

[सभापति महोदय]

डिस्कशन के लिए लिया जाएगा। अभी इसको नहीं ले रहे हैं।

MR. CHAIRMAN : Now, we take up the Private Members' Business. Shrimati Subhadra Joshi.

14.28 hrs.

REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL

(Amendment of Section 8)

SHRIMATI SUBHADRA JOSHI (Chandni Chowk) : I beg to move for leave to introduce a Bill further to amend the Representation of the People Act, 1951.

MR. CHAIRMAN: The question is :

"That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1951."

The motion was adopted

SHRIMATI SUBHADRA JOSHI : Sir, I introduce the Bill.

DEFENCE OF INDIA (AMEND- MENT) BILL

(Amendment of Section 6)

SHRI SOMNATH CHATTERJEE (Burdwan) : I beg to move for leave to introduce a Bill to amend the Defence of India Act, 1971.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to amend the Defence of India Act, 1971."

The motion was adopted

SHRI SOMNATH CHATTERJEE : Sir, I introduce the Bill.

PARTNERSHIP (AMENDMENT) BILL

(Amendment of Section 69)

SHRI SOMNATH CHATTERJEE (Burdwan) : I beg to move for leave to introduce a Bill further to amend the Indian Partnership Act, 1932.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Indian Partnership Act, 1932."

The motion was adopted

SHRI SOMNATH CHATTERJEE : Sir, I introduce the Bill.

MR. CHAIRMAN : Shri Nawal Kishore Sharma...He is not present.

14.30 hrs.

PAYMENT OF BONUS (AMEND- MENT) BILL—(CONTD).

[Amendment of sections 2, 10. etc.] by Prof Madhu Dandavate.

MR. CHAIRMAN : Now we take up further consideration of the payment of Bonus (Amendment) Bill of Prof. Madhu Dandavate.

Shri Ram Gopal Reddy to continue.

SHRI M. RAM GOPAL REDDY (Nizamabad) : The other day Prof. Madhu Dandavate has introduced his Payment of Bonus (Amendment) Bill and I was speaking on that. The next day in the press it was reported that there was wild support for that amendment Bill.

PROF. MADHU DANDAVATE (Rajapur) : Wide support.

SHRI M. RAM GOPAL REDDY : Wild also.

I want to say that on that day only four speakers spoke and out of them three, all labour leaders, and one myself who comes from the rural areas spoke. I have opposed it.

As you know, Sir, our country is a country of villages and the villagers are opposed to this Amendment Bill...*(Interruptions)* In our country, as you know, there are 200 million people who are living below the poverty line and their income is not even Rs 20 per month, that is, not even one rupee per day...*(Interruptions)* and the industrial workers who are working in the organized sector are getting per day from Rs. 6 to Rs.20. This is a very wide disparity and this disparity has to be reduced, if not eliminated altogether.

Some people say that this disparity cannot be reduced on account of the present trend and attitude of the labour leaders. Sir in our country, the organised labour is only a minority, not only a minority but they are a microscopic minority who are eating away all the income of the country.

Secondly, bonus is treated as an expenditure under Income Tax Act. It means a diversion of the income tax revenue and whatever income tax has to come to the Government is eaten away by the labour. I would cite one example. In the nationalised Banks 9 points are being spent on salaries and one point is profit. This is an example of what we call in Telugu—*Kanha Chenu Mesindi*, that is, the fence eating the crop.

Now, our Prime Minister has been trying to improve the conditions of the poor people who are inhabiting this country. The poor people are more than 50 crores and only five per cent, that is the upper strata of the society, is getting all the fruits of Independence and that is why this percolation theory. At least something should flow to the lower rungs of the people who live in the villages, but that is not happening. On the other hand, the river is being dried up even at the source and there can be no water in the lower reaches.

Prof. Dandavate has estimated the expenditure of the bonus if increased from 4% to 8.33%, at Rs. 200 crores. Prof. Dandavate says that this is small amount. He is thinking Rs. 200 crores just like a two paise. If we have to create one job for one person, we have to spend a minimum

of Rs. 7000. That is what our planners say with this Rs. 200 crores we can create about 3 lakhs of jobs every year. I do not want these jobs to be given to some other people. They may be given to the sons of the workers themselves who are working in the organized sector.

Sir, unfortunately, our Minister has been very generous in granting every demand of the labour. The labour laws in our country are very advanced; in fact, they are even more advanced than in Russia and America, and our labour laws are three hundred years ahead of our economy. I do not know how we are going to bridge this gap. For some politicians, existence is purely due to this organised labour and they thrive on these people. That is why they want to create problems, and they have to pretend as if they are going to solve their every problem. This is not a patriotic act as they are instigating the people. The other day, Shri Stephen was putting on perhaps an air of sham radicalism along with some of the Opposition people and was indulging in a lava-like outburst. I submit that that is not going to do any good to this country. That is why I oppose this Bill with all the vehemence at my command I would request the hon. Minister not to yield to the pressures of the Opposition, and if he is going to do so, then it would be a disservice to the country. If they want to create any labour trouble in this country, it will be deemed to be an unpatriotic act.

*SHRI E. R. KRISHNAN (Salem) : Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to say a few words on The Payment of Bonus (Amendment) Bill, 1971 introduced by my hon. friend, Prof. Madhu Dandavate. On behalf of my party, the Dravida Munnetra Kazhagam, I wholeheartedly support Prof. Madhu Dandavate's the payment of Bonus (Amendment) Bill.

I would like to support my unqualified welcome to the Bill by giving certain statistics supplied by the Central Government. Keeping 1960 as the base year, the industrial production in the country has

*The original speech was delivered in Tamil.

[Shri E. R. Krishnan]

gone up by 10.8% in 1970. During the same period the agricultural production has increased by 27%. If you keep the minerals production as 100 points in 1960, it has gone up to 177 points in the year 1970. As I pointed out yesterday, at current prices, the value of net domestic production during the past 10 years has increased by 17,880 crores of rupees, in both the public and private sectors.

It is but proper to acknowledge the contribution of the workers of our country for all this increase in different sectors of our economy. In the economic development of the country, the share of workers through the untiring labour is not insignificant, in fact their share is the maximum.

In today's newspaper, I came across the news item that one of the Members of the Bonus Review Committee has stated that the Report of the Committee would be out early. On the same page, there was another news item that the AITUC had given strike warning throughout the country on the question of bonus. It is also reported in the Press that the Central Cabinet considered the Bonus question in detail. I would like the hon. Minister of Labour to clarify these points.

Sir, at current prices the national income during the past ten years has gone up by Rs. 17.8 crores. This increase is about 135%. At the same time, the per capita income has gone up by only 9% in these ten years. If you look at the consumer price index, during the period 1961 to 1969, there has been an increase of 85%. During this period, if you look at West Germany, it has gone up by 23%, in Japan by 54%, in U.K. by 35% and in U.S.A. by 23%.

Sir, will you say that it is unjustifiable if the workers demand that the question of bonus should be increased from 4% to 8.33%? The Government may not accept Prof. Dandavate's Bill. But, I request the hon. Minister of Labour to bring forward the Bonus (Amendment) Bill increasing statutorily the bonus from 4% to 8.33%.

The maximum ceiling limit for bonus is 20%. But I know that in my State, Tamil

Nadu, certain factories are giving 24% bonus and yet others 20% bonus. In 1970, in Coimbatore the textile mill owners agreed to pay to the textile workers 8.33% bonus. Sir, why do they go beyond the ceiling limit? In the interest of industrial peace and harmony and in nation's interest, they are paying bonus beyond the ceiling limit. It should not therefore be difficult for the Government to fix the minimum of 8.33% bonus.

As Prof. Dandavate points out, the Bonus Act has not lived up to its expectations. The non application of the Act to the workers in the public sector has created a great sense of dissatisfaction among the workers. You will no doubt acknowledge that the production in many of our public sector undertakings is not even 50% of the rated capacity of production and the reason for that is the dissatisfaction of the workers.

Sir, it is imperative that we should have the willing cooperation of the workers in reaching optimum production. Then only we can achieve the goal of self-sufficiency in our industrial requirements. Therefore, the workers should be given all encouragement and incentives so that the production in many of public sector units, which is showing a declining trend, picks up. We cannot afford to have industrial unrest and strikes, especially when we are passing through a crucial stage to our developmental efforts. As I pointed out earlier, during these two decades the workers have given their unstinted cooperation in increasing the industrial wealth of our country. I am not able to appreciate the hesitation on the part of the Government of India to meet the legitimate demands of the workers so that our economic development is not retarded unnecessarily.

In conclusion, I would say that the suggestions made by Prof. Dandavate in his Bill should be accepted in full by the Government. The workers in the public sector should be brought under the purview of Bonus Act. The quantum of bonus should be raised from 4% to 8.33%. I request the hon. Minister of Labour to implement these suggestions at the earliest. It is not enough that the workers are called to man-

than industrial peace in the interest of development of the nation. Their contribution to economic development should be suitably rewarded. I request the hon. Minister of Labour to bear in mind the imminent necessity of industrial peace in the country and take concrete steps to ensure the same. With these words, I conclude

श्री जगन्नाथ मिश्र (मधुबनी) : श्रीमान्, बिहार मे सूखे मे उत्पन्न भयंकर स्थिति की ओर मैं आपका ध्यान दिलाना चाहता हूँ। महीनों से वहाँ पानी नहीं बरसा है। खेती का काम बिल्कुल नहीं हो रहा है। भदई की फसल मात्र साधारण वर्षा के अभाव में हाथ में जा रही है। स्थिति ऐसी विकट होती जा रही है कि...

सभापति महोदय : देखिए, यह टाइम इम सवाल को उठाने का नहीं है। आप बैठ जाइए।

श्री जगन्नाथ मिश्र : मैं सिर्फ एक मिनट चाहता हूँ

सभापति महोदय : आपने कह दिया। वह रेकॉर्ड पर चला गया। गवर्नमेंट की नोटिस में आ जायगा। अब बैठिए आप।

श्री जगन्नाथ मिश्र : वहाँ की जो स्थिति है उसका वर्णन वहाँ से निकलने वाले एक दैनिक 'इंडियन नेशन' में निकला है। उसके एक संवाददाता द्वारा प्रकाशित समाचार के अंश को मैं आपको पढ़कर सुनाना चाहता हूँ...

सभापति महोदय : मिश्र जी, भव उसको आप छोड़ दीजिए।

SHRI R. D. BHANDARE (Bombay Central) : I have tried to understand the implications of this Bill as it is. Having understood its implications, I would certainly accept the principle underlying this measure brought forward by Prof. Dandavate.

There are two points, one regarding the quantum of bonus and the second, widening the scope and ambit and appli-

cation of the Bonus Act to workers employed even in public undertakings. These are the main points. I need not mention that the principle underlying bonus is the sharing of profit. If the public undertakings which are mainly meant for serving the community at large

PROF. MADHU DANDAVATE : Even for minimum bonus, it is sharing of profit.

SHRI R. D. BHANDARE : Kindly give a patient hearing. I am not opposing it. If the public undertakings make some profit, than I may also agree that some minimum quantum of bonus may be fixed. But having supported the principle and having supported the idea underlying, I would simply draw the attention of the hon. Members to the economy of the country. There is a vast majority of people... (Interruptions). I am not opposing Mr. Chatterjee I am entitled to speak in the interests of the masses. I am not opposing the working classes, because the working classes are also part and parcel of the poor people of this country.

Looking at the economy of this country when the living conditions of the poor and the downtrodden are appalling, it will not lie in my mouth to oppose the principle underlying this measure. But I also know the economy of the country. Therefore, I would suggest that the Bill may be circulated for eliciting public opinion.

With these words I have done. I hope the Mover will accept it. It is in the interests of the working classes that I have made the suggestion, so that we can mobilise public opinion.

SHRI DINEN BHATTACHARYYA (Serampore) : Mr. Chairman, Sir, I had no intention of speaking on this Bill of Prof. Dandavate, but the situation has worsened after Mr. Khadilkar made a statement here in reply to the discussion that was initiated here by Mr. S. M. Banerjee the other day. I would request him to see how the papers representing big business have come forward with praise for Mr. Khadilkar's statement. If you see the *Statesman* of today you will find that they have written an editorial under the caption "Belated Second Thoughts". What does it mean? It

[Shri Dinen Bhattacharyya]

clearly shows that this Government is sliding back from its assurances. The Bonus Review Committee was set up with the understanding that the Bonus Act should be changed. It may take sometime to come finally with the draft, but in the mean time, the interim report will be submitted, and there at least, 8.33 per cent will be given as the minimum bonus. But Mr Khadilkar is now sliding back. I do not know by what pressure it is done. But the report comes that even the Prime Minister intervened and, under pressure, Mr Khadilkar, who himself has several times reiterated that he is in favour of this quantum of minimum bonus being increased, is now coming forward with the statement which is pouring water over his own assurances. A dangerous situation has, therefore, arisen. Our AITUC friends now realise that the Government is sliding back. You were posing the other day the question that you must take into consideration the conditions of the unemployed and the rural power. I say, do not confuse the issue in this way. Will Mr Khadilkar say that if the workers do not take one single farthing as bonus he will solve the unemployment problem or that Birlas and Tatas would distribute the money to the rural power? Do not pose it. We must see that workers get bonus. Bonus was treated as *ex gratia* payment and subsequently by the struggle of the workers, by their own struggle, they have achieved and forced even the court to concede that it is not something gratis but *ex gratia* payment.

It is up to you to reach a fair deal, a living wage, to make up the gap to a certain extent once a year. I request Shri Khadilkar to come with a clear statement, not a hotch-potch not passing it to the review committee who were expected to give their verdict by this time now. It is delayed unnecessarily and the whole country is agitated. It is time that he came forward with a statement keeping to his promise and assurance. With these words, I fully support Shri Dandavate's Bill.

THE MINISTER OF LABOUR AND REHABILITATION (SHRI R. K. KHADILKAR) I am grateful to my friend Prof. Dandavate for having raised this issue

before the House and giving me an opportunity to express my self on the subject.

There has been a good deal of agitation over the bonus issue and a good deal of discussion on the character of bonus itself. Whatever be the character of bonus the question has to be viewed in the perspective of the needs of the entire working force and the national economy as a whole. By whatever name you call it, bonus is augmentation of the income of the wage earners. There was a time when the earnings, even of the organised group of workers in this country, were pitifully low and correctives were called for. Bonus was one of the instruments for raising their level of earnings.

SHRI JYOTIRMOY BOSU (Diamond Harbour) What bonus are you talking about? What happened to the provident fund money of the workers? 1½ years have passed since you promised action last year.

SHRI R. K. KHADILKAR I think it will be a fair claim to make that with the working of wage boards and the functioning of collective bargaining machinery, the workers at least in segments of the organised sector, have been able to achieve a level of wages which compares much better than the levels ruling elsewhere. It is unnecessary for me to enumerate before you the particular industries where comparatively better levels of wages have been achieved over these years. I think it will be conceded that in some of them what we call the need based minimum has been achieved.

SHRI DINEN BHATTACHARYYA Where? Question.

SHRI R. K. KHADILKAR The other day I enumerated all the industries in the organised sector, where a fair level of wages has been achieved over the years. In some other cases it is fairer still. Take, for instance, the banking industry.

We cannot however overlook the basic objective of national development. We should give at least subsistence level of wages to the bulk of the working force which remains inadequately employed or at times only nominally employed in agriculture and

other unorganised sectors of the economy. It is unfortunate that even the trade union movement in our country has not been giving adequate attention to the needs of these vulnerable sections of the working class. I hope Mr Bhattacharyya will remember this. It has been the traditional policy of the trade unions to seek to protect and advance the interests of its members, but I think in a developing country, trade unions must have a wider vision to include also the unorganised workers who constitute the majority. Now it is an open fact that the majority of the working force is living below the poverty line and if there is disparity in income distribution throughout the society, there is desanarity also between these two sections of the working class. The Government's policy as well as the policy of trade unions should have the common aim of bridging this gap. I am not suggesting that the workers under the organised sector are a prosperous group. But I am only saying, comparatively speaking, they are in a better position and it is also on them that the prosperity of the entire economy depends. I suggest that their attention should be concentrated more on creating the where-withals for sustaining higher levels of wages not only for themselves but also for their less fortunate brethren. In that process, they will be carrying the entire economy forward to higher levels of performance, as a result of which they themselves will be the gainers. I am compelled to say all this today because I feel there must be some pause for breath.

14.15. hrs.

(SHRI R.D. BHANDARE *in the chair*)

The subject that we are discussing today must be seen not in the heat of emotion but in the cold calculus of economic practicality. It is only then that we can hope to get out of the vicious situation created by run-away wages and prices. The Bill before the House today seeks to amend the Payment of Bonus Act. of 1965, which was based on the recommendations of the Bonus Commission at a tripartite set up by Government. When the Payment of Bonus Bill was being considered by Parliament, a large number of amendments were moved, some to advance the interests of labour and others

of industry. Government did not accept these amendments. In 1966 certain provisions of the Payment of Bonus Act, 1965 were challenged on constitutional grounds before the Supreme Court which struck down sections 33, 34 (2) and 37. The main scheme of the Act, providing for a system of minimum and maximum bonus and arrangement for set-on and set-off and computation of the allocable surplus was, however, kept intact. Subsequently, the then Labour Minister Shri Hathi, sought and received the approval of this House to an amending Bill in February, 1969, according to which income-tax rebate accruing to employers on the bonus paid or payable in an accounting year would be added to the available surplus of the succeeding accounting year. The effect of this amendment was that income-tax rebate instead of being retained totally by the employers became divisible between employers and workers in the ratio 40 to 60. It is not my claim that as a result of this amendment, there has been a large increase in the amount of bonus received by workers. Still, there has been some increase and the workers did gain something.

My friend, Mr Dandavate, has brought forward an amending Bill which seeks to make further amendments to the Bonus Act. This Bill is more or less on the same lines as another Bill brought forward in the other House by Shri Chitta Basu, which was discussed there in 1970. Public opinion was also elicited on that Bill, which was finally opposed by Government and rejected by the Rajya Sabha. The Bill now before the House proposes to increase the quantum of minimum bonus from 4 to 8-1/3 per cent, to do away with the limit of maximum bonus and system of set-on and set-off and to apply that to all the public sector undertakings departmental units.

15.00 hrs.

First of all, I will deal with the suggestion to amend section 20 so that the Act becomes applicable even to those public sector companies and corporations which are now excluded as being non-competitive. The House is aware that notwithstanding the provisions, of the Act, Government have, through executive instructions, provided for *ex gratia* payment of an amount

[Shri R.K. Khadilkar]

equal to the bonus that would have been payable if the establishments had been covered by the bonus legislation. The House will also be glad to know that Government themselves have decided to amend in due course the Act so as to extend the provision of the Act to the non-competitive public sector undertakings which are now excluded.

On the question of extending the provision of the Act to employees of government departmental undertakings, Government have explained the position clearly. The pay scales and emoluments of these employees are reviewed from time to time by Pay Commissions and similar bodies and it is for this reason that these employees have understandably been excluded from the purview of the Bonus Act.

As regards the provision in the Bill regarding the raising the level of minimum bonus, doing away with the limit of maximum bonus etc., I would like to inform the House that even now under section 33 of the Act the employers can enter into agreement with the employees for granting bonus under a formula which is different from that under the Act. There have been such settlements in the past. Notwithstanding this, Government are aware of the demand from workers organisations to raise the level of minimum bonus.

There are also other matters which would require a review in the light of experience so far gained in the working of this Act. It is with a view to look into all these matters in an integrated manner that government have recently set up a Bonus Review Committee with fairly wide terms of reference. In the light of the recommendations of this Committee, Government after usual consultations would bring forward appropriate proposals for necessary amendment to the Act. I would, therefore, urge upon Professor Dandavate that in view of this he may withdraw the Bill.

After Professor Dandavate made his speech on the last occasion, some questions were raised here, I must say that he pleaded his case, if not with vehemence, certainly

with concern for adding something to the earnings of the working class. At the same time, as I said the other day, he failed to take into account the picture of the entire economy. I do not consider it as a party issue. At the present juncture when we have pledged to remove *garibi*, and lessen the burden of unemployment, if we want to achieve our socio-economic objectives, I would plead with the leadership of the trade unions and the hon. Members who are very much exercised about bonus to give second thoughts to the entire problem. Whatever the report that the Bonus Review Committee may ultimately present, whether now or a little later, that will have to be considered keeping in view and putting in focus the entire Indian economy.

As you are well aware, I know, there is a certain amount of disparity at various levels of earnings. They need to be rationalised. In certain sectors of industries, the earnings are much higher. In others, they have yet to reach the needbase level. But you will appreciate, as I said earlier, during the last ten years, particularly, since the 15th Labour Conference had reviewed the position and considered a sort of wage policy as a whole, because of the machinery for reviewing the wage structure by either wage boards or by bipartite negotiations the level of earnings has considerably gone up and that process has not been halted. These understandings or agreements or bonus awards given by wage boards, after every three or four years are again reviewed. Therefore, there is an automatic revision of wage levels in the country.

I must point out what the working class in this country has achieved. I am not minimising the role played by the trade union leadership. But what has been achieved is because the Government has taken a sort of positive attitude to the working class as a whole. The Government has never advocated, "We shall just look on. Let the working class and the employers settle their scores." That was not the attitude. In the matter of entire labour legislation, whether it is welfare legislation or it is machinery for revision of wages, you will have to appreciate that the Government has taken certain steps and, because of this positive attitude, the earnings of the

working class have slowly gone up. That will have to be appreciated. It is a legitimate claim I do not say, they have all round reached a certain level. But unless the entire economy moves forward with the help of all concerned, I do not think it would be easy for the Government to accept all the demands. Of course, when this question of bonus was raised in the other House, I gave an assurance that the entire scheme of bonus needs to be reviewed.

For that purpose, in the last Labour Conference, we took a decision, after tripartite consultations, to set up the Bonus Review Committee. There are representatives of the major national trade union organisations, employers, public sector undertakings, with an impartial and independent Chairman. Why not leave this question in the background of the general approach of the Government to the problem of earnings of labour in the country to decide and come to some conclusion? Sometimes, I really feel somewhat concerned. While the trade union organisations recognise the necessity as we did in setting up such a body, and their representatives are there to safeguard the interests of the working class, why should there be an agitation on this issue. I do not understand. Why should there be work-stoppage in Bombay or elsewhere? Why this demonstration? Why this agitational approach to every problem concerning industrial and other workers? I know, Prof. Madhu Dandavate and his wife are well-known social, political trade union worker in Bombay and the most enlightened role they play. I am not saying anything just to please him; I am stating facts. But at the same time

MR. CHAIRMAN : Do not play on sentiments.

SHRI R. K. KHADILKAR : Therefore, I would appeal to him not only to withdraw this measure but simultaneously while withdrawing also join his voice in support of my appeal to the workers in general that on this issue, till the Bonus Review Committee gives its final report or award, whatever you may call it, there should not be any work-stoppages or agitation—either general strike or partial strike. If he rises to the occasion, I think, that would be in keeping with his

political career throughout that I have watched very closely, and he will not be misunderstood by any one. None of the working class leadership will accuse him that he has fallen a prey or that he has just given in... *(Interruption)* With these words, I appeal to him again to withdraw this measure, I know, he will consider it as rejection at this juncture. But what do we reject by this? His purpose is that the quantum of bonus should be raised. The question is before the Review Committee. Why do you want to pre-judge and condemn that body? Therefore, I would again, before concluding my remarks, appeal to Prof. Madhu Dandavate to fall in line with us on this.

PROF. MADHU DANDAVATE : MR. Chairman, I am extremely thankful to those members of this House who have given their unqualified support to this Bill. I am also thankful to the solitary Member, Mr. Ram Gopal Reddy, who opposed my Bill with all his strength because the strength of his argument is so weak that it is very easy for me to demolish the entire case of opposition to this Bill.

Sir, I would like to join issues with the Labour Minister, and I would not like to argue the case merely in an emotional way. I feel that, if on the basis of certain arguments that I make in this House he is convinced that there is a rational basis for this Bill, I hope he will again review his position in requesting me to withdraw this Bill.

On the last occasion also he made certain observations and today I am glad he has put forward the entire pragmatic point of view—that is a new, fashionable usage that has come in vogue—regarding the basis of my Bill. One of the arguments that he has put forward is that the trade union leaders, when they plead for increased bonus to the extent of 8.33 per cent as the minimum quantum of bonus, must take into account the national economy of the country. I fully agree with him on this point. Therefore, I am prepared to analyse as to what are the problems that can be faced in the context of the national economy how the legitimate demands of the workers can be met even without disturbing the

[Prof Madhu Dandavate]

pattern of our national economy I would make constructive proposals on this occasion to meet his arguments, as to what will be the positive steps that can be taken for a massive resource mobilisation in the country, so that the new burden to the extent of Rs 250 crores that will be put on the shoulders of the Government can be borne by the Government without disturbing the economy, of the country, without disturbing the interests of the rural life in this country I would suggest concrete measures First, I would suggest that especially after reviewing the Wanchoo Committee's report we should try to understand the dimensions of the black money economy in this country I would suggest for unearthing this huge black money in the country, the device of demonetisation should be accepted My second suggestion is that we should immediately go in for the introduction of capital levy

My third suggestion is that, in order to augment our resources let there be a ceiling on urban property, the incomes and also expenditure My further concrete suggestion is that there should be income tax on the agricultural rich in the country Of course, it is very inconvenient for the Government to introduce agricultural incometax on these *Kulaks* because that is the class on whose support actually the ruling Party stands But, that is my concrete proposal (*Interruptions*) You may disagree with me, but let me state my own case.

DR HENRY AUSTIN (Ernakulam)
But that statement should have some foundation

PROF MADHU DANDAVATE I Will give you the foundation I can give you the necessary statistics I can indicate to you the modifications that you like to introduce in the land ceiling laws under pressure from the Chief Ministers That is not a matter under discussion. So, I shall not deal with that matter

Lastly, I would suggest streamlining of the entire machinery for the recovery of the tax arrears and thereby, we will be able to have better resources and with these

massive resource built up, I think it should not be difficult for us to mobilise Rs .50 crores to meet this new demand we have been making

SHRI PILOQ MODY (Godhra) Now make a suggestion for mobilising the resources

PROF MADHU DANDAVATE .
Now One more concrete Suggestion I would like to make There, I would like to join issues with Mr Khadilkar Last time, in a very dramatic way he tried to put forward a plea that those who are demanding an increase in the minimum bonus to 8 33%, are only making this demand on behalf of the organised working class in the country and in this they are showing no concern at all for the unorganised rural sector He did say that I would like to join issue with him again, not in an emotional fervour, but, on the basis of concrete facts Here, some of the friends who try to heckle me, should listen to me as to what exactly is the reality

The Government has pampered the rich agriculturists in this country and they actually harmed the interests of the landless and also the agricultural labour in the country They say that those of us who are demanding 8 33% bonus, are actually inflicting harm on the interests of the rural sector But the reality of the situation is that on the one hand, they are allowing the rich peasantry, the rich farmers and the rich farmers' lobby in the country to escape from the ambit of the agricultural income tax, and on the other hand they have not been able to assure even the minimum wage to most of the agricultural labour in this country There they are not at all worried about giving, social justice to the agricultural labour So, that is the reality of the situation (*Interruptions*)

Again, while talking in terms of the inhuman treatment meted out to the agricultural sector, a high-power land ceiling committee was appointed That committee—not any Committee from the Members of the Opposition—made certain suggestions, certain recommendations. Though these recommendations are not very radical recommendations, even those recommendations

were not at all palatable to the Congress Working Committee and the ruling Party...

SHRI K. NARAYANA RAO (Bobili): Sir, we are discussing the Bonus Amendment Bill.

PROF. MADHU DANDAVATE: I am building up the case. I am perfectly relevant. You were not present last time. He has said that we are making this demand to the utter neglect of the unorganised rural sector and I am trying to build up the case that it is not we who have neglected the rural sector, but it is the ruling Party which is responsible. They are not taking steps to raise the level of living of the rural sector. I am perfectly relevant. Even on the question of land ceiling, we want the unorganised rural sector to be given certain protection. We want the landless labour and the small peasant to be protected. There, we find that they have made such modifications to the high-power committee's recommendations that there will be many loopholes in the land ceiling laws as a result of which many land-owners will escape the land ceiling laws.

Therefore, actually when the land ceilings come into operation, very little benefit would be available, and very little land will be available to the landless and the small peasants after the land reforms. Therefore, it is not as if we who are demanding more bonus are responsible for neglecting the unorganised sector. Therefore, it is my contention that it is not for the hon. Minister to say that we who are demanding more bonus are neglecting the interests of the rural folk. But we on our part would like to have two fronts in our battle for the amelioration of the miseries of the people. One battle is the battle of bonus for the industrial labour and the counterpart of this very front will be our battle for getting a minimum wage for the agricultural labourer and getting land for the landless and also getting better facilities and concessions for poorer classes on the rural side of our society.

SHRI FILOO MODY: Government are against all this.

PROF. MADHU DANDAVATE: There is another point that I would like to urge

and which is very important. Shri R. K. Khadilkar had raised this last time also during the bonus discussion. He had raised the question of productivity. He said that when all was said and done, whatever be the connotation and concept of bonus, minimum bonus or general bonus, we had to accept the fact that bonus meant in some form sharing of the profits and it had to be linked up just like actual wages with productivity. Here, I would like to tell you the facts.

No doubt, one of the factors can be productivity. No doubt, one of the factors can be sharing of profits one of the factors can be sharing of the surpluses; one of the factors can be sharing of the prosperity. But productivity cannot be the sole factor on the basis of which wages can be determined for the very simple reason that it is not merely the labour power that determines the level of productivity, but there are factors extraneous to the labour power which determine it, as for instance, the availability of cheap raw materials, the artificial scarcity of raw materials created by the mill owners and other entrepreneurs...

SHRI FILOO MODY: By the STC.

PROF. MADHU DANDAVATE: Whenever they want that they should mup up more profits, they pressurise the Government and demand more imports of cotton from outside and thus they want to see that the prices of indigenous cotton go down, and, thereby they could have better margins of profit. That is how sometimes an artificial scarcity is created. As a result of that also, productivity sometimes suffers. Lastly, there is the state of production equipment and production machinery. Over all these factors, labour has no control at all. If production suffers and productivity suffers as a result of all these factors, the workers cannot be blamed. Therefore, I am completely opposed to the linking up of bonus as well as wages only with productivity. Productivity can be one of the factor but cannot be the sole factors. That is my contention.

Leave aside the Bill that I have placed before the House. Even in the 1965 Bonus Act there is a provision for a minimum bonus of 4 per cent. I would like to remind

[Prof Madhu Dandevate]

my hon friend Shri M. Ram Gopal Reddy that the moment in the 1965 Act a provision has been put in for 4 per cent minimum bonus, irrespective of loss or profit or productivity, it means that that clause itself accepts that every time bonus is not to be linked up with productivity or profit or loss. Even the original Act of 1965 says that whatever be the profit or the loss or the productivity, a minimum of 4 per cent bonus will be ensured. What is the *raison d'être* of that minimum bonus? It means only this that since there is a wide gap between living wage and actual wage Government realised in 1965 that this wide gap should be closed to a certain extent, even if a particular industrial concern runs into a loss, even if the level of production is not adequate, even then this wide gap between the living wage and the actual wage should be closed to a certain extent, and, therefore, there has to be a minimum bonus. Therefore, indirectly, even the 1965 Act has accepted the annotation of bonus that bonus is not merely profit-sharing, but as far as the minimum bonus is concerned, it is essentially a deferred wage, and it is a device to bridge the gap between the living and actual wages. As this gap goes on widening more and more, thanks to the programmes of the Government, naturally the bonus which is supposed to be a deferred wage has also to be stepped up. It is not merely because some trade union feels, so all of a sudden that it should be increased from 4 per cent to 8.33 per cent. There is a certain logic behind it, there is a certain argument about it. If it is deferred wage, if the gap between actual wage and living wage is enlarging, to fill up the gap in a partial way, it is necessary that the minimum bonus has to be stepped up.

Lastly a word about an argument which is consistently put forward here and also outside. Economists have been putting up the argument that those who are not involved in the process of production directly, why should they be given bonus at all? My contention is that if you have to bridge the gap between the actual and living wage, no categorisation can be made. Again, we are told, why payment of bonus to civic workers, scavengers, and to the

conservancy staff? they have nothing to do with production. Why should they be given the bonus? Here it is not merely economics that comes into the picture; here sociology also enters. For centuries together, these scavengers, Scheduled Castes, Harijans and the neo-Buddhists have been told that they must be silent spectators of the historical development they must suffer in silence. Even a Harijan or Scheduled caste man may dream 'I would like to be the head jobber in an engineering factory.' Why should he not aspire for it? It is here that the social oppression comes. On the one side, we have the social oppression. Now we tell them that they must continue to sweep our cities and having done that job, on the top of it, we tell them 'You are doing that work which has nothing to do with the productive apparatus, therefore, we cannot give you bonus we cannot bridge the gap between your actual wage and the living wage.'

I say we have already committed social oppression and have we to add to this economic oppression also. Therefore, I feel you cannot categorise the working class like this, these are non-productive working class and those are the working class people involved in the process of production. Therefore, there should be no discrimination at all.

Here I would again say that I am introducing in the ambit of my Bill even the employees of local bodies. Local bodies are not merely in urban areas. There are zila panchayats, there are gram panchayats. There are a number of rural organisations where also there are rural folk employed in these local bodies, and if their bonus goes up, it is not merely a bonus of the urban population that goes up, it is also the bonus of the rural population that goes up. It is in this context that I make this argument.

I would like to point out in the end that one thing has been established on the basis of statistics available from a number of countries. Let us take only the Asian pattern. I have here a document "Trade Unions Developing Economy" published by the ICFTU, Asian regional organisation. They have given statistics which indicate that in

a country like Japan, by giving workers more concessions, by trying to bridge the gap between actual wage and living wage, they have been able to revise the wage structure it. Several industries, and they have found that wherever they have revised the wage structure, it has acted as an incentive for better production. The productivity of the industry has gone up. Figures have been given here. I am sure the Labour Minister must also have got a capr of it with him.

On the basis of this. I would insist that my Bill should be supported by this House. Let me make it clear that I do not want the Bill to be withdrawn at all, because listening to the speeches delivered by members belonging to all sections of the House, except for the solitary and illustrious exception of Shri Ram Gopal Reddy, the members of Congress Party and of the Opposition has supported me.

SHRI M. RAM GOPAL REDDY : No-body was allowed from the Congress Benches to speak. That must be noted.

PROF. MADHU DANDAVATE : They have already spoken. The other day Shri Stephen; spoke during the bonus discussion; Shri Raja Kulkarni spoke; our INTUC friend from Indore also spoke.

SHRI M. RAM GOPAL REDDY : They are all Union leaders. Of course, they are not comparable with Mr. Reddy. Therefore on the basis of this, I can very well say see that whether one belongs to the CITU, HMP, HMS, AITUC or INTUC all people belonging to various shades of the working classes are convinced that there is a legitimate basis for this Bill and, therefore, I would not like the Bill to be withdrawn at all. If some *via media* can be found out by which without withdrawing the Bill, something can be done, I shall be glad. I do not want the Bill to be defeated. Whatever speeches they have delivered, I know that if it comes to voting, it is the whip that operates.

SHRI PILOO MODY : Conscience.

PROF. MADHU DANDAVATE : There is no question of conscience. I have made it very clear. Short of withdrawal of the Bill.—I am not going to withdraw the Bill at all—you can find out any other *via media*.

I have made it clear. My friend. Mr. Piloo Mody did not listen to that. I had started with that statement.

SHRI PILOO MODY : You made it clear then, but later, it was withdrawn ?

PROF. MADHU DANDAVATE : I therefore request that the Minister should not plead with me to "Withdraw the Bill" He can find out any other *via media*. For instance, Shri Bhandare who is in the Chair now himself had suggested that if we feel that the basis of this Bill is correct we can circulate it for eliciting public opinion. It has happened in the case of many Bills in this House. That is one of the methods followed. I would prefer that method rather than withdraw the Bill. With this appeal, I would urge the Treasury Benches that not only should they take cognizance of the principles embodied in this Bill but that if they can not accept it, let us circulate it for eliciting public opinion, because we are confident that if you send this Bill for eliciting public opinion, the militant working classes in this country and even the rural sectors in this country will support the Bill; not only in this House but outside this House as well the majority of the working classes would stand solidly behind this measure.

SHRI R. K. KHADILKAR : I have very carefully and patiently listened to Prof. Dandavate's closing remarks. He has raised certain issues; Some of them are quite relevant to the economic situation of the country.

MR. CHAIRMAN : There can be no second speech.

SHRI R. K. KHADILKAR : No second speech. This is not the occasion to debate them. I would like that he takes up these issues at the appropriate time and on the appropriate occasion.

I would like to say only one thing. As I had stated in my speech, we ourselves have planned to bring forward legislation regarding...

AN HON. MEMBER : What about Chittibabu's Bill ?

SHRI R K KHADILKAR Chittibabu's Bill was circulated for opinion, I know Afterwards it was withdrawn after I intervened Here, I have said that after the recommendations of the Bonus Review Committee, the Government will take into consideration again those matters and in the light of that, we will again come before the House So, this the only alternative today I do not realise—(Interruption)—I hope he is not listening to the advice of Mr Piloo Mody (Interruption) If he agrees to it, it should not be difficult As I have said, for example, about the noncompetitive and competitive part, we want to correct it, though we are giving an *ex gratia* payment on the same level I have said we will have to correct it In the light of the Review Committee's recommendations, we will give due consideration and bring forward a legislation after reviewing the entire scheme based on their recommendations I think there is no justification for taking the attitude which he takes

PROF MADHU DANDAVATE I have made my position clear here I do not want to withdraw this Bill As I said earlier you, Sir had a good suggestion The suggestion made by the Chair is supposed to be non-controversial

MR CHAIRMAN I have suggested it from that place

PROF MADHU DANDAVATE If you do not want to accept the proposal for eliciting public opinion even if a vote is taken and the Bill is defeated, let it be done I do not want to withdraw it

MR CHAIRMAN Are you accepting it?

PROF MADHU DANDAVATE I am sorry that while the trade unionists have taken a very accommodative view, the Labour Minister is not prepared even to accept this suggestion and get the Bill circulated

MR CHAIRMAN The Labour Minister said that after the report of that committee, a Bill will be introduced in the light of the recommendations made. Now the question is

"That the Bill further to amend the Payment of Bonus Act, 1965, be taken into consideration "

The Look Sabha divided

Division No 10]

[15 39 hrs.

AYES

Bade, Shri R V
Baladhandayutham, Shri K
Bhagirath Bhanwar, Shri
Bhattacharyya, Shri Dineu
Bhattacharyya, Shri Jagadish
Bhattacharyya, Shri S P
Bhaura, Shri B S
Chandra Shekhar Singh, Shri
Chatterjee, Shri Somnath
Chittibabu, Shri C
Chowhan, Shri Blarat Singh
Dandavate, Prof Madhu
Dutta, Shri Biren
Guha, Shri Samar
Halder, Shri Krishna Chandra
Jharkhande Rai, Shri
Joarder, Shri Dinesh
Joshi, Shri Jagnathrao
Kachwai, Shri Hukam Chand
Kalingarayar, Shri Mohanraj
Kathamuthu, Shri M
Krishnan, Shri E R
Krishnan, Shri M K
Malik, Shri Mukhtiar Singh
Mehta, Shri P M
Mishra, Shri Shyamnandan
Mody, Shri Piloo
Muthuswamy Shri M,
Pandey, Shri Sarjoo
Parmar Shri Bhaljibhai
Ranabahadur Singh, Shri
Saha, Shri Gadadhar
Sambhali, Shri Ishaque
Sen, Dr Ranen
Singh, Shri D N
Swatantra, Shri Teja Singh

NOSE

Austin, Dr Henry
Babunath Singh, Shri
Banamali Babu, Shri
Barman, Shri R N
Barupal Shri Panna Lal
Basumatari, Shri D
Bera, Shri S C
Bhargava Shri Basheswar Nath
Bheeshmadev, Shri M
Chakleshwar Singh, Shri
Chandra Gowda, Shri D B
Chaudhary, Shri Nitiraj Singh
Chhotey Lal, Shri
Darbara Singh, Shri

Das, Shri Anadi Charan
 Das, Shri Dharnidhar
 Deo, Shri S. N. Singh
 Deshmukh, Shri K. G.
 Dhamankar, Shri
 Doda, Shri Hiralal
 Dumada, Shri, L. K.
 Dwivedi, Shri Nageshwar
 Engti, Shri Biren
 Godara, Shri Mani Ram
 Gohain, Shri C. C.
 Gomango, Shri Giridhar
 Gotkhinde, Shri Annasaheb
 Gowda, Shri Pampan
 Hansda, Shri Subodh
 Ishaque, Shri A. K. M.
 Jadeja, Shri D. P.
 Jamilurrahman, Shri Md.
 Jitendra Prasad, Shri
 Kailas, Dr.
 Kale, Shri
 Kamakshaiah, Shri D.
 Kamala Prasad, Shri
 Kamble, Shri T. D.
 Kapur, Shri Sat Pal
 Kaul, Shrimati Sheila
 Kedar Nath Singh, Shri
 Khadilkar, Shri R. K.
 Kotoki, Shri Liladhar
 Kureel, Shri B. N.
 Lakkappa, Shri K.
 Lakshminarayanan, Shri M. R.
 Lutfal Haque, Shri
 Mahajan, Shri Y. S.
 Mahishi, Dr. Serojini
 Malhotra, Shri Inder J.
 Mallikarjun, Shri
 Mandal, Shri Jagdish Narain
 Mehta, Dr. Jivraj
 Mishra, Shri G. S.
 Mishra, Shri Jagannath
 Modi, Shri Shrikishan
 Mohammad Yusuf, Shri
 Negi, Shri Pratap Singh
 Oraon, Shri Tuna
 Painuli, Shri Paripoornanand
 Palodkar, Shri Manikrao
 Pandey, Shri Damodar
 Pandey, Shri Krishna Chandra
 Pandey, Shri Sudhakar
 Pandit, Shri S. T.
 Paokai Haokip, Shri

Patil, Shri Krishnarao
 Patil, Shri S. B.
 Patil, Shri T. A.
 Patnaik, Shri J. B.
 Rai, Shrimati Sahodrabai
 Rajdeo Singh, Shri
 Ram Dhan, Shri
 Ram Swarup, Shri
 Ramshekhar Prasad Singh, Shri
 Rao, Shri Jagannath
 Rao, Shri K. Narayana
 Rao, Shri M. S. Sanjeevi
 Rao, Shri P. Ankinedu Prasad
 Rathia, Shri Umed Singh
 Ray, Shrimati Maya
 Reddy, Shri M. Ram Gopal
 Reddy, Shri P. Ganga
 Reddy, Shri P. Narasimha
 Richhariya, Dr. Govind Das
 Sadhu Ram, Shri
 Saini, Shri Mulki Raj
 Saksena, Prof. S. L.
 Samanta, Shri S. C.
 Satish Chandra, Shri
 Satpathy, Shri Devendra
 Savant, Shri Shankarrao
 Sethi, Shri Arjun
 Shankaranand, Shri B.
 Sher Singh, Prof.
 Shinde, Shri Annasaheb P.
 Shiva Candika, Shri
 Shivappa, Shri N.
 Shivanth Singh, Shri
 Sohan Lai, Shri T.
 Suryanarayana, Shri K.
 Swamy, Shri Sidrameshwar
 Thakur, Shri Krishnarao
 Tiwary, Shri D. N.
 Tiwary, Shri K. N.
 Unnikrishnan, Shri K. P.
 Verma, Shri Sukhdeo Prasad
 Yadav, Shri R. P.
 Yadav, Shri D. P.

MR. CHAIRMAN : The result * of the division is :

AYES: 36;

NOES: 109.

The motion was negatived

* The following Members also recorded their votes for Noes:—Sarvashri Raj Bahadur, Yamuna Prasad Mandal, Ram Chandra Vikal, Vishwanath Pratap Singh, M. C. Daga and T. Batekrishnaiah.