would be a great help.

SHRI B. V. NAIK: If you would bear with me, I am not going to make a speech. I would just ask a few questions of the hon. Minister.

SHRI RAGHUNATHA REDDY: He can discuss them with me.

MR. DEPUTY-SPEAKER: He says you can discuss with him.

SHRI B. V. NAIK: I am asking a few questions. If you give me one minute, that would be more than enough.

MR. DEPUTY-SPEAKER: I will give you one minute because I see your beautiful face after such a long time. But may I remind you that in third reading, either you support the Bill or oppose it. You do not ask questions.

SHRI B. V. NAIK: I make a very simple observation. Yesterday, the hon. Minister was good enough to state that it is a question of high cost economy. I am not a lawyer, nor a trade unionist; I have just read some elementary economics. When he said it is a question of a high cost economy, is he aware that the labour cost, the labour factor, in this country is considered to be one of the cheapest

in the whole world, including China? In that situation, how is that any remuneration that has been given over to labour, whether it is in the form of dividend or in the form of wages, is going to contribute to a high cost economy, taking also into consideration your cost of inefficiency?

MR. DEPUTY-SPEAKER: One minute is over.

SHRI RAGHUNATHA REDDY: This debate has been going on since yesterday afternoon. Most of the questions raised today have been raised during the course of the debate. I must reiterate that Government have abundant faith in the patriotism and capacity for sacrifice of the working class (*Interruptions*).

SHRI SOMNATH CHATTERJEE: Mr. Raghu Ramaiah is applauding. Has he heard what he said?

SHRI RAGHUNATHA REDDY: The working class in this country has stood solidly behind the Government in our fight against the forces of right reaction, forces which are of the darkest character in our phase of history. It is not with a very easy conscience that we came forward here with this Bill. Having taken into consideration the economic factors and various other considerations, the war in international economics that the forces of right reaction are waging, both inside and outside the country, the way the international forces operate, and with the idea that this country must become economically self-sufficient and economically independent, both psychologically and otherwise, taking all these considerations into account, this Bill has been moved.

I have no doubt that the working class and the leaders of the working class would deeply appreciate the understanding of Government in this respect and extend their co-operation.

[Shri Raghunatha Reddy]

Some of the questions that my hon. friend, Shri Indrajit Gupta, had raised with regard to balance sheet and all that, are certainly matters that would be looked into by the Department of Company Affairs under the guidance of Shri Gokhale.

SHRI INDRAJIT GUPTA: Passing the buck.

SHRI RAGHUNATHA REDDY: I do hope that in course of time, after consulting my colleague, Shri Gokhale, we should be able to find some method, and have a discussion....

SHRI SOMNATH CHATTERJEE: Now loot will go on. You will find a method later on.

SHRI RAGHUNATHA REDDY: Therefore, we will find out ways and methods of dealing with this question. I can again assure my hon. friends that we will do our best to stand by the working class and give them our best with regard to social welfare measures, housing schemes and various other measures which would compensate them.

MR. DEPUTY-SPEAKER: The question is

"That the Bill be passed."

The Lok Sabha divided:
Division No. 23] 14.25 hrs

A Y E S

Agrawal, Shri Shrikrishna
Ahrwar, Shri Nathu Ram
Ansari, Shri Ziaur Rahman
Appalanaidu, Shri
Arvind Netam, Shri
Austin, Dr Henry
Babunath Singh, Shri
Bajpai, Shri Vidya Dhar
Balakrishnaiah, Shri

Banamali Babu, Shri
Banerjee, Shrimati Mukul
Basumatari, Shri D.
Bhagat, Shri H. K. L.
Bhargava, Shri Basheswar Nath
Bhatia, Shri Raghunandan Lal
Bhattacharyya, Shri Chapalendu
Bheeshmadev, Shri M
Bhuvarahan, Shri G.
Chakleshwar Singh, Shri
Chandra Gowda, Shri D B.
Chaudhari, Shri Amarsinh
Chaudhary, Shri Nitiraj Singh
Chavan, Shrimati Premalabai
Chhotey Lal, Shri
Chhuttan Lal, Shri
Daga, Shri M C
Darbara Singh, Shri
Das, Shri Anadi Charan
Dasappa, Shri Tulsidas
Desai, Shri D. D
Dhamankar, Shri
Dhillon, Dr. G S
Dhusla, Shri Anant Prasau
Dixit, Shri G. C
Dixit, Shri Jagdish Chandra
Doda, Shri Hiralal
Dube, Shri J. P
Dwivedi, Shri Nageswar
Engti, Shri Biren
Gautam, Shri C. D.
Gavit, Shri T. H
Gill, Shri Mohinder Singh
Giri, Shri S. B.
Gogoi, Shri Tarun
Gokhale, Shri H. R
Gomango, Shri Giridhar
Gopal, Shri K.
Goswami, Shri Dinesh Chandra
Gotkhinde, Shri Anasahab
Gowda, Shri Pampan
Hansda, Shri Subodh

Hari Singh, Shri
Ishaque, Shri A. K. M.
Jaffer Shucief, Shri C. K.
Jamilurrahman, Shri Md.
Jeyalakshmi, Shrimati V
Jha, Shri Chiranjib
Joshi, Shri Popatlal M.
Kadam, Shri J. G.
Kadannappalli, Shri Ramachandran
Kader, Shri S. A.
Kahandole, Shri Z. M.
Kailas, Dr.
Kakodkar, Shri Purushottam
Kale, Shri
Kamak-haiah, Shri D.
Kamala Prasad, Shri
Kamble Shri¹. D.
Kamla Kumari, Kumari
Kapur, Shri Sat Pal
Kaul, Shrimati Sheila
Kisku, Shri A. K.
Kureel, Shri B. N.
Kushok Bakula, Shri
Lutfal Haque, Shri
Mahajan Shri Vikram
Majhi, Shri Gajachar
Majhi, Shri Kumar
Malhotra Shri Inder J.
Mandal, Shri Jagdish Narain
Mandal, Shri Yamuna Prasad
Maurya Shri B. P.
Mirdha, Shri Nathu Rai
Mishra, Shri G. S.
Mishra, Shri Jagannath
Mohammad Tahir, Shri
Mohapatra, Shri Shyam Sunder
Murmu Shri Yogesh Chandra
Nahata, Shri Amrit
Naik, Shri B. V.
Negi, Shri Pratap Singh
Nimbalkar, Shri
Orson, Shri¹ina
Kale, Shri

Pahadia, Shri Jagannath
Painull, Shri Paripoornanand
Palodkar, Shri Manikrao
Pandey, Shri Damodar
Pandey, Shri Narsingh Narain
Pandey, Shri R. S.
Pandey, Shri Tarkeshwar
Pandit, Shri S. T.
Paokai Haokip, Shri
Parashar, Prof. Narain Chand
Patel, Shri Arvind M.
Patel, Shri Natwarlal
Patil, Shri E. V. Vikhe
Patil, Shri Krishnarao
Patil, Shri S. B.
Patnaik, Shri J. B.
Peje, Shri S. L.
Pradhan, Shri Dhan Shah
Raghu Ramaiah, Shri K.
Rai, Shri S. K.
Rai, Shrimati Sahodrabai
Raj Bahadur, Shri
Raju, Shri P. V. G.
Ram, Shri Tulmohan
Ram Singh Bhai, Shri
Ram Surat Prasad, Shri
Ram Swarup, Shri
Ramji Ram, Shri
Rao, Shrimati B. Radhabai A
Rao, Shri J. Rameshwar
Rao, Shri Jagannath
Rao, Shri K. Narayana
Rao, Shri M. S. S njeevi
Rao, Shri M. Satyanarayao
Rao, Shri Nageswara
Rao, Shri P. Ankineedu Prasad
Rathia, Shri Umed Singh
Raut, Shri Bhoia
Ravi, Shri Vayalar
Reddy, Shri K. Kodanda Rami
Reddy, Shri P. Narasimha
Reddy, Shri P. V.

Reddy, Shri Sidram
Rohatgi, Shrimati Sushila
Saini, Shri Mulki Raj
Samanta, Shri S. C.
Sangliana, Shri
Sankata Prasad, Dr.
Sant Bux Singh, Shri
Sarkar, Shri Sakti Kumar
Sathe, Shri Vasant
Satpathy, Shri Devendra
Shafee, Shri A.
Shallani, Shri Chandra
Shambhu Nath, Shri
Shankaranand, Shri B
Sharma, Shri A P.
Sharma, Dr. H. P.
Sharma, Shri Madhoran
Sharma, Shri Nawal Kishore
Sharma, Dr. Shanker Dayal
Shashi Bhushan, Shri
Shastri, Shri Biswanarayan
Shastri, Shri Sheopujan
Shenoy, Shri P. B.
Shetty, Shri K K
Shivnath Singh, Shri
Shukla, Shri B. R.
Singh, Shri Vishwanath Pratap
Sinha, Shri Dharam Bij
Sinha, Shri R. K.
Sohan Lal, Shri T.
Sokhi, Sardar Swaran Singh
Stephen, Shri C. M
Sunder Lal, Shri
Suryanarayana, Shri K
Swamy, Shri Sidrameshwar
Swaran Singh, Shri
Thakre, Shri S. B.
Thakur, Shri Krishnarao
Tombi Singh, Shri N.
Tulsiram, Shri V.
Ulkey, Shri M G.
Unnikrishnan, Shri, K. P.

Vekaria, Shri
Venkatasubbalah, Shri P.
Vikal, Shri Ram Chandra
Yadav, Shri Chandrajit
Yadav, Shri Kanan Singh
Yadav, Shri R. P. 189

NOES

Banerjee, Shri S. M.
Bhargavi Thankappan, Shrimati
Bhattacharyya, Shri Dinen
Bhattacharyya, Shri S. P.
Chandra Shekhar Singh, Shri
Chandrappan, Shri C. K.
Chatterjee, Shri Somnath
Das, Shri R P.
Deb, Shri Dasaratha
Deo, Shri P. K.
Dutta, Shri Buen
Gupta Shri Indrajit
Halder, Shri Krishna Chandra
Hazra, Shri Manoranjan
Horo, Shri N. E
Jharkhande Rai, Shri
Joarder, Shri Dinesh
Kathamuthu, Shri M.
Kiruttinan, Shri Tha
Krishnan, Shri E R.
Mavalankar, Shri P. G.
Modak, Shri Bijoy
Mokanty, Shri Surendra
Mukerjee, Shri H. N.
Mukherjee, Shri Samar
Mukherjee, Shri Saroj
Muruganatham, Shri S. A.
Panda, Shri D. K.
Parmar, Shri Bhaljibhai
Roy, Dr. Saradish
Saha, Shri Ajit Kumar
Saha, Shri Gadadhar

Sambhali, Shri Ishaque
 Sen, Dr Ranen
 Sequeira Shri Erasmo de
 Shastri, Shri Ramavatar
 Sher Singh, Prof.
 Singh, Shri D N.

MR DEPUTY SPEAKER The result of the division is Ayes—183, Noes 38

The motion was adopted

SHRI DINEN BHATIACHARYYA
 As a mark of protest, we walk out from the House

SHRI INDRAJIT GUPTA As a mark of protest, we withdraw from the House

Shri Indrajit Gupta, Shri Dinen Bhat-tacharyya and some other hon Mem-bers then left the House

14 30 hrs

BUSINESS OF THE HOUSE

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K RAGHU RAMAIAH) Mr Deputy-Speaker a few days ago I mentioned about the possibility of a sitting on the 6th, when we were discussing the question of finding time for discussion on sugar cane price, and I said that if we were to sit on the 6th we shall try to do government work and complete the discussion left over but that there will be no non-official work I stand here to confirm that we do sit on Friday the 6th and that there will be no non-official business that day and that we will do government work and if the discussion on that resolution is not over, complete the discussion also

14 32 hrs

ARREST OF MEMBERS

MR. DEPUTY-SPEAKER I have to inform the House that the Speaker has received the following two telegrams dated the 3rd February, 1976 from the

Additional Inspector General and Commissioner of Police, Madras—

- (1) "Thuru P A Samunathan, MP, son of Thiru Arumuga Mudaliar Coimbatore District, was arrested in front of Anna Samadhi Kamara; Salai Madras, by sub-Inspector of Police Perumnanathur Police Station Coimbatore District, at 11 00 hours today 3-2-1976 and detention order issued by the Collector of Coimbatore in CMP No 10/76 dated 1-2-76 was served on him The detenu is being taken under escort to Coimbatore by Sub-Inspector of Police for being lodged in Central Prison, Coimbatore";
- (2) "I have the honour to inform you that I have found it my duty that in exercise of powers conferred under Section 32/C read with Section 31A (2) of MISA, 1971, that Shri Murasoli Maran MP be detained. Shri Murasoli Maran, MP was accordingly served with detention order at 14 00 hours on 3-2-1976 and lodged in Central Prison Madras at 14 45 hours on 3-2-1976"

14 35 hrs

HOUSE OF THE PEOPLE (EXTENSION OF DURATION) BILL

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R GOKHALE) Mr Deputy-Speaker, Sir I beg to move

That the Bill to provide for the extension of the duration of the present House of the People be taken into consideration"

After the General Elections held in 1971, the first meeting of the existing House of the People was held on 19th March, 1971 Therefore, according to clause 2 of article 83 of the Constitution, the duration of the House of the People will expire on 18th March, 1976. In the normal course of things, a general election would have been necessary for the purpose of constituting a new