

to the best of his capacity but still he can never be the master or controller of results. No reasonable mind in this wide world can question the correctness of that proposition. The question that then arises is, is there no method or technique open to man to obtain successfully the help and co-operation of that unseen and unknowable Supreme Power? Our philosophy and culture teach us in no uncertain terms that this is possible. What is needed is an implicit faith therein and the sincere dedication of all our efforts at the feet of the Merciful Providence, who alone can generate sure success of all our efforts. And if the nation takes that course, associates and invokes the blessings of Providence, I think success will be ours.

Thank you.

STATEMENT RE. THE APPLICABILITY OF PAYMENT OF BONUS ACT, 1965 TO PUBLIC SECTOR UNDERTAKINGS

THE DEPUTY CHAIRMAN: Shri Sanjivayya will now make a statement.

THE MINISTER OF LABOUR AND EMPLOYMENT (SHRI D. SANJIVAYYA) : Madam, before the issue of the Payment of Bonus Ordinance, 1965 on the 29th May, 1965, the employees in the Public Sector Undertakings were not entitled to any payment of profit-sharing bonus. However, with the specific approval of the Cabinet, *ex gratia* payments had been allowed in the past to employees drawing up to Rs. 500 p.m. in some undertakings. These *ex gratia* payments covered roughly 38,000 employees out of total employment in the public sector of about four lakhs at the end of 1963-64.

Only those establishments in the public sector which are not departmentally run and which compete with establishments in the private sector, were included within the purview of the Bonus Commission. The Bonus Commission recommended that if not less than 20 per cent. of the gross aggregate sales turnover of a public sector undertaking consists of sales of services and/or products

which compete with the products and/or services produced and sold by units in the private sector, then such undertakings should be deemed to be competitive and the bonus formula should apply to such units. The recommendation of the Commission was accepted, and has since been given effect to by section 20 of the Bonus Ordinance as well as the Payment of Bonus Act, 1965.

On December 2, 1965 the Cabinet decided that :—

(i) all non-competing public sector undertakings should pay *ex gratia* to their employees amounts which they would be liable to pay as bonus if they were to fall within the purview of the Payment of Bonus Act;

(ii) where such an undertaking has made *ex gratia* payment in the past, the amount of such payment should be treated as absorbed in the amount determined as in (i) above. In other words, no claim of employees to payment determined on the lines of the Bonus Law as an addition to payment on the scale of *ex gratia* payment in the past should be accepted. If the past *ex gratia* payment had been higher than the amount worked out as in (i) above, the level of past *ex gratia* payment should be maintained;

(iii) the principle in (ii) above should also be followed in the case of competing public sector undertakings.

(iv) the applicability of (ii) and (iii) above in individual cases should be conditional upon the maintenance of the level of performance of the undertakings.

This decision will not apply to the public sector undertakings which have been specifically excluded from the purview of the Payment of Bonus Act, 1965 under section 32 of that Act, and also to the departmentally-run undertakings like Railways, Defence establishments, Government of India Press, Mints, Opium Factories, etc.

SHRI MULKA GOVINDA REDDY (Mysore) : Madam, I must congratulate the Minister for having persuaded his colleagues into agreeing . . .

SHRI D. SANJIVAYYA : Congratulate the Government.

SHRI MULKA GOVINDA REDDY : . . . to pay bonus. But I have some doubts. I would like to know firstly whether all the employees in all the public sector undertakings will be entitled to bonus. Secondly, I want to know why those that have received *ex gratia* payment would be given bonus and others would not be given.

SHRI D. THENGARI (Uttar Pradesh) : Section 32 referred to by the hon. Minister probably mentions the Reserve Bank of India. I want to know categorically whether the employees of the Reserve Bank of India would be entitled to bonus. And secondly, what was the reason for excluding Railways and Defence establishments also from the benefit of bonus ?

SHRI P. K. KUMARAN (Andhra Pradesh) : I am at a loss to understand what exactly is the nature of the improvement made. The hon'ble Minister said that under section 32 the departmentally-run industries remain. I am at a loss to understand in which sphere which industry would exactly benefit.

SHRI ARJUN ARORA (Uttar Pradesh) : Madam, I want to know why the departmentally-run undertakings, particularly the Defence establishments, which have done so well in the past and are doing better now, have been excluded from the payment of bonus. And . . .

THE DEPUTY CHAIRMAN : Please ask one question. We are very short of time.

SHRI ARJUN ARORA : My second question is, under the law now there is a minimum bonus of 4 per cent. irrespective of profits made by undertakings to which the Payment of Bonus Act is applicable. So this 4 per cent. has become a sort of deferred wage. Why are the Defence workers and workers of other departmentally-run undertakings denied this 4 per cent. which is a deferred wage ? This denial will mean a disparity in wages and the present equilibrium of wages will be disturbed. May I know, Madam, why the Labour Minister is disturbing the present equilibrium of wages ?

SHRI AWADHESHWAR PRASAD SINHA (Bihar) : May I know, Madam, how many labourers are going to be actually benefited by this scheme ?

SHRI LOKANATH MISRA (Orissa) : May I know, Sir, if the Minister will have to amend the present legislation in order to give this additional bonus to these persons, or can he straightway give it ?

SHRI T. V. ANANDAN (Madras) : May I know, Sir, from the hon. Minister where do we stand in respect of transport services in the Corporations and the States ? From the statement he has made, nothing is clear.

SHRI D. SANJIVAYYA : Madam, whether all the public sector undertakings would be covered is the first question. I made it very clear that they would be covered if they are not departmentally-run.

Then, Mr. Thengari's question is whether establishments mentioned in section 32 would be covered. They will not be covered. They are exceptionally excluded from the purview of the enactment.

Then Reserve Bank is one of the items under section 32. Therefore, the employees of the Reserve Bank will not get any bonus. With regard to Railways and Defence, I have already mentioned that the Railways as such is a departmentally run concern. So the employees in the Railways will not get any bonus. But with regard to the Defence, there are certain establishments in the Defence Department which are not departmentally run in which case they are getting the bonus. For instance, the Bharat Electronics are run by the Defence Department. There are various other establishments which are run by the Defence Department but they are not departmentally run. Therefore, they are entitled to bonus.

Then, what is the new benefit ? That is another question put to me. I have mentioned in my statement that originally 38,000 employees in the public sector were getting *ex gratia* bonus payment, whereas there are 4 lakhs of workers employed in the public sector. Therefore, all the 4 lakhs will be benefited now. But on account of the recent

decision of the Cabinet, the number which would be benefited would be 83,640.

Then, Shri Arjun Arora raised the point with regard to 4 per cent. and 20 per cent. If he had carefully listened to my statement, probably he would have realised that on account of this decision, the workers whom this decision would apply, would get 4 per cent. and 20 per cent. It says. . . .

SHRI ARJUN ARORA : I understand that. Only those to whom it applies will get it. That is perfectly clear. But what about those whom you have excluded, particularly the Defence workers ?

SHRI D. SANJIVAYYA : Section 32 has excluded certain categories of workers. To them our decision does not apply. All that I would like to say on this occasion is that our decision applies to the public sector undertakings which are not departmentally-run and which are not excluded under section 32.

Now whether an amendment is necessary is the question. An amendment is not necessary. This is by executive order. We think we can implement this.

Then the question of State transport. Now the decision taken by the Central Government is applicable to the public sector undertakings under the Central Government. I hope and trust the State Governments will consider this question. I would like to take this up with the State Governments also so that they may also consider whether they could extend the same facilities to the workers employed in the public sector undertakings in the State sphere.

THE DEPUTY CHAIRMAN : I think that will do.

MOTION RE. FOOD SITUATION IN THE COUNTRY—*contd.*

SHRI LOKANATH MISRA : Madam Deputy Chairman, I am grateful to you even if it is five minutes that you have given to me.

THE DEPUTY CHAIRMAN : No, only three minutes.

SHRI LOKANATH MISRA : Madam, I would not have participated in this debate but for a very startling news that has appeared in the "Hindustan Standard" which says :—

"Mr. Anup Singh Deo, Orissa's Deputy Minister for Transport and Public Relations, said here yesterday that near famine conditions were prevailing in parts of Kalahandi district as a result of drought and there have been instances where people had offered to sell away their children because of their inability to provide them with food."

Madam, this is a very grave situation. Yesterday an allegation was sought to be made that the Leader of the Opposition in Orissa was trying to make political capital out of it. Here is a person who is a Deputy Minister in the State Government, who belongs to the ruling party, and this is what he says. Now, if the Leader of the Opposition sends a telegram for an assurance by the Government that all steps should be taken in the drought condition, how can it be twisted as taking political advantage out of it ? Of course, the hon'ble Member who said that is a new acquisition for the Congress Party, and naturally a new convert would also try to appear extra loyal . . .

SHRI M. RUTHNASWAMY (Madras) : More loyal than the King himself.

SHRI LOKANATH MISRA : . . . and that is what he has done. There is absolutely no truth in his allegation because, as I said, Madam, here is a Deputy Minister, a person now in the Government, who comes forward to say that it is near-famine conditions there, that children are being sold away because people do not get anything to eat. And what I demanded yesterday, or my leader, Mr. Dahyabhai Patel, demanded was that the people must be fed. Do you want them to go hungry ? What are the Opposition parties meant for if they do not fight out the case of the people ? It is my inherent duty as a Member of Parliament to fight it out. Thank you very much

SHRI C. SUBRAMANIAM : Madam Deputy Chairman, at the outset I should