

SHRI SUNDAR SINGH BHANDARI : Will this be allowed?

SHRI ANNASAHAB SHINDE : Naturally. Bhandariji will appreciate that in this country a general consciousness should be created and I seek the cooperation of this House. We should not defend the States which have not vigorously implemented these land reforms, and what is required is

SHRI SUNDAR SINGH BHANDARI : Does the corollary mean that he should defend those who are taking the law into their own hands? Let the Government say that (*Interruptions*)

MR. CHAIRMAN : Next question

SHRI BHUPESH GUPTA : We are supposed to be land-grabbers?

INVESTMENT OF EMPLOYEES' PROVIDENT FUND

*779. DR. B. N. ANTANI : †
SHRI M. K. MOHTA :
SHRI K. C. PANDA :

Will the Minister of LABOUR AND REHABILITATION be pleased to state :

(a) the categories of securities in which it is permitted to invest employees' Provident Fund money;

(b) whether the employees' Provident Fund are permitted to be invested in first mortgage debentures of companies, and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION (SHRI BHAGWAT JHA AZAD) : (a) Central Government Securities, State Government Securities, Securities guaranteed by the Central Government or the State Governments, Tax-free Small Savings Securities and 1 year, 3 year, and 5 year Time Deposits in Post Offices

(b) No, Sir.

(c) The investment of Provident Fund accumulations, being trust funds is governed by the provisions of the Indian Trusts

Act, 1882 (2 of 1882), under which it is not permissible to make any investment in first mortgage debentures of companies

DR. B. N. ANTANI : Sir, I notice the last part of the answer. But there are so many sound private enterprises which yield substantial dividends. What is the objection on the part of the Government to invest at least a substantial portion of this Fund into shares of such enterprises so that the objective to get better yields may be fulfilled?

SHRI BHAGWAT JHA AZAD : Sir, the investment of the employees' provident fund is regulated under paragraph 52(1) of the Employees' Provident Fund Scheme of 1952 which says that investment can be made only in such securities as I have mentioned, and the trustees from time to time decide what should be the field of investment. Therefore, the trustees are the competent persons to decide. I think to invest in the Central securities, State securities or securities guaranteed by the two Governments is a safe investment. Nothing is wrong about it.

DR. B. N. ANTANI : Sir, I have many cases in which there are applications of these employees for emergency loans and they find terrible handicap and objections to get such loans sanctioned. Would you tell me whether this complaint is correct? What is the purpose of this handicap to delay these loans?

SHRI BHAGWAT JHA AZAD : It is entirely a different question. I am presently dealing with investment of provident fund money. If the hon. Member draws my attention to the individual employee who is in difficulty I will look into his case.

DR. B. N. ANTANI : I can give you hundreds of cases

SHRI M. K. MOHTA : The hon. Minister has taken shelter behind a technicality. We know the provisions of the Act. But those provisions can easily be amended if the Government so likes. My question to the hon. Minister is whether it is not a fact that if the investment pattern in regard to these trust funds is changed the income of trust funds can be increased by 60 or 70 per cent. or even 100 per cent. which would be in the interest of the employees themselves ...

†The question was actually asked on the floor of the House by Dr. B. N. Antani.

MR. CHAIRMAN : What is your question?

SHRI M. K. MOHTA : I am coming to the question, Sir, at the same time safeguarding the security of these trust funds. Therefore, what action has the Government in mind to increase the income of the trust fund? If not in the debentures of companies, perhaps in some other way the income requires to be increased. What is the Government's attitude towards this question?

SHRI BHAGWAT JHA AZAD : Sir, I agree with the hon. Member that we should have more and more yield on these investments for the employees. But along with this I will add one more consideration and that would be the anxiety of the Government for the safety of the capital. Therefore, the two put together—the trustees and the Employees Provident Fund Commissioner—decide about the pattern of investment, which currently is 50 per cent. in Central securities and the rest in State securities or in securities backed by the Government guarantees. I think the Employees Provident Fund will decide again about the investment pattern. The Central Government from time to time give the direction and we act accordingly.

SHRI K. P. SUBRAMANIA MENON : May I know from the Government whether it has come to the notice of the Government that the Regional Provident Fund Commissioner's office in Madras has been locked out recently which has created a lot of difficulty for the workers and the other Provident Fund employees to put their provident fund? May I know, Sir, what steps the Government is taking in order to see that this unprecedented situation does not arise?

SHRI BHAGWAT JHA AZAD : Sir, this question is about what happened in the Regional Provident Fund Commissioner's office in Madras, while the main question is about investment of provident fund amounts in securities. How can I reply to this supplementary?

MR. CHAIRMAN : All right, do not reply. Mr. Chinai.

SHRI BABUBHAI M. CHINAI : May I know from the hon. Minister in view of the fact that they have been investing the provident fund amounts in Government securities, Central or

State securities, and all these securities to-day are being quoted at a discount including the one which they brought a few months before, what is the total loss they have incurred by investing these amounts in such securities? And in order to meet this loss, may I humbly request the hon. Minister to see if it is possible to invest in first class debentures where you get, according to your own law, 7.75 per cent interest without any risk?

SHRI BHAGWAT JHA AZAD : Sir, I am sorry I do not understand that much of financial transactions...

SHRI BABUBHAI M. CHINAI : I will repeat it for your benefit.

MR. CHAIRMAN : He has understood the question.

SHRI BHAGWAT JHA AZAD : Sir, I was only saying that I do not understand that much of financial transactions to see how there is loss, as he has said in the first part of his question. There is no loss in the sense that we are investing the provident fund amounts according to the directions of the Act and the Scheme and secondly, according to the directions of the Finance Ministry and the Government of India. Therefore, there is no question of any loss in this. It is only a question of having a better yield plus safety of the capital. The hon. Member may say that if we invest in first class debentures, we can get more, but possibly the security of the capital may be less. It is a question of looking at it in a different way.

SHRI BABUBHAI M. CHINAI : Mr. Chairman, I do not want to put another question, but I want to know from the hon. Minister whether he understands what a debenture is.

SHRI BHAGWAT JHA AZAD : That much I understand.

SHRI BABUBHAI M. CHINAI : This is not the way to answer. I strongly protest against it. What is a debenture? A debenture is fully secured. *(Interruption.)*

SHRI BHAGWAT JHA AZAD : I do understand that much.

SHRI BABUBHAI M. CHINAI : And he says that there is no loss when the Government securities which are

bought are sold at a discount the next day. I am prepared to challenge them in regard to any security, if they want.

SHRI A. P. CHATTERJEE : There is another name for 'debenture' i.e., 'fraudulent transaction'.

SHRI CHITTA BASU : May I know from the hon. Minister whether certain State Governments have made proposals to the Government of India to the effect that the provident fund collections from a particular State should be invested in that State itself, and not shared between Central and State securities? If so, what are the reactions of the Government of India to that proposal?

SHRI BHAGWAT JHA AZAD : I cannot say about the first part as to which State Governments have made certain proposals. I have no information with me now. But I can collect it and give it to the hon. Member. About the other part, as I have already stated, at present 50 per cent of the investment is in Central securities and the other 50 per cent is in State securities. So we are already doing this.

SHRI CHITTA BASU : Sir, my question was different. I asked whether a proposal was made by some State Governments that the provident fund amounts collected in a particular State should be invested in that State itself.

SHRI BHAGWAT JHA AZAD : We cannot agree in principle to this.

U.S. A. I. D CONFERENCE AT SRINAGAR

*780. **SHRI BABUBHAI M. CHINAI :** Will the Minister of FOOD AND AGRICULTURE be pleased to state :

(a) what were the salient features of the discussions at the Agricultural Conference convened by US Agency for International Development in Srinagar in September; and

(b) who took part on behalf of the US Agency for International Development and the Government of India?

THE DEPUTY MINISTER IN THE MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (SHRI S. C. JAMIR) : (a) This conference is

an annual and internal affair of the US AID MISSION. It provides an opportunity for the U.S. Agricultural Specialists working in India to relate their experiences and discuss problems. The principal objective is to improve their technical assistance programme in agriculture.

(b) On behalf of the US AID 116 of their experts participated. Three Government of India officials also attended as special invitees.

SHRI BABUBHAI M. CHINAI : Arising out of this conference, may I know what decision the Government of the United States have taken and whether the Government is in possession of any decision or further technical aid.

SHRI S. C. JAMIR : This conference is an annual feature for hearing their experiences as to how effectively this aid programme could be implemented. We do not receive any recommendation.

SHRI BABUBHAI M. CHINAI : There were 116 people representing the United States and 3 representing this country. Have they been able to convince most of them that we have been utilising their technical aid with sufficient care and to the benefit of the country?

SHRI S. C. JAMIR : This aid has been utilised for our agricultural production and as a result of this consultation, we have realised that they are really giving good assistance to our agricultural production.

REGULARISATION OF SERVICES OF CASUAL LABOURERS

*781 **SHRI CHITTA BASU :** Will the Minister of LABOUR AND REHABILITATION be pleased to state :

(a) whether Government have under consideration any scheme to regularise the conditions of work and employment of the casual labourers employed under the various Ministries of the Government of India;

(b) if so, the details of the scheme; and

(c) by when it is expected to be given effect to?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION (SHRI BHAGWAT JHA AZAD) : (a) A set of draft model regulations