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PLATINUM JUBILEE CELEBRATIONS – SPECIAL BULLETIN V

Dear Comrades,

CAN HISTORY BE FORGOTTEN?
1946 - 1956

In this Platinum Jubilee Year of our beloved Union, from June 2025 – we are coming out with special bulletins covering the history of Indian Banking, Canara Bank, Trade Union Movement, AIBEA and CBEU through 12 bulletins, one bulletin each month. As such the history of the first four decades since 1906 (the year in which our bank was born) were released. This is the fifth bulletin in the series, covering the fifth decade, 1946 – 1956.

While it was easy to compile the happenings during the first four decades, it is an arduous task from the fifth decade, i.e. from the year 1946. It was in the year 1946, our beloved organisation AIBEA was born and in 1951, CBEU was founded. From 1946 onwards, till date, 'EVERY DAY IS AN AIBEA DAY' and it will require hundreds of pages for every decade. However, we have made an earnest attempt to present the important happenings during the fifth decade. Of course, some omissions may be there, which may please be pardoned.

GLOBAL BANKING

Global banking from 1946 to 1956 was defined by the post-World War II reconstruction efforts led by the newly created Bretton Woods institutions, the World Bank and the International Monetary Fund (IMF). The period saw a shift from solely rebuilding Europe to also funding global infrastructure projects, which was accelerated by the establishment of the U.S. Marshall Plan.

The United States Government established the European Recovery Programme, known as the Marshall Plan (1948 – 1952) by providing billions of dollars as aid to Western European Countries. The Marshall Plan and U.S. foreign aid were also strategic elements of foreign policy, aimed at preventing economic instability that could increase the appeal of communism. The Soviet Union saw the Marshall Plan as an attempt at U.S. economic domination and hence, did not participate. International Finance Corporation (IFC) was founded in 1956, the IFC was created as part of the World Bank Group to focus exclusively on financing private-sector ventures in developing countries.

BANKING COMPANIES ACT

The period between 1946 and 1956 was a transformative decade for Indian banking, marked by the country's independence in 1947.

In January 1946, high-denomination banknotes of ₹500, ₹1,000, and ₹10,000 were demonetized to curb unaccounted money.

On January 1, 1949, the Reserve Bank of India was nationalised through the Reserve Bank Act, 1948. This act brought the central bank under the full ownership of Government of India, aligning the country's monetary policy with the government's economic objectives.

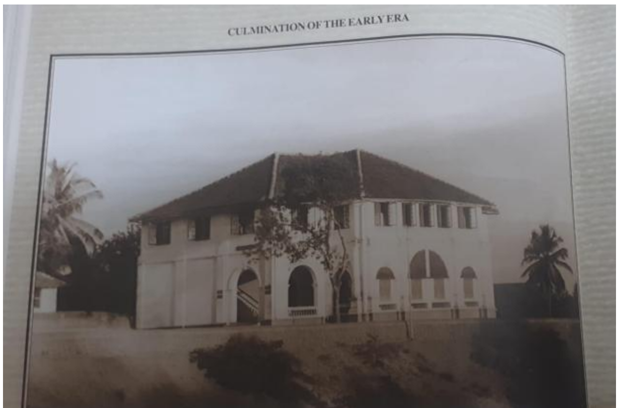
The act empowered the RBI to formally regulate, control and inspect all commercial banks in India. Powers were given to RBI to issue licences for new banks and branches, prescribing minimum capital and reserve requirements, conducting audits etc. The new regulations enabled RBI to establish a more stable and sound banking system, promoting healthy growth of the industry.

The Reserve Bank of India commissioned the All-India Rural Credit Survey Committee in 1951 under the Chairmanship of Prof. A.D. Gorwala to comprehensively assess the rural credit situation.

The Imperial Bank of India which was formed in 1921 by merging the three Presidency Banks (Bank of Bengal, Bank of Bombay, and Bank of Madras) was Nationalised on July 1, 1955, and was renamed as State Bank of India (SBI).

GOLDEN JUBILEE OF OUR BANK (1956)

The Bank celebrated Indian Independence in a great manner and paid bonus to all the staff to commemorate this historic event.



During this period, there was a phenomenal change in the matter of branch expansion, deposit growth, credit disbursement, investment, broader capital base and in the organisation of bank staff. In 1950, the bank's total resources ran to over Rs 8 crore. In fact, it ranked sixteenth among the Indian Scheduled Banks. In the same year, Bank appointed District Managers for the first time.

In 1951, management of the Bank engaged the services of M/s Ibcon Ltd (a consultancy firm) to improve the methods of working. After the study, they suggested that the maintenance of books be in such a way that they should serve the purpose of both the subsidiary and the original record so that duplication of work can be avoided.

Following the Ibcon Report, bank selected six senior staff for training abroad. They were assigned to Lloyds Bank. Soon after their return from their sojourn at England, four main departments were set up by the bank namely (1) Advances (2) Establishment (3) Foreign Exchange (iv) Co-ordination and Development. In later years, more officers were sent abroad to receive training at Deutsche Bank, Dresdner Bank, Bank of America, Chase Manhattan Bank and the Mitsui Bank. Bank started its own Staff Training School at Bangalore in the year 1953.

The bank decided to shift the Head Office administration from Mangalore to Bangalore as it was felt that the location of Mangalore had its own shortcomings because of the expanded branch network of the bank. A decision to shift the Head Office was taken on 28 June 1953 and it was to be put into effect on 31 March 1954. The citizens of South Kanara District in general and those of Mangalore regarded the Canara Bank Head Office as an integral part and parcel of their life and the shifting evoked great sentiments.

The year 1956 was the Golden Jubilee Year of the Bank. **In fifty years, the bank was not the monopoly of a few, but the trust of many.** In 1906, the bank had just four employees. In 1956, bank had over a thousand employees on rolls. The Golden Jubilee Celebrations was held at Glass House, Lal Bagh, Bangalore on 15 July 1956. In connection with the Golden Jubilee, the bank promoted a few schemes 'of lasting benefit to the public'.

In 1956, following an appeal to workers by the Minister for Labour in Madras to develop the habit of saving, employees of our Bank decided to make a beginning in that direction. **As a result, a fund called The Canara Bank Golden Jubilee Staff Welfare Fund was formed with novel objectives.** Proper rules and regulations were framed and the idea received quick encouragement from the Management which gave a donation of Rs 10000 to the Fund to get it going.

ERA OF TRIBUNALS AND AWARDS

History of AIBEA is one full of struggles and sacrifices. Any number of pages will not suffice to write the history of AIBEA. This is only an attempt to present a bird's eye view of the struggles of AIBEA during the period 1946 to 1956. Innumerable number of articles written by Com P S Sundaresan, Former Vice President, AIBEA is being published and released by AIBEA. All our comrades are requested to read the same.

After and alongside the formation of AIBEA in the year 1946, many strikes were conducted by bank employees throughout the country in several banks such as National Bank, Bombay (36 days strike), employees of Imperial Bank, West Bengal (45 days strike) and employees of Bank of India, Bombay. In the year 1947, 7 days strike was conducted by employees of Bharat Bank and they were victimised.

In the year 1948, 19 days strike was conducted by employees of Central Bank of India in West Bengal against non-implementation of S K Sen Award. Sympathetic strike call was given by all Bank employees in West Bengal in support of Central Bank Strike. The issues were before the Mercantile Tribunal, Calcutta.

Com Prabhat Kar was the General Secretary of Bengal Provincial Bank Employees Association and he gave the call for the sympathetic strike.

Eleven employees of Lloyds Bank including Com Prabhat Kar (employed in Lloyds Bank since 1938) were prosecuted for participating in this illegal strike and the Bank dismissed all of them. Against the action of the Bank, the Lloyds Bank Union went on for 19 days strike. The bank dismissed all the 558 employees through a press notification. With government intervention, except 51 employees (including the eleven who were prosecuted), all other employees were reinstated by the management.

In the year 1949, Bharat Bank employees under the leadership of Com H L Parvana launched 21 days strike. 450 employees were arrested and services of 35 employees were terminated including Com H L Parvana.

On 30.04.1949, the Central Government promulgated an ordinance whereby banks and insurance industries were made Central subjects in respect of Industrial Disputes Act 1947. Immediately thereafter, all disputes in the Banking Industry throughout the country were referred to a National Tribunal headed by Sri K C Sen (Till such time, Banking was a State Subject). The Tribunal also took up the cases of victimised employees of Bharat Bank and reinstated them. The Tribunal also reinstated the Lloyds Bank employees except those who were convicted. Sen Tribunal passed its Award on 12th August 1950.

During August 1950, Indian Bank Employees' Union, Madras launched strike against the anti-labour attitude of the Management. Struggles were launched in different banks at different centres for the implementation of Sen Award.

On 09.04.1951, Sen Award was declared null and void by the Supreme Court on the appeal made by the Bankers (the term Banker is always referred to the Owners of the Bank or the Bank Management. Now bank employees are calling themselves as Bankers!) against the Award on technical grounds. Consequent to this decision, the disputes in the Banking Industry remained unresolved. This led to spontaneous protest action by employees throughout the country.

In month of April 1951, the employees of Punjab National Bank launched a 49 days strike against the anti-labour policies of the management. 150 employees including Com D P Chadha, Com P L Syal, Com P R Bhatia were terminated.

As a result of nullification of Sen Award, the Central Government was obliged to pass a temporary act freezing certain provisions of the Sen Award. Since the disputes in the industry were mounting up, Government referred to Industrial Tribunal presided over by Shri Divatia. The same was objected by the bank employees and unions, as he was a shareholder in many banks. Justice Divatia was forced to resign.

In January 1952, in view of the unrest in the banking industry, the government constituted a National Tribunal with Justice S Panchapakesa Sastry as Chairman. In March 1953, Sastry Tribunal passed its Award which resulted in a wage cut. AIBEA plunged into action and powerful agitation was launched. AIBEA filed an appeal before the Labour Appellate Tribunal against the retrograde recommendations of the Sastry Award. AIBEA entrusted the case to Adv. Com A S R Chari who earlier had appeared for AIBEA before the Sastry Tribunal.

On 28.04.1954, the LAT delivered its judgement. The award made some alterations in the Sastry Award. The LAT admitted openly that serious injustice has been done by the Sastry Award. To a very great extent, the arguments by AIBEA against the Sastry Award stood vindicated.

But the bankers were unhappy. They conspired. As most of the bank in those days were owned by big industrial tycoons, they planned a very big game of duplicity to hoodwink everybody. The Government under the leadership of Sri Jawaharlal Nehru succumbed to the pressure and decided to keep intact the earlier Sastry Award as it was awarded prior to the LAT award. The action of the Government in modifying the LAT decision was objected by Sri V V Giri, the then Labour Minister but the cabinet decided otherwise. As a protest against the Government's interference in the judicial pronouncement, Sri V V Giri resigned from the Cabinet. The moral eminence of Sri V V Giri has no parallel. The LAT decision was modified in certain respect by the Central Government by an order dated 24.08.1954. This agitated the bank employees and there was a wave of protest actions. AIBEA for the first time gave a call for an All India one-day strike on 23.09.1954. The strike was a massive success and the leading dailies carried the news that, 'Bankmen go on strike; bank business paralysed'.

AIBEA met in the conference at Madras and decided to go on Indefinite Strike from 10.12.1954. The government appointed Sri Gajendra Ghadgar, Chief Justice of the Bombay High Court as one man commission. AIBEA was persuaded by several MPs to postpone the strike and participate in the discussions. Strike action was deferred. In November 1955, Sri Gajendra Ghadgar gave his findings known as Bank Award Commission.

Thus, the period from 1946 to 1956 was one full of agitations and strikes paving way for better living conditions of bank employees.

On the organisation front, lot of happenings took place. Between 1946 and 1956, eight conferences of AIBEA were conducted. We shall come out with one more bulletin as annexure to this one touching upon the organisational aspects during this decade.

CANARA BANK EMPLOYEES' UNION

In the earlier paragraphs, information on struggles by unions in different banks is given. A struggle by employees in Canara Bank in the year 1950 led to the formation of our beloved union, Canara Bank Employees' Union in 1951.

The Bank recruited Women for the first time in the year 1945, with the induction of twelve ladies in the first batch. In the matter of recruitment, the bank evolved a policy in the year 1949. The minutes of a Board Meeting held on 28.09.1949 empowered the General

Manager to select employees who can be discharged on grounds of inefficiency and discharge them from the service of the Bank.

When the Sen Award was made applicable to the employees of the Bank, there was a sudden increase in the wages of the employees in Canara Bank. From Rs. 45/- the salaries and emoluments of an employee in the erstwhile Area I went up to Rs. 112/-. The working hours and other service conditions were radically altered. The management, with a view to neutralize the gains of the new service conditions retaliated against the employees by terminating as many as 60 employees throughout the bank under the “reorganization scheme”. As a part of the attack, the axe fell on two employees working in then Govindappa Naicken Street Branch, Madras viz, Comrades Chacko and Kuduva. It was the last straw that broke the camel’s back.

Having seen the efficacy of limited unity for securing monetary gains, the employees in Madras moved with greater awareness for uniting themselves in their entirety to launch the first ever strike action in the bank. It was 30.11.1950. This Strike Action necessitated the intervention of the Government’s conciliation machinery; and as a sequel thereto not only the two employees in Madras but also all the other employees were reinstated. What a unique achievement.

Enthused by their success, the employees in Madras lost no time in consolidating the gains. Thus, the Canara Bank Employees’ Union came into existence. It should be noted that for the formation of our Union our brethren in Indian bank and Bank of India who had organized themselves earlier extended all support and guidance. Mention must be made of the yeoman service rendered by late Comrade D. Natarajan of Bank of India for building up the trade union movement in our Bank.

The news about the formation of the Union was greeted by all the employees of the bank, for it was indeed the day of deliverance for them. The jubilation was so much pronounced that within three months a large number of employees from various branches became its members. It is therefore no wonder that the Union grew from strength to strength. The Executive Committee which met on 28.04.1951 decided to register the Union under the Indian Trade Unions Act and authorized the following seven persons to make the necessary application for registration.

1. Com. P.K. Janardhanan Pillai
2. Com. K. Narasimha Shenoy
3. Com. K. R. Narasimha Rao
4. Com. N. J. Antony
5. Com. E. R. Balakrishna Rao
6. Com. N. Ramamurthy
7. Com. C. Meenakshisundaram

The Union was duly registered under the Indian Trade Unions Act on 10.05.1951. This day, the Founding Day of our Organization is a turning point in the lives of all the employees of the bank.

The Bank recognised the Union in the year 1953.

The minutes of the Board dated 08.08.1953 have a word about the recognition.

'Having carefully considered the present trends of opinion regarding staff relations as well as the recommendations in the Sastri Award for recognition of Employees' Unions upon certain conditions stated in the Award and being of the opinion that every effort should be made for amicable settlement of all differences between the management and the staff, the Board resolves that the registered Union of the Bank's employees be recognised on the lines pointed out in the Sastri Award, and that ways and means of settling differences such as joint consultations be explored.'

Canara Bank News, the monthly house organ of the bank, in its September 1953 issue, splashed the news boldly all over its front cover – from the mast head to the bottom line and framed it for that 'special effect'.

Another Step Forward

We welcome the decision of our Board of Directors to recognise the Union of our Employees. It is the men that make the institution – the men that manage as well as the men that work – both working for the common good with mutual trust and confidence. We see the recognition of this truth in the Board's desire to set up a Joint Consultation Board composed of representatives of the Management and the Union which will meet at regular intervals or as often as may be necessary to discuss problems of common interest and to find just solutions for differences if any. It is our firm belief that every representative who will have the privilege of sitting on this Board will be keenly sensible of the sacred duty resting on his shoulders and will recognise that the welfare of the entire institution and of everyone working in and for it depends upon a proper discharge of that duty.

The first Joint Conference was held at Madras from 25.12.1953 to 27.12.1953. Successive Joint Conferences were held at Madras on 06.02.1954 and 07.02.1954; at Bombay on 10.06.1955 and at Madras from 14.09.1955 to 16.09.1955.

Comrades, we reiterate that the past of AIBEA and CBEU is always inspiring and invigorating.

We request our members to go through the Bulletins and get a glimpse of the happenings. The bulletin of the next decade (1956-1966) shall be released on 11.11.2025. Before that an annexure bulletin to this bulletin shall be released soon covering the organizational aspects of AIBEA and CBEU during the period 1946 to 1956.

Comrades, our Organisations AIBEA and CBEU are distinct organisations. During the 27th Conference of AIBEA held at Kochi in the year 2013, AIBEA published the report of the General Secretary from its 1st Conference to 26th Conference. The book is titled TREASURE and consists of three volumes. At the Central Office of CBEU at Chennai, the circulars, reports and Joint Conference Memos are neatly filed and kept. Recently the same is being digitalized also. Our thanks to AIBEA and CBEU for preserving the past documents.

With due courtesy to the books, A Banking Odyssey: The Story of Canara Bank by Sri M V Kamath, Information documents of V V Giri National Labour Institute and Seven Splendid Decades – The History of All India Bank Employees' Association by Com P S Sundaresan.

With Platinum Jubilee Greetings

B RAMPRAKASH
GENERAL SECRETARY