



## CHAPTER IX

## Era of National Tribunals - 1949-1966 and Associated Struggles

### K.C. Sen Award :

The first National Tribunal was set up by the Central Ministry of Labour on 13 June, 1949. It was a three-member team of ex-Judges comprising of:

- |   |                        |
|---|------------------------|
| <p><b>1. Mr. K. C. Sen</b><br/> <b>President, Industrial Court,</b><br/> <b>Bombay &amp; Retired Judge of</b><br/> <b>Bombay High Court.</b></p>      | <p><b>Chairman</b></p> |
| <p><b>2. Mr. S. P. Verma</b><br/> <b>Chairman, Industrial Tribunal,</b><br/> <b>Dhanbad, &amp; Retired Judge of</b><br/> <b>Patna High Court.</b></p> | <p><b>Member</b></p>   |
| <p><b>3. Mr. J. N. Majumdar</b><br/> <b>Retired Judge of Calcutta High Court.</b></p>   | <p><b>Member</b></p>   |

**As services of Mr. S.P. Verma were not available, Central Government, by another notification on 24th August, 1949, appointed Mr. N. Chandrasekhar Iyer, Retired Judge of Madras High Court, as member in his place.**

In all 170 banks, scheduled 82 and non-scheduled 88, came under reference. A total of 64 unions, 13 regional and 51 bank-wise, took part in the Tribunal on a 38-point industrial disputes raised by the workmen in the country. As AIBEA was still at the formative stage., it could not be technically there to represent the employees. So various Unions from different parts of the country represented them. However, Com. R.C. Chakraborty, the founder General Secretary and the then Vice President of AIBEA, was present during the proceedings of the Tribunal.

The Banks were represented by some of the leading lawyers of the day such as well known Solicitors' firm Crawford Bailey & Co., Mr. B.K. Daphtary, Mr. Tanubhai D. Desai, etc., whereas the Unions were represented by around 50 comrades and some well-known Advocates like Messrs. Niren Dey, N.V. Phadke, Shantilal M. Shah, Dudhia and others. The Union leaders who appeared were Comrs. Prabhat Kar, Dayaldas Khanna, Sukumar Roy, S.N. Mishra, R.C. Chakraborty, H.L. Parvana, A.S. Chauhan, D.P. Kalra, J.C. Khanna, S. Varadarajan, T.S. Ramanujam, V.N. Vellaiyan, S. Subramanyam, G. Nagaiah, Manoranjan Base, P.L. Sayal, M.L.D. Sabarwal, H.L. Puri, C.S. Talwar, V.S. Malhi, G.L. Kakar, S.B. Sanyal, A. Saha, Jyoti Ghosh, G.N. Trikanand, A.C. Kakar, B.K. Porwal, J.D. Mishra etc.

The Tribunal considered various aspects, heard both the parties and was in session for a little over one year from July 1949 till 31.07.1950. The Award was gazetted on 12 August, 1950. **For the first time at all India level** this Award gave the bank employees fixed Working Hours, Overtime Allowance, Medical Facilities, Leave Provisions, Specific Pay structure, D. A, H. R. A (for 5 centres only, viz. Calcutta, Bombay, Ahmedabad and Kanpur), Uniforms & Washing Allowances (**for sub-ordinate cadre**), Bonus, Gratuity etc.

Union representatives became entitled to Duty Leave, T.A, Halting Allowance etc. for attending the Industrial Tribunal. The Tribunal also recommended for amending the provision 33 of the Industrial Disputes Act in such a manner that the Bank authorities could not resort to unilateral punitive measures including termination from service due to absence of the leaders for attending the Tribunals. This was, indeed, a welcome feature.

The banks were classified into **3 groups -A, B, C as follows:**

A. Banks having average working funds of Rs. 25 crores and above.

B. Banks having average working funds below Rs. 25 crores but not below Rs.  $7\frac{1}{2}$  crores.

C. Banks having average working fund of less than Rs. Rs.  $7\frac{1}{2}$  crores.

The country was divided into three areas : Area 1, Area II & Area III, on the basis of population :

**Area I** : Four metropolis - Ahmedabad, Bombay, Calcutta and Delhi.

**Area II** : Towns with a population of one lakh and above along with towns with a population of 50,000 and above in the Punjab.

**Area III** : All other other places.

**Pay-Scales were formulated as follows on the basis of cost of living indices of 1944. Clerical Staff : (Span 25 years)**

**'A' class Banks :** Area I : Rs. 96-6-132-7-174-8-190-  
E.B. -205-9-250-10-290

Area II : Rs. 82-5-112-6-148-7-162-  
E.B. -172-8-212-9-248

Area III : Rs. 70-4-94-5-124-6-136-E.B.  
-145-7-180-8-212

**'B' class Banks :** Area I : Rs. 92-6-128-7-170-8-186-  
E.B. -200-9-245-10-285

Area II : Rs. 78-5-108-6-144-7-158-  
E.B. -167-8-207-9-243

Area III : Rs. 66-4-90-5-120-6-132-E.B.  
-140-7-175-8-207

**'C' class Banks :** Area I : Rs. 86-5-116-6-152-7-166-  
E.B. -180-9-225-10-265

**Area II** : Rs. 73-5-103-6-139-6 $\frac{1}{2}$ -152-

E.B.-160-7-195-7 $\frac{1}{2}$ -225

**Area III** : Rs. 62-4-86-5-116-5 $\frac{1}{2}$ -127-

E.B.-135-6-165-6 $\frac{1}{2}$ -191

**(Efficiency Bar between 17th and 18th year of service)  
Subordinate Staff : (Span 25 years)**

**'A' class Banks :** Area I : Rs. 60-1-74-1 $\frac{1}{2}$ -89

Area II : Rs. 49-1-63-1 $\frac{1}{2}$ -78

Area III : Rs. 40-1-54-1 $\frac{1}{2}$ -69

**'B' class Banks :** Area I : Rs. 56-1-70-1 $\frac{1}{2}$ -85

Area II : Rs. 46-1-60-1 $\frac{1}{2}$ -75

Area III : Rs. 38-1-52-1 $\frac{1}{2}$ -67

**'C' class Banks :** Area I : Rs. 52- $\frac{1}{2}$ -59-1-69

Area II : Rs. 43-1 $\frac{1}{2}$ -50-1-60

Area III : Rs. 35- $\frac{1}{2}$ -42-52

Special Allowances were also introduced for Special Assistants then known as Supervisors, sub-accountants, clerks-in-charge, departmental-in-charges, stenographer, comptists, graduates and Banking diploma holders, Head clerks and Cashiers (in the clerical cadre), and daptaries, Food store salesman, head cash coolies, record suppliers, compositors, Deputy Head Messengers, Head messengers and lorry drivers (in the subordinate cadre).

**Method of Adjustment to new pay-scale: Point-to-point adjustment was accepted in principle by the Tribunal but was not immediately given effect to in all cases but spread over a period of 2-4 years to ensure it for all employees to relieve the banks of the sudden burden of huge load that would otherwise fall upon them otherwise.**

**Dearness Allowance** was payable for every rise of 10 point in the **cost of living Index figure (base 1944 = 100) of the following rates:**

**On monthly pay upto Rs. 50/- @ 9.3/8%,**

**thereafter upto Rs. 100/- @  $8\frac{1}{2}$ %,**

**thereafter upto Rs. 150/- @  $7\frac{1}{2}$ %,**

**thereafter upto Rs. 200/-@  $6\frac{1}{2}$ % and**

**thereafter @5% on the balance of monthly pay.**

Amendment to Section 33 of the Industrial Disputes Act gave a welcome protection of the leaders from dismissals for attending Tribunals, coupled with pronouncement of Halting and Batta allowances, for advancing the cause of the workers scattered **here and there** without stings of empty pockets.

It may, however, be said without fear of contradiction that although Sen Award contained some unwelcome features like classification of banks and areas etc., it, however, ensured for the first time a pay packet which raised the status of the bank employees considerably with higher wages and settled service conditions like hours of work, leave rules, bonus, provident fund, gratuity etc. in place of jungle law hitherto prevailing in most of the banks. The Tribunal also re-instated a large number of dismissed employees. But the Bankers were seemingly unhappy and disturbed over whatever benefits were

recommended by the Tribunal. Taking advantage of a purely technical flaw, caused by the government's inadvertence they took the matter to the Supreme Court. The Supreme Court declared the Award void purely on technical ground by majority votes.

**The "technical ground"** that led to nullifying the Award was **as follows :**

The main point of objection was raised as to the applicability of the Award as one of the members Justice Iyer was absent for about two months during the hearing (**as he was called away by Government to attend the Indo-Pakistan Boundary Dispute Tribunal**). **The bankers argued that Justice Iyer signed the Award in its totality including those parts which were heard in his absence. To that extent he has signed the Award without hearing the arguments. This, they contended, violated principles of natural justice.** The judges differed, some argued that instead of nullifying the entire Award the portion during which Iyer was absent could be made invalidated. However, finally the Court declared the Sen Tribunal's entire Award null and void by a majority of 5-4 votes. Actually the ground was so frivolous and feeble that it caused widespread resentment among them, especially because even if Justice Iyer, instead of signing, gave his dissent to the findings of the other two judges, still the Award would have been valid by majority of 2-1 votes and could well be implemented. Although this point was forcefully argued by Com. A.S.R.Chari, AIBEA's counsel, it failed to convince the majority judges including the Chief Justice of India. In hindsight, it would not appear unlikely if there were conspirators within the Government who were in league with the bankers and manipulated temporary withdrawal of Justice Iyer from the Tribunal which led to this situation.

Nullification of Sen Award created a vacuum. The bankers wanted to go back to the jungle days of pre-Sen Award position. This created strong uproar among the employees. AIBEA in the meantime had consolidated its position taking advantage of presence of hundreds of leaders from different parts of the country at Bombay during the proceedings of the Sen Tribunal. The Central Committee of AIBEA met, condemned the blunder made by the Government of India by withdrawing a judge from the Tribunal for a brief period without considering its legal implications and demanded status quo to be maintained on the basis of Sen Award provisions which had been already implemented in many banks. The Government must, therefore, take necessary steps to legalise the provisions of Sen Award by an Ordinance. A call for countrywide protest actions were given to the units. A Negotiation-cum-Action Committee consisting of the following members was formed to take all necessary steps including discussion with the Union Labour Minister and organizing struggles side by side.

- Members :
1. Com. G.G. Mehta (Bombay) President, AIBEA.
  2. Com. Soumyendra Nath Thakur (Bengal) President, Imperial Bank Staff Association, Bengal Circle.
  3. Com. T.S. Ramanujam, President, Provincial Bank Employees Union, Madras.
  4. Com. Prabhat Kar, President, Bengal Provincial Bank Employees Association, Calcutta.
  5. Com. Jogeshwarnath Mehrotra (U.P.), General Secretary, U. P. Bank Employees Union.

6. Com. G.L. Kakar (Punjab & Delhi), President, All India Punjab National Bank Employees Federation.
7. Com. Roshanlal Malhotra, General Secretary, AIBEA.

The Central Committee further decided that in case the Government does not take necessary steps to fulfill the employees' demands of (a) maintenance of status quo in wage-scales and service conditions by legalization of Sen Award provisions and (b) re-instatement of victimised employees as per verdict of the Tribunal, then AIBEA will give a call for observance of one day's strike on 5th June, 1951. The strike did not take place, as on 10th May an informal tripartite meeting took place at the initiative of the Union Labour Minister. Bankers agreed that the present conditions of service with regard to salary, allowances, medical aid, working hours, overtime, etc. will not be disturbed and the status quo will be maintained. But the bank managements without exception began a series of offensives by way of withdrawal of facilities and imposition of wage-cuts in utter violation of the understanding reached in the tripartite meeting. The Punjab National Bank increased the working hours and recovered the bonus already paid. The Bharat Bank retrenched some employees. Working hours were raised to 48 hours in a week in most of the banks.

AIBEA demanded of Shri Jagjivan Ram, Union Labour Minister, that the Government should immediately give a legislative shape to the understanding reached at the tripartite conference of 10th May 1951. A large number of MPs stood in support of the bank employees, seeking Government intervention so that the bank employees are not made to suffer for the fault of the Government. A mass petition signed by the

employees was also submitted to the. President seeking his intervention.

At this juncture INTUC started to play a disruptive role, maligning AIBEA with a view to creating confusion among the public. Com. G.G. Mehta, President of AIBEA, openly criticized Shri Abid Ali Jaffarbhair for his disruptive role which, however, failed to influence the employees in any way. They went ahead with the struggle and the Government had no alternative but promulgate an ordinance, subsequently enacted into law, viz. "Industrial Disputes (Banking Companies) temporary provisions Act" in June 1951 whereby pay scales and D.A. as awarded by the Sen Tribunal were frozen. Imminent danger was thus overcome. But harder days awaited the bank employees and they accepted the challenge with determination.

#### **Amendment of Industrial Disputes Act in favour of the bankers:**

In the meantime the Government, submitting to the pressures of the bankers, amended the Industrial Disputes Act, seriously prejudicing bank employees' interest. An obnoxious provision was made to the effect that Tribunal judges to adjudicate bank disputes would include a banking expert and a leading economist without, however, making any provision for inclusion of any trade unionist or representative of labour. Clearly it is an instance of not only Government's utter partisanship but also brinkmanship and gross abuse of power to play in the hands of the bankers and jeopardise the employees' interest. With this enabling provision, Sastry Tribunal was constituted with Justice Panchapagesa Sastry, a retired judge of Madras High Court, as Chairman. The other two members were Shri M.L.Tannan, Ex-General Manager of Punjab National Bank Ltd., and Prof. V. L. D'Souza of the Mysore University.

#### **Sastry Award:**

Prior to Sastry Tribunal two more Tribunals were set up by the Government of India, one headed by Sri A. N. Sen and the other by Sri H. V. Divatia. But both these Tribunals became infructuous on technical grounds. Who knows that it was not a ploy to delay the appointment of the Tribunal till I.D. Act is amended to enable appointment of a banking expert who is nothing but a spokesman of the banks within the Tribunal itself and an economist the need for whose presence in the Tribunal is not clear? Anyway the composition of the Tribunal was very much loaded against the employees which was clearly manifest as soon as its Award became public.

"It may be mentioned here that after the invalidation of Sen Award, the bankers were very apprehensive about wage increase to employees by any other Tribunal. So under their pressure, the Government amended the I.D. Act in 1951 with a modification to Clause 10 thereof that any Tribunal appointed to adjudicate on industrial disputes in banks must consist of a banker and an economist". – recalls Sushil Ghosh, veteran leader of Bank Employees' movement in his write up "A Marathon of 60 years".

From June 16, 1952 and November 28, 1952 the tribunal continued its proceedings encompassing 34-point disputes involving 193 banks. At the outset only Class-'A' banks were under reference of the Tribunal. But after consistent demand by the organizations Class 'B' & 'C' banks were also included under the purview of the Tribunal. One of the demands of the employees was for interim relief, but the demand having been rejected by the Tribunal a call for countrywide protest action was given by the organization. Com. A.S. Chari, a Barrister of repute and a member of the Communist Party, was appointed

by AIBEA as the counsel of the employees before the Tribunal. But no arguments, however plausible, were of any avail, as the Tribunal appeared pre-determined to reverse the benefits awarded by Sen Tribunal and its decisions were retrograde to those of the Sen Tribunal in every respect.

**The Award was gazetted on 26th March, 1953 with new scales of pay and allowances coming into effect from 1st April, 1953.** Virtually it was a wage-cut award, as the employees faced reduction of pay due to lower pay-scales as well as denial of point to point adjustment of dearness allowance. Pay scales recommended by Sri Sen were slashed **drastically** for both Clerical and Sub-staff. The reduction even went to the extent of Rs. 120.00 p.m Even the convention generally followed by the Tribunals to protect the existing emoluments of an employee if the same fall short of the emoluments on fitment to new pay-scales was not adhered to by the Tribunal, leading to massive wage-cut. A new class of Banks - Class D comprising banks below working funds of Rs. 1 crore -was also created with lower scales of pay and allowances. Obviously this resulted in more hardship in respect of the unfortunate employees of those banks. It is obvious that the considered opinion of three former High Court Judges manifest in Sen Tribunal's judicious Award fell flat on Mr. Shastri's judicial mind and was totally overshadowed by Mr. Tannan's 'expert' opinion. The bankers' malicious purpose for which Section 10 of I.D. Act was amended was fully served. But even that did not satisfy Mr. M.L. Tannan. He gave a note of dissent on some points, seeking more concessions for the banks. Literally and truly in every respect, he was a bankers' representative under the garb of a Tribunal Judge.

**Pay scales prescribed by the Tribunal were as under :**

**'A' Class Banks :**

Area I Rs. 85-5-100-6-112-7-140-8-164-9-245-10-265-15-280

II Rs. 73-4-85-5-100-6-112-7-140-8-164-9-245

III Rs. 66-3-69-4-85-5-100-6-112-7-140-8-164-9-227

**'B' Class Banks :**

Area I Rs. 73-4-85-5-100-6-112-7-140-8-164-9-245

II Rs. 66-3-69-4-85-5-100-6-112-7-140-8-164-9-227

III Rs. 57-3-69-4-85-5-100-6-112-7-140-8-164-9-200

**'C' Class Banks :**

Area I Rs. 66-3-69-4-85-5-100-6-112-7-140-8-164-9-227

II Rs. 57-3-69-4-85-5-100-6-112-7-140-8-164-9-200

III Rs. 54-3-69-4-85-5-100-6-112-7-140-8-164-9-191

**'D' Class Banks :**

Area I Rs. 57-3-69-4-85-5-100-6-112-7-140-8-164-9-200

II Rs. 54-3-69-4-85-5-100-6-112-7-140-8-164-9-191

III Rs. 51-3-69-4-85-5-100-6-112-7-140-8-164-9-182

Efficiency Bar at the end of 20th year of service in all the above scales

So, there were **twelve running scales of pay** in the industry. (The combined running scale was, therefore, **as follows :-**

Rs. 51-54-57-60-63-66-69-73-77-81-85-90-95-100-106-112-119-126-133-140-148-156-164-173 -182-191 -200-209-216-227-236-245-255-265-280.)

As regards Dearness Allowance, the following rates were awarded -

Bank	Area	Rate	Minimum	Maximum
A, B, C & D	I	33.1/3%	Rs. 35	Rs. 70
	II	33.1/3%	Rs. 30	Rs. 60
	III	33.1/3%	Rs. 25	Rs. 40

House Rent Allowance :

Pay	Bombay & Calcutta	Other places with population 7 lakhs and over
Upto Rs. 100	Rs. 8	Rs. 6
Between Rs. 101 and Rs. 200	Rs. 12	Rs. 9
Above Rs. 200	Rs.16	Rs.12

Subordinate Staff Pay-scales :

#### A Class Banks

Area I Rs. 40-2-54-1-70-2-72

II Rs. 36-2-54-1-69

III Rs. 34-2-54-1-68

#### B Class Banks

Area I Rs. 36-2-54-1-69

II Rs. 34-2-54-1-68

III Rs. 32-2-54-1-67

#### C Class Banks

Area I Rs. 34-2-54-1-68

II Rs. 32-2-54-1-67

III Rs. 30-2-54-1-66

#### D Class Banks

Area I Rs. 32-2-54-1-67

II Rs. 30-2-54-1-66

III Rs. 28-2-54-1-65

(The combined running scale was therefore as follows :-  
Rs. 28-30-32-34-36-38-40-42-44-46-48-50-52-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68--69-70-71-72).

Dearness Allowance :

Bank	Flat Rate		
	Area I	Area II	Area III
A. . . .	Rs. 35	Rs. 30	Rs. 25
B. . . .	Rs. 25	Rs. 22-8-0	Rs. 20
C. . . .	Rs. 15	Rs. 12	Rs. 10
D. . . .	Rs. 13	Rs. 12	Rs. 10

House Rent Allowance Other places with a population of 7 lakhs and over  
Bombay & Calcutta Rs. 8 flat. Rs. 6 flat.

Variation of Dearness Allowance (both for clerical and subordinate staff) :

If the average figure of All India Working Class Cost of Living Index for each half-year i.e. from January to June and from July to each calendar year should rise or fall by more than 10 points over 144 the dearness allowance of the succeeding half-year should rise or fall by  $7\frac{1}{2}$  per cent of the basic pay.

Against this totally unjustified and prejudicial award against the rights and privileges conferred by Sen Tribunal, AIBEA appealed before the Labour Appellate Tribunal (since abolished).

**In the meantime Com. Prabhat Kar was elected General Secretary of AIBEA in its Lucknow Conference held in 1953.**

The L.A.T. by its award published in 1954 improved upon the Sastry Award considerably and restored the wage cuts to a major extent. **This was done without changing the pay-scales but raising the Dearness Allowance considerably.** The banks again started pressuring the Government to amend the L.A.T. award by using its power under the I.D. Act. **Prompted by the then Finance Minister C.D.Deshmukh (an ICS officer of British Raj & formerly Reserve Bank Governor), the Government did surrender to bankers again and modified the L.A.T. award, thereby not only restoring the Sastry Award but making it worse by creating a new lower Area –Area IV (places with population below 30,000) which resulted in further reduction of emoluments of employees working in this new area.** Against this repeated attack of the Government and its blatant violation of all canons of justice by restoring the verdict of a lower Tribunal and that too, in worsened form, after setting aside the verdict of the higher judiciary just to protect the vested interests of the banks. AIBEA, under the leadership of Com. Prabhat Kar, called for All India agitations and for the first time an All India Strike was called on 23-09-1954. It was a tremendous success. **The bank employees' enthusiasm was so high that in Calcutta they kept whole night vigil and picket surrounding all principal offices of Banks in Dalhousie Square (now B.B.D. Bag) area to prevent the officers from entering.** The action of the Government created a storm inside the Parliament also. Late Prof. Hiren Mukherjee in course of his brilliant speech

warned the Government that ‘The line between hunger and anger is very thin. The Government is pushing the bank employees to the wall and they have every right to react in any manner’.” **Dr. B.R. Ambedkar, taking a dig at the Prime Minister, said that the Prime Minister seemed more anxious to refute the charges that the Government had shown bias in favour of capitalists and against labour. The Government has completely misjudged them. “The Prime Minister’s case, he said, resembles the case of a woman who had given birth to an illegitimate child and when she was questioned on this she said, ‘Sir, it may be illegitimate, but it is a very small baby.”**

As a fall out to this V.V. Giri, then Labour Minister resigned from the Cabinet with his statement on the floor of the Parliament “A judicial pronouncement has to be maintained by all conventions and precedents. Since the Government of which I am a minister has chosen to interfere with the pronouncement, I feel, I have no moral right to continue as a minister of that Government”. His resignation further boosted up the bank employees’ already high morale and they prepared for countrywide indefinite strike at the call of AIBEA from 10th December 1954.

Mr. V.V. Giri’s resignation totally exposed the Government and put it on the dock. To save face, it had to admit that “there is a prima-facie case existing for consideration of the modification immediately.” With this observation Shri Khandubhai Desai, Labour Minister replacing Shri V.V. Giri, announced appointment of Justice G.S. Rajadhyaksha of Bombay High Court as a one man commission to look into the disputes. AIBEA had reservations about this commission because it had no judicial power. So the strike preparation was going on in full swing.



### **P.B. Gajendragadkar - Bank Award Commission**

In the meantime Justice Rajadhyaksha died. Justice P.B. Gajendragadkar, another judge of Bombay High Court was appointed in his place. The Government was now desperate to avert the scheduled indefinite strike of bankmen from 10th December 1954, because they were completely isolated and all their threats of punitive actions against the employees had failed to curb the militancy and determination of the bankmen.

**On 4th December, 11 Members of Parliament - A. K. Gopalan, Hiren Mukherjee, J.B. Kripalani, N.C. Chatterjee, Lanka Sundaram, Dr. Ashok Mehta, Sucheta Kripalani, Dr. A. Krishnaswami, Renu Chakraborty, B. Ramchandra Reddy and Tridib Kumar Choudhury – issued a joint statement urging upon the Government not to sit on prestige but restore the status quo in respect of the bank employees' emoluments which, they claimed, many banks were willing to do.**

**On 6th December on the floor of the Lok Sabha Prime Minister Jawaharlal Nehru assured the bank employees that the Government would come down heavily on any bank which failed to implement Government's assurances under the modified Bank Award, safeguarding the existing emoluments of the bank employees for one year. The Government further assured that whatever decision the Government would take on the findings of Gajendragadkar Commission would be given retrospective effect.**

Considering these assurances in the Lok Sabha AIBEA deferred the strike but called upon the bankmen to keep the powder dry and remain ready to revive the action programme if the Government goes back on its assurances. Justice P.B. Gajendragadkar who later became the Chief Justice of the country submitted his recommendations in July 1955, which

were accepted by the Government in toto and embodied in the Industrial Disputes (Banking Companies) Decision Act, 1955. The LA. T Award was by and large restored with the exception of new Area IV which was retained by the Commission but was ultimately abolished in the next Award by Desai Tribunal. Thus the combined mischievous plan of the Government and the bankers with the help of their lobby in the Finance Department was foiled by the heroic struggle of the bank employees.

But the struggle did not end there, as the incidence of wage-cut was not totally wiped out. Though the LAT Award modified the Sastry Award with substantial increase in the wages by raising the quantum of Dearness Allowance, yet it fell short of what the employees were getting before Sastry Award.

Readers may recall in this connection that consequent upon the invalidation of the Sen Award, the Government, faced with countrywide widespread agitation of the bank employees, had to freeze the emoluments granted by Sen Award by an Ordinance, converted subsequently into a Parliamentary enactment, viz. "Industrial Disputes (Banking Companies) temporary provisions Act, 1951." Subsequently after publication of Bank Award Commission the bank employees' emoluments were governed by the Industrial Disputes (Bank Companies) Decision Act, 1955, which did not restore Sen Award salary and allowances in full, hence the wage-cut. In other words, wage-cut represented the difference in salaries made by the same Government in two separate Acts.

AIBEA pleaded with the bankers as well as the Government not to enforce the wage-cut. It was suggested to them that the shortfall be made good in the form of a Temporary Adjustment

Allowance to be adjusted against future increments so that the employees take-home pay-packet is not disturbed. Even this modest suggestion was declined. Shri V.V. Giri, M.P., said in the Lok Sabha, “it is **generally accepted as a convention internationally that whenever workers have enjoyed certain conditions more favourable than an award, the latter should not be thrust on them, that would affect the standard of living of the workers.**” (A Trade Union Odessey - AIBEA publication). That “**this convention was of no reduction in the salary of workers**” was also echoed by **Sir Srinivasa Varadachar, Chairman and Sir Hussain Imam of the Central Government Pay Commission and also some legislators. (Source : Ibid).**

A long memorandum signed by the numerous MPs in support of our demands was sent to the Government. On 24.9.1955, when the Industrial Disputes (Banking Companies) Decision Bill was brought in the Parliament, Shri V.V. Giri, Shri S.K. Nair (RSP), Shri V.P. Nair (CPI), Shri Ashok Mehta (PSP), Shri S.S. More (PWP), Shri Shibbanlal Saxena (Independent), Shri C.D. Pande (Congress), Shri S.M. Majumdar (CPI), Shri Bhupesh Gupta (CPI) and other MPs spoke requesting the Government to make suitable provisions in the Bill not to allow wage-cuts in the existing salaries. However, their request was not acceded to. (Source : Ibid).

### **All India Bank Strike - 6th & 7th January 1956**

Even after the Bill was passed, bankers were approached for a solution. The managements of the banks were divided in their opinion. A formula was given by Mr. Chokshi, a senior executive of Bank of Baroda, to the effect that instead of imposing a cut, the difference would be adjusted against the future increments. Even this simple formula was rejected by Shri C.H. Bhabha, Chairman of IB A. AIBEA's open acceptance

of Mr. Chokshi's formula as a basis of negotiation did not find any response. In consequence, the bank employees, at the call of AIBEA, observed 2-DAY ALL INDIA STRIKE ON 6th & 7th JANUARY, 1956 to realize the demand.

The strike was a magnificent success. Reserve Bank employees under the banner of their Association also participated in the strike, though AIRBEA was not a constituent unit of AIBEA. The government was very much enraged and they acted in retaliation. Warrants under Preventive Detention Act were issued and arrests were made of employees in different banks to throttle employees' movement. The bankers in West Bengal alone issued 8000 charge sheets and suspended the Clearing House in Calcutta. But all these failed to cow-down the employees, rather they braved all onslaughts. The Government was compelled to withdraw all the charge sheets issued and resumption of operation of the Clearing House. Ultimately wage-cut was stopped,

### **Formation of INTUC Union-All India Bank Employees Federation :**

In such a situation of turmoil a new organization - All India Bank Employees' Federation (sponsored by and affiliated to INTUC) under the leadership of Shri Abid AM Jaffarbai was floated to disrupt the movement. But employees, undeterred by all these developments, observed All India Solidarity Day and also All India Demand Day on March 8 & 9, 1956 at the call of AIBEA. (To be checked)

### **Imperial Bank of India taken over by Government of India :**

An important event of the period is take-over of Imperial Bank of India by the Government of India and rename State Bank of India by the State Bank of India Act which came into

operation from 1st July 1955. This is the first nationalized commercial Bank in India with majority shares held initially by Reserve Bank of India and now transferred to Government of India. The object was to promote rural banking and rural credit so as to reduce the peasants' dependence on moneylenders, but the stated objective of expansion of bank credit to rural people, particularly farmers, to save them from the clutches of moneylenders was not achieved, ultimately necessitating setting up of Rural Banks in 1975.

### **Life Insurance Nationalisation :**

All India Insurance Employees Associations, a sister organization, was formed on July 1, 1951. Ceaseless movements by the Insurance employees led to nationalization of the life insurance business in the country on January 19, 1956. 245 private companies were amalgamated to form Life Insurance Corporation of India by an enactment in the Parliament. Like formation of State Bank of India this was also a welcome development. Before the Bill was passed, All India Insurance Employees Association had submitted a memorandum to the Select Committee for consideration of useful suggestions made by them not only in the interests of the employees but also policy-holders and national economy. But very little was considered.

Since its inception LIC has been giving yeoman's service to policy-holders, encouraging people's saving habits and also contributing to Government's various projects. But the Central Government, in pursuance of its anti-people neo-global economic policy, has opened up the insurance business to private indigenous and foreign investors also, but none could so far been able to challenge the performance of the LIC.

AIBEA held its 11th Conference in Hyderabad in April,

1960, 12th in Calcutta in September, 1962, 13th in Trivandrum in February, 1964 and 14th in Delhi on June 27 to July 1, 1966. The most important points that should not miss our eyes were that in all these Conferences employees raised their voice unequivocally centering round two very important demands, e.g., Nationalisation of the Banking Industry and Direct Negotiations between Bankers and Workmen at the industry level so as to resolve their issues. In all the Conferences Resolutions were moved and accepted and vigorous campaign programmes followed the Conferences. Incidentally it may be recalled that Banking Industry was declared as Public Utility service under the I.D. Act in 1963.

### **Movement for Bank Nationalisation**

On the issue of Nationalisation of the Banking Industry All India Demands Day was observed on April 17, 1963. Employees throughout the country observed the day with all seriousness. Then again, subsequent to the 13th Conference of AIBEA a week long Demands Day on the issue was observed from 27th April to 2nd May '64. All sorts of campaign programme e.g. extensive posterings, wearing of badges, collection of signatures from the banking public, holding of rallies and demonstrations, leading of deputations to the heads of the banks etc were observed with much enthusiasm. But neither the Government nor the bankers seemed to move and react favourably to the demand. Then again, within a gap of three weeks only another Demands Day on the issue was observed by the employees on 22nd May with all success.

On 31 January 1964 also Bank and Insurance employees observed 'Demand Day' jointly for nationalisation of banks and General Insurance business and vowed for year-long campaign throughout the country.

Notable other measures taken by the Government during the Era of Tribunals :

**June 1949 - Introduction of 'Banking Companies Regulation Act'.**

**July 1969 - Banking industry was declared as an Essential Service under Defence of India Rule. This new draconian Act was made applicable in West Bengal, Maharashtra, Punjab, Delhi, Jammu & Kashmir, Gujarat, Rajasthan, Himachal Pradesh and Tripura. However, Morarji Desai was relieved of his finance portfolio on July 16, 1969.**

**Bank employees' historic struggle in West Bengal for Compensatory Allowance.**

In view of unabated rise in the prices of all essential commodities, AIBEA General Council adopted a resolution as follows in the first week of August 1957 :

“The meeting of the General Council of AIBEA views with great distress the alarming rise in the prices of essential commodities of life which has been further accentuated by the new taxation policy of the Government. This upward trend in the prices of basic necessities of life has actually resulted in the reduction of the real wages of the Bank employees as also of the working class in general. This meeting strongly feels that unless there is a substantial increase in the wages of the bank employees, the present standard of living of the employees which is already low, is bound to deteriorate.

“This meeting is further of the opinion that the cost of living index as computed and published at present, does not, in any case, reflect the true picture of the price rise and the unbearable conditions which have compelled the employees to raise this demand.

“This meeting, therefore, urges upon the Banks to immediately grant compensatory allowance to offset the price

rise at an appreciable rate based on the prices of essential commodities prevailing in January 1956 in each State, as a measure of relief against the abnormal conditions prevailing.

“This meeting calls upon all the units to launch a movement immediately, in the event of refusal of the Banks for the realization of this demand and authorizes the units to resort to such actions as they may deem fit and proper including direct action, along with trade unions as far as possible.”

**In response to this resolution, the Working Committee of Bengal Provincial Bank Employees Association (BPBEA) decided to go on a continuous strike in West Bengal in September 1957 on the demand of Compensatory Allowance @ 25% of pay per month. The shutters of all commercial Banks except State Bank of India were closed. The bankers could not refute the justifiability of the demand. At one stage they suggested opening of fair price shops to supply essential items at subsidized prices to employees. But it was not found feasible. The strike continued for 31 days during which the Pujas, the most favourite festival in West Bengal, intervened. But the morale of the employees was so high that they carried on the struggle with exemplary unity and solidarity without an iota of vacillation or grumbling.**

In support of the striking bank employees in West Bengal, employees throughout the rest of the country observed various solidarity actions like pen-down or token strikes in their respective States. The Reserve Bank employees observed 2-day token strike. State Bank employees also went on pen down strike on two occasions. The managements' all sorts of tactics to break the strike by intimidation failed. **Cases under I.D. Act were also filed against the employees en-masse,**

but the employees were undaunted. Ultimately through intervention of Dr. B.C. Roy, Chief Minister of Bengal, the strike ended. The demand could not be realized, and the employees made an organized retreat which they did without remorse with heads held high, keeping the organization in tact. There was no victimization of any sort. Of course, they lost their salary for the strike days, but they accepted with it equanimity as a necessary sacrifice associated with struggle.

Although there was no immediate result, the Government subsequently amended the formula of variation of DA as per Sastry Award by a Notification in February 1959. The new formula linked DA with a rise or fall of 5 points as compared to the index level of 144 (Base 1944 = 100) on quarterly basis, instead of 10 points rise or fall on half-yearly basis, as per Sastry Award. This was a partial improvement, though there was no basic change. It would not be wrong to conclude that this was an indirect result of 31 days' struggle for compensatory allowance in West Bengal.

#### State Bank of India– Subsidiary Banks Act

In 1959 State Bank of India Subsidiaries Act was passed whereby the following banks were made subsidiaries of State Bank of India:

- (a) the State Bank of Bikaner
- (b) the State Bank of Indore
- (c) the State Bank of Mysore
- (d) the State Bank of Patiala;
- (e) the State Bank of Travancore
- (f) the State Bank of Hyderabad
- (g) the State Bank of Saurashtra

#### K. T. Desai Award :

AIBEA adopted its next Charter of Demands in its 10th conference in Bangalore in February 1959. The charter was based on the principles of 'Need-based Minimum Wage' laid down in the 15th Indian Labour Conference in 1957. The charter is reproduced in Appendix.

After the expiry of the Industrial Disputes (Banking Companies) Decision Act in 1959 the AIBEA decided to pressurize the Government and the IBA for introduction of Bilateral talks as a means of settlement of industrial disputes. In accordance with its decision, the Charter of Demands was submitted by AIBEA to all bank managements demanding settlement by mutual negotiation. On August 8, 1959 a Tripartite meeting among the Government, bankers and employees' organizations were held on the Charter of Demands already served on different banks and a proposal for setting up a Commission was arrived at.

But before the proposal could be acted upon, employees in State Bank of India went on strike from March 4, 1960, demanding voluntary arbitration of wage demands. In support of their strike, an All India strike was observed by AIBEA on March 19, 1960. The Government, however, to end the Strike, appointed the Desai Tribunal on 21.03.1960 and referred to it the disputes in State Bank of India as well as those raised by AIBEA for adjudication. It was for the first time that disputes raised by RBI employees were also referred to the Tribunal. It was a one-man Tribunal without any banking expert or economist included in it like Sastry Tribunal.

Hearings, excepting disputes of the Reserve Bank employees, were concluded on October 4, 1961, and those of RBI employees were concluded in December 1961. Com. K.T. Sule, a veteran lawyer of Bombay with vast experience in

**handling industrial disputes represented AIBEA, ably assisted by its office-bearers.**

In the meantime, the issue of bonus to the bank employees was referred to Bonus Sub-Committee of the Indian Labour Conference held at Bangalore and it was decided that the issue of Bonus of the entire banking industry, both private and public sector but excluding the Reserve Bank, would come under the purview of the Bonus Commission. The Desai Award was published on June 30, 1962.

In the midst of all these developments Indo-China border conflict arose in October 1962. Although the conflict was short-lived for a month because of unilateral announcement of ceasefire by China and withdrawal of Chinese troops beyond McMahon line, AIBEA voluntarily accepted the Industrial Truce Resolution on November 3, 1962. As a result of this acceptance the bankers took advantage of the situation and refrained from holding negotiations on employees' demands anywhere in the country,

Released on June 13, 1962, Desai Tribunal's Award covered 80,000 employees working in 5000 branches in 84 banks of the country. Though the pronouncements of the Award fell much below the expectation of the employees merger of D.A. was a good feature for them and this paved the way for better construction of pay scales in future settlements. **Members of subordinate staff were given full neutralization in DA, whereas those belonging to clerical cadre were allowed 75% neutralisation.** This also ruled for many years in future settlements.

Additional concessions were announced for employees working in the State Bank of India, foreign banks and a few large banks. Banks were regrouped in three categories in principle though category D was actually abolished after three years of operation of the Award and the Award was to remain operative for four years.

In respect of the following matters, the Award came into operation with retrospective effect from 1st January 1962 :

- (i) Categorisation of banks and areas,
- (ii) Scales of pay,
- (iii) Method of adjustment in the scales of pay,
- (iv) Dearness Allowance,
- (v) Special Allowances, House Rent Allowance, Officiating Allowance, Hill Allowance and Fuel Allowance,
- (vi) Provident Fund, Pension and Gratuity.

In all other matters the Award came into operation with prospective effect. New Pay-scales were as under:

**Clerical Staff :**

**A class banks :**

- Area I Rs. 140-6-182-11-281-13-307-15-322-E.B.-15-337-16-369-18-405**
- „ **II Rs. 130-5-140-6-182-11-281-13-294-E.B.-13-307-15-337-16-369**
- „ **III Rs. 120-5-140-6-182-11-270-E.B.-11-281-13-307-15-337**

**B class Banks :**

- Area I Rs. 130-5-140-6-182-11-281-13-294-E.B.-13-307-15-337-16-369**
- „ **II Rs. 120-5-140-6-182-11-270-E.B.-11-281-13-307-15-337**
- „ **III Rs. 112-4-120-5-140-6-182-11-248-E.B.-11-281-13-307**

**C class Banks except Banks in the Excepted List**

Area I Rs. 120-5-140-6-182-11-270-E.B.-11-281-13-307-15-337

II Rs. 112-4-120-5-140-6-182-11-248-E.B.-11-281-13-307

„ III Rs. 104-4-120-5-140-6-182-11-226-E.B.-11-281

(The combined running scale was therefore as follows :-

104-108-112-116-120-125-130-135-140-146-152-158-164-170-176-182-193-204-215-226-237-248-259-270-281-294-307-322-337-353-369-387-405.

\*Banks in the Excepted List :

Area I Rs. 96-4-120-5-140-6-182-11-204-E.B.-11-259

„ II Rs. 88-4-120-5-140-6-182-E.B.-11-237

„ III Rs. 80-4-120-5-140-6-170-E.B.-6-182-11-215

\* Banks in the Excepted List comprised 6 banks which, being elevated to C class from D class, required some more time to bear the full burden of wages of C Class banks.

**Sub-ordinate Staff :**

**Class A Banks**

Area I ... .. Rs. 40-2-54-1-70-2-72

II ... .. Rs. 36-2-54-1-69

III & IV ... .. Rs. 34-2-54-1-68

**Class B Banks**

Area I ... .. Rs. 36-2-54-1-69

II ... .. Rs. 34-2-54-1-68

III & IV ... .. Rs. 32-2-54-1-67

**Class C Banks (including C-2)**

Area I ... .. Rs. 34-2-54-1-68

II ... .. Rs. 32-2-54-1-67

III & IV ... .. Rs. 30-2-54-1-66

**Class D Banks**

Area I ... .. Rs. 32-2-54-1-67

II ... .. Rs. 30-2-54-1-66

III & IV ... .. Rs. 28-2-54-1-65

The span of scales for both Clerks and Sub- staff was for 25 years.

**Dearness Allowance**

**Clerical Staff :**

**(a) For A, B and C-I Class of Banks**

Minimum	Maximum	
Area I Rs. 50	First slab of Rs. 100/-	50%
	Second Slab of Rs.100/-	40%
	Thereafter	35%
Area II Rs. 45	First slab of Rs. 100/-	45%
	Second Slab of Rs.100/-	35%
	Thereafter	30%
Area III Rs. 40	First Slab of Rs.100/-	40%
	Second Slab of Rs. 100/-	30%
	Thereafter	25%
Area IV Rs. 25	33 $\frac{1}{3}$ % of pay (basic pay, special allowance and officiating Allowance) with a maximum of Rs. 40.	

**(b) C-2 and D-Class of Banks :**

	Rate	Minimum	Maximum
Area I	33 $\frac{1}{3}$ %	Rs. 35	Rs. 70
Area II	„	30	60
Area III & IV	„	25	40

**Subordinate Staff****For A, B, C-1, C-2 and D class of Banks**

	Area I Rs.	Area II Rs.	Area III Rs.	Area IV Rs.
A class Banks	42/50	40/-	37.50	25/-
B class Banks	40/-	37.50	35/-	20/-
C-1 class Banks	37.50	35/-	32.50	10/-
C-2 class Banks	15/-	12/-	10/-	10/-
D class Banks	13/-	12/-	10/-	10/-

**Dearness Allowance Adjustment formula :**

If the average all India cost of living index for any quarter after the 31st March, 1959 should rise or fall by more than 5 points as compared to 144 (1944=100), the dearness allowance payable for the succeeding quarter shall be raised or lowered, in the case of clerical staff by one-fourteenth, and in the case of subordinate by one-twentieth, of the dearness allowance admissible at the index level of 144 for each variation of 5 points.

**Desai Tribunal and Need-Based Minimum Wage :**

A very interesting, though bewildering, subject invaded the mind frame of the union representatives during the course of Desai Tribunal, constituted on 14.06.1960 by the Government

of India to adjudicate on the issues confronting bank men in the country. 'Interesting' because it was very much to the likelihood of the workmen and the labour representatives. 'Bewildering' because of absence of well defined, logical and acceptable mechanism that could satisfy and appear sound and reasonable to both the opposing parties. The new entrants in early 1964-65 often heard their senior colleagues repeating the term 'need based minimum wage' and lamenting over how we were deprived of the same in the banks. It was an oft-quoted coinage.

The genesis of the debate was not far to seek. The 15th Indian Labour Conference was held on July 11-12, 1957 in Delhi under Chairmanship of Sri Guljari Lal Nanda, the then Labour Minister of the country. During the session an important resolution was passed which laid down that minimum wage should be need based and should ensure minimum human needs of a worker. On the question of fixation of wages three patterns came up. 'Need based Wage' got the highest attention, this apart 'Fair Wage' and 'Living Wage' also gained their relevance. One more connotation surfaced and that was 'Saving Wage'.

The following norms were accepted as a guide for all wage-fixing authorities including Minimum Wage Committees, Wage Boards, Adjudicators etc. :

- (i) In calculating the minimum wage, the standard working class family should be taken to comprise three consumption units e.g. self, wife and two children with respective weightage of 1.2, .8 and .5 for each of the two children, taking all to 3.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of 2700 calories, as recommended by Dr. Akroyd for an average Indian adult of moderate activity,



- (iii) Clothing requirements should be estimated on the basis of a per capita consumption of 18 yards per annum, which would give for the average worker's family of four, including two children, a total of 72 yards.
- (iv) In respect of housing, the norm should be the minimum rent charged by Government in any area for houses provided under the Subsidised Industrial Housing Scheme for low income groups; accommodation of 400 sq. ft. and
- (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 percent of the total minimum wage.

The Resolution further laid down that wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms. The Resolution, thus, tried to give concreteness to the whole concept of minimum wage.

Naturally, Need based Minimum Wage was accepted as a unanimous guide for the purpose of wage determination and gained much importance amongst representatives of the Labour Conference. Actually it was regarded as a 'magna carta' to most of the labour organizations. Quite naturally, it became a major topic for discussion amongst trade union leaders and workers and interpretation of the norms to the maximum benefit of the workers, following the Labour Conference. However, while advocating for the concept and raising demand before the Tribunal the bank representatives also had varied considerations as regards all the three basic factors e.g. food, clothing, shelter and other items clubbed as miscellaneous that were taken as prime requisites for wage determination.

The pay-scales framed by AIBEA for submission before Desai Tribunal were based on the above norms of need based

minimum wage with additional wage by way of annual increments towards a fair and living wage in course of service career. As already stated, the charter so framed, complete in every detail, was adopted in 10th conference of AIBEA held in Bangalore in February 1959 and submitted to all individual bank managements in April 1959.

The real problem was felt during proceedings of Desai Tribunal. In the language of a very senior leader **Sushil Ghose** who appeared before the Tribunal on behalf of AIBEA: "Justice Desai – less than 5 ft. high and a frail body, used a loudspeaker in the court to address the lawyers/applicants, as otherwise he could not be heard. He questioned the very basis of the theory of need based wages..." Assuming that a worker has three family units i.e. self, wife and two children at 8th stage of his career, as evolved by the representatives of the Labour Conference, the need based wage becomes applicable at the 8th stage and not before that; – Justice Desai argued. He pointedly asked the advocates as to where the scale should start then. None could clarify this point nor was it a reasonable proposition to say or assume that a worker could have a family unit of his wife with two children at the time of joining service in the bank.

Before that so many arguments and counter arguments were placed. Debates centered on 'Food'. Then on quality of food. Again, there are vegetarians and non vegetarians, and this apart, people and communities in different parts of the vast country have variant choices and habits. Then again, if prices of fish or mutton increase then non vegetarians only are affected, vegetarians remain unaffected, and vice versa. And like these so many questions came up – even on the question of price rise of a particular item like fish or dal it might be a local phenomenon at a particular centre or area etc, not throughout the country in identical manner. All these ticklish issues came up. A methodology also came up for solution of

the same to a great extent – price samples of some basic items were collected from 81 centres of the country and then compiled to arrive at an average index of price rise.

Likewise, the question came up as regards quality of ‘cloths/clothes’. Quality must be better than what is available to ‘factory workers’ and suitable for educated ‘Bhadralok’ bank employees of the country – the representatives argued. Even they placed before the Justice 5/6 samples of cloths with different qualities with their price tags.

So also the ‘Shelter of 400 sft’ invited scores of disputes. An accommodation of 400 sft. in a metropolitan area, or a city or an industrial area and that in a semi urban or rural area must be at huge variances from place to place. These were very important factors for consideration by the leaders of bank men.

They tried hard to convince the Judge of their arguments as on the determination of prices of the 3 items. Amount on ‘Miscellaneous’ expenses could be relatively increased to look the pay structure a reasonable one.

However, on the specific and pointed question of Justice Desai at what scale the pay should be fixed initially the representatives could not answer. **Sushil Ghose memorized** : “Our lawyer Com. Sule was in a fix. He consulted us before replying but finally he requested Com. Prabhat Kar to answer the ticklish question. After Prabhatda spoke for about 15 minutes Justice Desai interrupted – ‘Mr. Kar – I know you are an M.P. What you have been speaking is good for Azad maidan (behind the Bombay High Court building) but you are before a Judicial forum – want a pointed answer to a pointed question raised by me – not a speech...’”. The Court adjourned the hearing for 15 days when an adjournment was sought by the organization. Com. Ghose continued – “the same evening, we rushed to B T Ranadive who attended the Labour Conference.

After hearing us, he kept mum for some time and he replied ‘we don’t think we applied our mind on this point as we discussed about the factory workers, who are generally paid daily wages’. Next day we met Com. S A Dange. He also gave a similar reply as Com. Ranadive. Coming back to Calcutta we met all our known Comrades like Com. Jatin Chakraborty, Com. Subodh Banerjee (SUC) an ex-bank employee, a good theorist, Dr. Ranen Sen etc. but nobody could give a clear position as to the applicability of need based minimum wage into the time scales of pay. After this, when the hearing resumed before Justice Desai, we shifted from this approach and stressed on ‘fair wage’ and ‘living wage’ concept...”.

Though immediate answer could not be found on these ticklish issues, yet the matter called for further consideration so that the beneficial portions for the workers embodied in the decisions of the 15th tripartite were not totally set at nought. In any formula for a community as a whole standardization is an essential condition. The said Indian Labour Conference for the first time tried to standardize the norms for need-based minimum wage for the workers. How to apply it to the time-scales required further consideration, preferably in another conference. But that cannot and should not be the reason to discard the formula as a whole. The Indian ruling class, being worried over the formulation of need-based minimum wage, started to attack it from different angle. One of the points was whether Dr. Ackroyd’s formula for calory requirements of food was necessary in Indian conditions. It is a funny question. Dr. Ackroyd prescribed 3000 calories of food for an adult. Some slight variation may be here and there depending upon local conditions. But to argue that in Indian conditions requirements of calories would be much less might be a device to deprive the Indian workers of need-based minimum wage. After all, services of experts are always available for hire by the

employers to devise theory which suits them. Any way, nobody tried to explore the possibility of examining the formula further and make necessary changes and clarifications to make it implementable. The result was that the formula was virtually abandoned both by the Government and the trade unions. Thus the first and only attempt to introduce need-based minimum wage for Indian workers was nipped in the bud.

### **United struggle for rectification of faulty compilation of cost of living index figures:**

The working class of the country raised its demand for rectification of faulty Index Figures in the face of gradual evaporation of the real value of money due to price rise. Powerful agitations were held in different parts of the country covering almost the entire industry. A large number of strikes, bandhs, hartals etc took place in Calcutta, Bombay, Ahmedabad, Madras and different parts of the country. The Government in the face of growing agitation of the entire working class was compelled to set up Commissions and Expert Committees at State level. Side by side it declared banking industry as 'Public Utility Service' under the Industrial Disputes Act and thereby tried to put road blockade for the bank employees to ventilate their grievances and seek solution by taking recourse to agitational programme including strike actions, in addition to hurdles already created by ALBEA's willing acceptance of Industrial Truce resolution.

### **Pillai Committee Report and AICOBOO:**

In some banks like Central Bank, Oriental Bank of Commerce, New Bank of India, Andhra Bank etc there were composite unions. Clerks in those banks on promotion to officers' cadre continued to remain within Workmen's unions. But a dispute arose in 1972 when Andhra Bank management refused to settle issues of Officers with the struggling Employees' union. In this background AICOBOO (All India

Co-ordination of Bank Officers Organisation) came up in 1975 in organizing and unionizing Officers of different banks in a separate organization. Meanwhile the Central government appointed a committee to study the problems of Officers and bring parity in varying service conditions of the Officers in different banks. The report and the recommendations of the Committee started implementation from 1.07.1979 in Public Sector Banks gradually, despite protest actions organized by AICOBOO in banks during the last quarter of 1978 opposing some of the recommendations. And from then onwards the Pillai Committee recommendations with a few modifications regulated the service conditions and wage structure of the Officers for years together until it was replaced by settlement in Industry-level bipartite negotiations.

### **NIT for Regional Rural Banks :**

Regional Rural Banks came into existence in the country, as one more banking structure, through an ordinance on 26.09.1975 for providing cheap credits in the rural areas with low wage cost. There were wide anomalies in wage patterns and service conditions of the employees which varied from State to State in the beginning. The All India organization of the employees, a composite union with both officers and workmen, viz. AIRRBEA (All India Regional Rural Bank Employees Association) was formed in its foundation conference at Bhuvaneshwar in 1978 with Ashis Sen as President, Dilip Mukherjee as Vice-President, Com. Basanta Mishra as General Secretary. In the 1st conference held two years later in 1980 Com. Dilip Mukherjee was elected General Secretary.

Under the able leadership of Ashis Sen, Dilip Mukherje, and other comrades, AIRRBEA launched a series of countrywide movements including Strike actions on their major demand of 'equal pay for equal work', i.e. the same wage

structure and service conditions as prevalent in the banking industry. They also sought intervention of the Supreme Court in the matter and as per direction of the Supreme Court the Central Government constituted a one-man National Tribunal with Justice Obul Reddy as Chairman on 1.9.87.

AIRRBEA appointed Shri K.G. Kannaviran, a reputed lawyer, to represent their case before the Tribunal. An appropriate Charter of Demands was placed before the tribunal by the Association. The Award of the Tribunal was published on 30th April 1990, and the RRBs were entitled to pay parity with nationalized commercial banks. Thus by dint of long drawn dedicated struggle of the RRB employees for 12 years under the leadership of AIRRBEA the principle of pay parity was finally established in the Rural Bank Sector. But full parity in every respect is yet to be achieved. AIRRBEA is now fighting its case for pension at par with the nationalized banks before Supreme Court.

#### **A Glimpse on the early activities of Reserve Bank Employees Association :**

Trade Union activities started blossoming in Reserve Bank from the 20's of the last Century. But in true sense Trade Union consciousness developed amongst members from 40's onwards. During the period from 20's till mid 40's organizational activities were limited to requests and appeals before the management. The organization was represented by a good number of officers. Negotiations in proper sense between the union and the administration started from early 40's, which was known Conciliation Conference. Asish Sen, one of the tallest Trade Union leaders in the banking industry, joined the bank in 1944. He came to the bank with enlightened views, political commitment and Trade Union mission. He became one of the principal leaders in the organization in 1946. And from this year onwards the organization started

functioning in a well organized manner, true to the concept of a Trade Union. In 1946 when AIBEA was formed Asish Sen along with leaders like Naresh Paul, Parimal Das, Jatin Bhattacharjee and some others also took a leading role in formation of the organization. He greeted the AIBEA foundation conference as the representative of Reserve Bank Employees Association. The RBEA as an organization remained outside the AIBEA at that time. He became Secretary of the RBEA in 1949 and went to Bombay as a representative of Calcutta Association in the negotiation with the management. There was no fund available for his visit to Bombay. As a result he had to collect the travel money from the members of the Association. **According to Asish Sen – “This time management first understood that there has been a definite change from the Association side. The old practice of ‘Yes Sir’ approach was no more. Bombay Union secretary Elavia was also relatively radical. So, a substantial change in outlook and approach became quite visible.”**

During the 2nd World War period and as a result of repeated demands from the employees side in the face of scarcity of food items at reasonable price the management of the bank granted a lump sum amount to each and every staff to enable them to cope with the situation. Also a Food Grain Shop started operating in the bank in order that employees could collect the essential commodities like rice, pulses, oil etc at a concessional rate. When the Grain Shop could no more function, Grain Compensation was introduced. It was changed to Family Allowance of Rs.3 to Rs.4 per month. From all these developments a concept of dearness allowance as a permanent component and essential ingredient of salary came.

In 1965 Asish Sen, then Vice President of AIRBEA along with Ramkrishna Panda were Show Caused for their trade union activities. This action of the management added fire. All Employees of the bank went on a strike for 10 days as an

instant action against the management, and the bank ultimately had to come to terms and withdraw the orders. In 1982 also when a Central Committee of the Association was being held in Kanpur and the employees of the bank were in the midst of series of agitation programmes, news spread that Indira Gandhi had decided to issue an ordinance whereby all Trade Union activities will be stopped and ESMA would be applied against Trade Union activists. The Association under the leadership of Asish Sen decided to defy the Ordinance and continued with its agitations. The bank in retaliation became ruthless and dismissed leaders like Harish Sharma in Delhi, Patanjali Dey in Kanpur etc. Employees of the bank in all the centres of the country went into sporadic action. The bank remained virtually closed for 10 days. Employees from other fraternal organizations also joined rallies to express their solidarity.

**There were some landmark developments in the life of AIRBEA :**

**In 1946** – 1st Bilateral Talks between the Management and the Association was held. Uniform pay structure was introduced in all the centres of the bank as a corollary to the talks.

**In 1948** – Bipartite Talks for the 2nd time was held in the bank.

**In 1954** – AIRBEA launched All India movement demanding formulation of revised pay scale and the movement met with success. RBEA, Calcutta Unit became affiliated with BPBEA this year.

**In 1956** – when bank employees all over the country observed one day strike protesting unjustified deduction of dearness allowance, Asish Sen was arrested for his organizing and participation in the movement. Employees of the Reserve Bank gave a fitting reply to the action of the management by organizing a strike action in all the centres of the country on 6th January 1956.

**In 1968** – employees in Reserve Bank along with their counterparts in the industry observed a token strike against imposition of pernicious provisions of ‘Social Control Bill’ on February 28. The bank authority went into counter action to teach the employees through deployment of police force in the bank on February 29. Employees in Reserve Bank protested this action by their stoppage of work. The bank even went to the High Court to get injunction issued to suppress the movement of the employees. The RBI authority dismissed P.B. Chowdhury, issued charge sheet against 32 employees and also instituted a court case against 1746 employees of the bank. Employees did not relent and they continued their agitational programmes against the management. The movement reached its climax on July 19, 1969 when the bank completely surrendered to the demands of the employees, charge sheets and suspension orders – all withdrawn.

**In 1973** – during March and April the AIRBEA went into a relay hunger strike in phases against the bank’s policy of squeezing employment.

**In 1975** – employees in the bank observed cessation of work and mass dharna as a protest against introduction of computer in Bombay office of the bank. On May 3, Asish Sen along with Unit Secretaries of Bombay and Madras were arrested for leading the movement against computerization policy of the bank. Protest actions followed in all the units of the bank. October 3 is a significant day in the movement of the bank employees of the country: as on that date Charter of Demands of the employees of Reserve Bank with the bank management was signed with a principal demand of 1.58% D.A. per slab. Prior to this AIRBEA accepted D.A. for the bank employees in the country @1.5% per slab. However, rest of the bank employees ultimately got 1.58% D.A. consequent upon clinching the issue by the Reserve Bank employees.