

to lay on the Table a copy of the Ministry of Commerce and Industry Notification S.O. No. 2232, dated the 13th September, 1960, declaring Cinema Carbons as an essential commodity for the purpose of the Essential Commodities Act, 1955. [Placed in Library. See No. LT-2476/60.]

NOTIFICATION UNDER THE ESSENTIAL COMMODITIES ACT, 1955

SHRI MANUBHAI SHAH: I also beg to lay on the Table, under sub-section (6) of section 3 of the Essential Commodities Act, 1955, a copy of the Ministry of Commerce and Industry Notification S.O. No. 2233, dated the 13th September, 1960. [Placed in Library. See No. LT-2476/60.]

NOTIFICATION UNDER THE INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

SHRI MANUBHAI SHAH: I also beg to lay on the Table a copy of the Ministry of Commerce and Industry Notification S.O. No. 2695, dated the 8th November, 1960, issued under section 18A of the Industries (Development and Regulation) Act, 1951. [Placed in Library. See No. LT-2476/60.]

REPORTS ON (i) PILOT STUDY *or* EMPLOYMENT POSSIBILITIES IN SHAH-JAHANPUR DISTRICT (UTTAR PRADESH) AND (ii) PILOT STUDY IN DUMRAON (SOUTH) N.E.S. BLOCK OF SHAHABAD DISTRICT, BIHAR

THE DEPUTY MINISTER OF LABOUR (SHRI ABID ALI): Sir, I beg to lay on the Table the following papers: —

(i) Report on a Pilot Study of Employment Possibilities in Shah-jahanpur District (Uttar Pradesh) 1959. [Placed in Library. See No. LT-2478/60.]

(ii) Report on a Pilot Study in Dumraon (South) N.E.S. Block of Shahabad District, Bihar, [Placed in Library See No. LT-2479/60.]

AMENDMENTS in THE DISPLACED PERSONS (COMPENSATION AND REHABILITATION) RULES, 1955 THE DEPUTY MINISTER OF REHABILITATION (SHRI P. S. NAS-KAR) : Sir, I beg to lay on the Table, under sub-section (3) of section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954, a copy each of the following Notifications of the Ministry of Rehabilitation publishing further amendments in the Displaced Persons (Compensation and Rehabilitation) Rules, 1955: —

(i) Notification G.S.R. No. 1199|R. Amdt. XLVII, dated the 28th September, 1960.

(ii) Notification G.S.R. No. 1341 |R. Amdt. XLVIII, dated the 31st October, 1960.

(iii) Notification G.S.R. No. 1360|R. Amdt. IL, dated the 8th November, 1960.

(iv) Notification G.S.R. No. 1404|R. Amdt. L, dated the 17th November, 1960.

[Placed in Library. See No. LT-2480/60 for (i) to (iv).]

THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) BILL, 1960

THE DEPUTY MINISTER OF LABOUR (SHRI ABID ALI): Sir, I beg to move:

"That the Bill further to amend the Employees' Provident Funds Act, 1952, as passed by the Lok Sabha. be taken into consideration."

The main purpose of the Bill is to extend the coverage of the principal Act so that persons employed in smaller establishments are also brought within its scope. The Employees' Provident Funds Act now covers 47 industries and is applicable to establishments with 50 workers or more on their rolls. Only in respect of newspapers the employment limit is 20. The proposed amendment seeks to lower this limit from 50 to 20 generally for all covered industries. This will ensure that workers in small

[Shri Abid Ali.]

establishments also enjoy the retirement benefit provided by the Act.

While introducing this basic amendment, we also propose to plug some 1 loopholes in the principal Act and remove some points of doubt which have arisen in the course of its working. There have been instances of attempts made by some marginal employers to evade the obligations of the Act by reducing the number of workers below the prescribed minimum. The amending Bill provides that an establishment with an initial employment strength of 20 or more will continue to be covered even if its employment has fallen below 20, unless it has gone down to 15 and remained there for one year. We are also providing that in calculating the number of employees of an establishment, persons employed in all its departments and branches, whether situated in the same place or in different places, would be taken together.

Another amendment is intended to benefit workers employed in seasonal industries. The retaining allowance paid to them during the off-season would be taken into account in calculating provident fund contributions.

In making these proposals for the extension of the Act, we intend to follow a policy of caution in respect of co-operative societies and cottage and small-scale industries. For cooperatives working without the aid of power, the existing employment limit of 50 will remain and the smaller ones will not be brought within the purview of this Act. Cottage and small-scale industries employing between 50 and 20 persons will be given a holiday from liabilities, under this Act, for an initial period of 5 years as against 3 years now available to others.

As hon. Members will see, the Bill will benefit the workers in small establishments, without putting any strain on the resources of struggling co-operatives or small industries.

I hope these progressive provision* of the Bill will be welcome to all sections of the House. Sir, I move.

The question was proposed

SHRI ROHIT M. DAVE (Gujarat):
Mr. Chairman, this is one of the measures which the Union Labour Ministry has brought before us, for which, once again, we have the pleasure of congratulating the Ministry on bringing forward a progressive measure. This is one more of the Bills which have come before us after being discussed by the Indian Labour Conference and nearly for the last three or four years this Conference was seized of the matter. This particular problem was discussed two years back and as a result of discussions in the Labour Conference it has become possible for the Union Labour Ministry to bring a Bill which is acceptable to the workers as far as the general provisions of the Bill are concerned. This particular Bill deals with retirement benefit, a benefit which is very important from the point of view of social security of the people who are engaged in productive activity in our economy. Unfortunately because of the undeveloped character of our economy, it is not possible for us to provide ample social security to our workers and employees, which in any progressive society it is considered a legitimate due of the workers and other people engaged in productive activity. It is, therefore, necessary that we should do all we can at least to extend the benefits which have been written in laws and for which provision has been made. Till now the Employees' Provident Funds Act was applicable only to establishments that are employing 50 or more people and it was felt by the working class in this country—and perhaps the Government agreed with that point of view—that the time had come when this benefit should be extended to other establishments engaging people less than 50. It is because of this desire on the part of the working class and the acceptance of this claim of the working class by the Government

that this particular Bill has been brought before us. It is because of this that I welcome this measure and congratulate the Ministry on bringing it before us. At the same time, there are certain provisions of this Act which require careful consideration and I would like to make some suggestions on the matter, which would be useful in making this particular measure still more acceptable to the working class. The first of these suggestions is concerned with the clause which deals with the provision that if a particular establishment reduces the number of its employees below 20 and if that reduction continues for one year, it would be possible for the employer to discontinue the provident fund scheme in his establishment, provided he informs the Government or the appropriate authority within one month of the changed condition and of his discontinuance of that particular scheme. In this connection, may I suggest that it would be much better to provide that only after the permission of the authority is taken that this particular scheme should be discontinued in a particular establishment, so that later on no conflict regarding the facts might arise. We are giving a period of one year within which time the number of employees have to be below 20.

SHRI ABID ALI: Fifteen.

SHRI ROHIT M. DAVE: Fifteen, I am sorry. The number should go below fifteen before this particular scheme could be discontinued. We are giving one year's time to the employer, and for the continuation of one year that number should be below 15. This is quite a long time and it should be possible for the employer to anticipate whether the employment is likely to rise above 15 during the remaining, say, one month or two months before which he is making an application to the appropriate authority, and if he makes that application and makes an affidavit to the effect that he has no desire or that he is not in a position to employ more than 15

persons in his establishment during one month, which might be less, as a result of this expiry of the period of one year, I think it should be possible for the appropriate authority to give the necessary permission, and it is only after that that this discontinuance should take place. This may also give an opportunity to the workers to represent to the appropriate authority any complaint that they might have to make regarding the affidavit of the employer that he was not going to employ more than 15 persons for the whole year and therefore he was entitled to discontinue this particular scheme under the law.

[MR. DEPUTY CHAIRMAN in the Chair.]

After the appropriate authority has heard both the points of view it should be easier for him to decide whether this particular permission should be granted and it is only after such permission is granted that the discontinuance of the scheme should take place. I am making this suggestion in order to avoid any future conflict, because it is likely that some unscrupulous employer might continue to make deductions from the wages of the workers on the plea that that particular scheme is still under continuation while at the same time he might just inform the appropriate authority that he has discontinued that particular scheme.

SHRI ABID ALI: That will benefit the workers. If any employer deducts contributions of the workers on account of provident fund, then the employer also will have to give his contribution.

SHRI ROHIT M. DAVE: As far as *bona fide* employers are concerned, there would be no difficulty. What I have in mind are the unscrupulous employers, and it is these unscrupulous employers who take advantage of the ignorance of the workers. Now that we are extending the scope of this particular Act to the establishments which are going to employ a very small number of people, say 15 or 20, it is very desirable that better provi-

[Shri Rohit M. Dave.] sion should be given to these employees who perhaps might not have the advantage of collective bargaining power because they might not be members of a trade union, the number of employees being small, and therefore, they might not have the benefit of the advice of some of the trade union officials or other legal advice. It is therefore very likely that this particular provision might be misused by those employers who are not very scrupulous in financial matters.

Sir, if the particular suggestion I have made is not acceptable to the Government, I would like to make another suggestion, namely, that as soon as this particular scheme is discontinued in a particular establishment, it should be made compulsory on the part of the employer at least to put up a notice on the notice board that now that for one year his establishment has employed less than 15 people, he is entitled to discontinue this particular scheme and that therefore he is discontinuing the scheme from such and such date and is informing the appropriate authority of his decision. If under the rules this notice at least is made compulsory, it will be possible for the workers to know where they are, and if there is any circumventing of this rule, it will be possible for the employees also to make a representation to the appropriate authority so that there may not be any defrauding of the rights of the employees which are now being extended to establishments that are employing 20 or more people.

Then, Sir, there is another problem which is with reference to the co-operative societies. As far as the co-operative societies are concerned, I can realise the anxiety of the hon. Minister that if co-operative societies are employing less than 50 people and if they are not employing power, it is desirable that this obligation should not be imposed on these co-operative societies in view of the fact that it is our intention to encourage co-

operative societies. These co-operative societies might not have the necessary wherewithal or the resources and therefore may not be in a position to contribute to the provident fund. On the other hand, there is another aspect of the question which it is also necessary to take into consideration in this behalf, and it is necessary because this type of protection and many other types of protection are given by way of encouragement to the co-operative societies. Again there are many unscrupulous people who form some sort of co-operative society which is a co-operative society only in name and which in fact is merely a proprietary concern and then they take advantage of these particular provisions. Sir, we have realised that there were owners and there were employers who were taking advantage of the fact that the number was kept at 50. It was only when the employees were more than 50 that this particular Act was applicable so far. They were partitioning their establishment into various departments and into various units and thereby they were trying to escape from the provisions of this Act. Fortunately the Government has now made it clear in this Bill that no such partitioning will be useful to the employer, because even if there is partitioning now, they will all be considered as one consolidated establishment, and if there are more than 20 people employed, then this particular law will be applicable to them. Some such subterfuge is likely to be resorted to by the employer by calling his concern a co-operative society and thereby trying to escape the extension of the benefits that are being provided for the employees in this particular Bill. Now, Sir, there are Co-operative Societies Acts and there are cooperative constitutions where it is made compulsory that after a particular employee has worked for a certain number of years in a given establishment which calls itself a co-operative establishment, that employee, automatically becomes a member of the co-operative society. There is a large number of co-opera-

tive constitutions of this type where the right of membership in the co-operative society is granted to the employees who are working for a particular number of years in that particular society. I can understand that if this particular Bill exempts such societies which permit their own employees to become members of those co-operative societies, it would be quite fair, because in that case these employees themselves will become members and therefore they will have a dual role of employers being members of the co-operative society and also of employees. If, however, a particular constitution does not provide for such compulsory registration of its employees who have worked for a particular number of years in that concern as members, then that kind of relationship is as between an employer and an employee, and only in exceptional cases should the Government come forward to exempt such co-operative societies from the provisions of this Act. This kind of blanket exemption which is provided in this particular Bill might perhaps be misused, though I quite appreciate the anxiety of the Government to see that the co-operative societies are allowed as free a scope and development as possible in view of the national policy that the cooperative sector should be encouraged as far as possible. Therefore I suggest that as far as this provision of exemption to the co-operative societies is concerned, this exemption should be given only to those societies which permit their employees to become members of the co-operative societies, and as far as other co-operative societies are concerned, it is only on merits that the exemption should be granted, and there should not be anything like a blanket exemption whereby, merely because it calls itself a co-operative society—howsoever resourceful that society may be—merely because of its being a cooperative society, it enjoys the exemption which has been provided therein.

Then, Sir, there is the question of what is known as the infancy of an

industry. Here again, Sir, a distinction is made between establishments that employ 50 or more people and the establishments that employ between 20 and 50 people. Now, Sir, as far as the establishments that employ 50 or more people are concerned, the infancy period is denned as three years while in the case of establishments that employ between, say, 20 and 50 people the infancy period is extended up to five years. Here again I do not see any propriety of this particular type of extension. In this connection I would like to draw the attention of the hon. Minister to the fact that because of rapid industrialisation there are a large number of new industries that are coming up and some of the industries have got only a very low employment potential. In this particular clause, Sir, there is no question whether power is being used or is not being used. I therefore take it for granted that even if they be establishments which use power and machinery, if they are employing people, say, between 20 and 50, still they will have the advantage of the exemption for five years. If this be so, Sir, as we know very well, because of automation there are a large number of industrial concerns that are coming up in this country which employ very few people in spite of the fact that the investment in that particular concern is of a very high order. Sir, I know of a case in which a concern is likely to be established in the Bombay area where the investment is likely to be of the order of 30 to 50 lakhs of rupees. That particular establishment is likely to work three shifts, and even in these three shifts, Sir, the total employment potential is not likely to be more than 25 people. Now is it fair that a particular concern, which invests, say, 30 to 50 lakhs of rupees in that particular establishment but because of automation is employing very few people, say, 25 or 30, should be exempted from the purview of this Bill, "from the extension of the lower limit to it, and that the infancy period should be raised to five years even in its case? To my mind, Sir,

[Shri Rohit M. Dave.] this will result in a very unhealthy state of affairs in which highly automatised concerns will be able to escape the provision of the extension of this measure, while those industries or those establishments which are not compelled to use automation or which are not in a position to use automation will have the obligation of starting this scheme and contributing to the scheme. I would therefore urge upon the Minister to consider this question carefully and to see whether some sort- of further provision cannot be incorporated in this particular clause whereby only in such cases where power is not used this type of exemption or this type of infancy period, or the extension of it from 3 to 5 years, is granted.

Then, Sir, there is the very welcome provision in clause 3. where it is declared that where an establishment consists of different departments or has branches, whether situate in the same place or in different places, all such departments or branches shall be treated as parts of the same establishment. I welcome this provision because of the fact that it is common experience that a large number of labour laws are being evaded by some concerns which have got substantial resources with them and are in a position to contribute to the provident fund and yet are escaping this liability, from this obligation, by simply partitioning their concern into various smaller units, each one of these units employing less than 50 people up to now, and now less than 20 people and thereby escaping the provisions of this Act. Therefore, Sir, I heartily welcome this clause 3..

Lastly, Sir, I would like to say a word or two regarding the operation of the Act. Sir, there are cases which have come to the notice of the Provident Fund Commissioner that those employers who have collected money from their workers have not deposited even the money collected from their workers with the Fund and also have not made their own contributions

to the Fund. I realise, Sir, that this, particular sum is very low at the present moment, but when we are extending the application of the Act to establishments which are going to employ 20 or more people I am afraid, Sir, that this type of default on the part of the employers who default in depositing even the money that they have collected from the workers into the Provident Fund immediately, will increase in future. It is therefore necessary, Sir, to think out some scheme whereby at least these deductions which are statutory deductions, compulsory deductions, are promptly deposited. As far as the workers are concerned, they have no say in the matter because the employer is entitled to deduct 61 per cent from the wage bill which is due to a worker. This deduction takes place. The employer gets that money and does not put that money into the Fund as he is expected to do. Can there not be some arrangement whereby it will be possible for the Fund authorities to see that the contribution, at least of the workers, is directly deposited with the Fund instead of its going through the employer and then the employer depositing it with the Provident Fund? Can it not be that some sort of stamps or some such thing might be introduced so that when the wages are paid to a worker the deduction which represents his contribution to the provident fund will be given to him in the shape of some sort of stamps or some such thing which the employer has already bought from the treasury, and the balance in cash, so that the moment these stamps are in the hands of the worker, his contribution which is deducted from his pay automatically goes to the treasury and from the treasury to the Fund, so that the employer does not come into the picture at all. Unless some such scheme is devised whereby the money which has been taken or collected from the workers is directly deposited with the treasury, my fear is that when the Act is made applicable to establishments employing 20 or more people this type of default on the part

of the employer will increase. The poor workers, as the hon. Minister pointed out in the other House, are very reluctant to go to the appropriate authority to tell the authority to take necessary steps in order that these subscriptions are collected from the employers because, Sir, once such steps are taken, the particular establishment is likely to be closed down, in which case the workers will suffer unemployment besides the loss of their own contribution to the provident fund. That is a very difficult matter for a worker and, therefore, the worker is prepared to forego that contribution rather than go to the appropriate party to seek redress of his very legitimate grievance. I know, Sir, that the Fund itself is trying to create some reserve fund whereby some money might be contributed by the worker in such cases. But this by itself is not enough, and I do not think it is very difficult to devise a scheme whereby automatic contribution to the treasury might take place the moment a particular sum is deducted from the wage bill of the worker. I make this suggestion with a view to making this particular Bill still better as far as the interests of the employees are concerned. But for these suggestions, I extend my hearty welcome to this Bill and congratulate the Ministry on its bringing forward this Bill at this stage. Thank you.

SHRI ARJUN ARORA (Uttar Pradesh) : Mr. Deputy Chairman, Sir, I extend my hearty support to the measure brought forward by the hon. Deputy Labour Minister this morning. The provident fund contributions today serve an additional purpose. The workers are, because of the Employees' Provident Fund Scheme, subjected to a compulsory saving of 6 per cent. In our present economic state we do want people to save, and savings are encouraged by the Government in various ways. One of the most effective methods to encourage savings, particularly from the low-

income group, is the provident fund scheme. As a result of this measure, about 26 lakh workers in 43 industries contribute to the provident fund scheme and effect a considerable saving each month.

Sir, one of the unfortunate lacunae in the Act so far was that the Employees' Provident Fund Act was applicable only to those factories in the specified industries which employed fifty or more workers. It has been repeatedly demanded by workers themselves that the scope of application of this Act be enlarged. As a matter of fact, the workers in various industries which are not covered by this Act have been demanding the application of this Act to these industries. It is a matter of great rejoicing amongst workers when a particular industry is notified for application of this Act, because the application of the Provident Fund Act does not only mean that the worker will save 6 per cent out of his wages for his old age, but it also means that the employer will contribute an equal amount, and at the end of, say 15 years, the worker will have a considerable sum for his old age.

Sir, we have in this country provided for the workers various measures of social security. One of the things which should have been done long ago was the introduction of some retirement gratuity. As that has not been done, the provident fund serves that purpose also.

The organised workers all over the country have been demanding that the Employees' Provident Fund Scheme be made applicable to all factories at least in the specified industries. This step goes some way to meet that demand, because it only enlarges the scope of the application of the Employees' Provident Fund Act to the factories which employ more than 20 persons at a time. Now it is well known that even those factories which use power and employ 10 persons are covered by the Factories Act. It would have been much better if this

[Shri Arjun Arora.] scheme of provident fund was made applicable to all the factories in the specified industries. That would have meant that all those factories in particular industries which were registered under the Factories Act would have been covered by it and there would have been a sort of uniformity in the application of this scheme in the industry concerned. At the moment the Government has chosen to apply it only to those factories which employ 20 persons. I welcome the measure because it is a step in the correct, direction and I hope sooner than later the Labour Ministry will see its way to come forward with another amendment seeking to apply this measure to all the factories irrespective of the numbers employed in the particular industry. That will only mean that those factories which use power and employ 10 persons will also be covered by it. That is my hope. But this measure is good as far as it goes.

Sir, there is much in what the hon. Member who preceded me said about the provision regarding the notification of the employer when he seeks to apply the scheme to all concerned. The proposed measure shows that the employer shall "within one month of the date of such cessation, intimate, by registered post, the fact thereof" to the authority concerned. It would be much better if such intimation is given to the authority concerned and to the workers at least one month before the intended date of cessation.

The provision that a factory will go out of the scope of application of the scheme only if it employs less than 15 persons for about a year is a healthy measure, otherwise in the case of small factories it would have been possible for the employers to find a way out of the law and reduce their numbers temporarily. Reduction to 15 or less for a year is something which cannot be called a temporary measure *just to* get out of the clutches of the law. But there are cases in which small employers make unnecessary

and illegitimate deductions and no law should provide scope for such deductions. It will, therefore, be much better if it is provided that before the employer ceases to apply the scheme, he informs the authority concerned as well as the workers.

Now, Sir, the provident fund scheme has resulted in a considerable saving. It is correct that it has national importance but there is a great need for providing some measure to ensure that the deductions are deposited at the proper source. The way in which industries, big and small, make deductions from the workers' salaries and do not deposit them with the proper authorities has become a living scandal. It is not only that the failing employer robs the Government of the resources that should have been available to it but it also leads to considerable hardship to the workers themselves because if the worker loses his job or if he resigns or if his services are terminated or if he retires, he gets only that part of his contribution and the employer's contribution which has reached the appropriate authority. The amount which the employer has deducted from his wages and which he has not deposited with the proper authorities is not given to the worker and he is asked to wait till such time as the authorities are able to realize the amount due from the employer concerned. There are cases in which the provident fund contributions deducted from the workers as early as 1956 or 1957 have not been deposited with the appropriate authorities and a number of workers who have retired or resigned or whose services have been terminated or who have died have not been paid the full contribution. Though this part of the workers' contribution remains with the employer and their claim against the Employees' Provident Fund Scheme stands, if the authorities pay the workers the amount at their credit in their account, they sometimes argue that the claims have been finally settled. These are hardships which must be brought to

an end because it is these little difficulties which are so irritating and annoying that the workers forget the great boon that the scheme has conferred on them. I hope this aspect, namely the urgent need of prompt realisation of money due from the employers concerned gets due attention. The law provides that the contributions deducted from the workers as well as the equivalent amount due from the employers shall be deposited within 15 days. When it is not done, there is the process of law but that somehow is so slow that years pass before the employer feels their impact. I feel that the time has come that in order to secure prompt deposits of the dues concerning the provident fund, a penal clause should also be introduced and the employers should be fined some percentage of the money due every day. Unless that is done and unless there is a prohibitive fine introduced, this habit of the private sector robbing the Government and robbing the workers will not come to an end. It is rather disappointing that this aspect does not form part of this Bill. All the same the Bill is a healthy one, a step in the correct direction and the workers all over the country will welcome it. I hope that ultimately the provident fund scheme will be applied to all organised industries in the country. The workers all over the country, particularly in all the organised industries, have been demanding the application of this scheme to them and by demanding it the workers have expressed their agreement to have deferred wages. A certain percentage of their wage is deferred and that should be welcomed as a measure of their cooperation at present when we do not want consumers to spend all they earn. So it should be possible to extend the application of this scheme to all the Industries, at least all organised industries, in the country. Though the Bill suffers from these handicaps, I welcome it because it does confer the privilege of provident fund on those employed in small-scale industries.

SHRI K. L. NARASIMHAM (Andhra Pradesh): Mr. Deputy Chairman, I welcome this measure. The measure is in the right direction and by this measure the scope of the Act is extended and the coverage limit is now put at 20 persons and in that way, large numbers of workers working in the factories where the employer employs 20 or more are covered by this Act. I welcome the provision in clause 3 which says that this will apply to all concerns that divide the factory into different departments, whether they are staying in one place or in another and this is also a welcome feature in the Bill. The third welcome feature is about the retaining allowance which is also taken into account and provident fund contribution is deducted from that also. Now the retaining allowance is paid only in sugar factories and that too is meagre. Though it is meagre the principle is applied there also and it is also in the right direction.

At the same time I have to say that this Bill is not comprehensive enough. This Bill is not removing all the loopholes that we are finding when this Act is administered at all levels. I will come to them one by one. In this Bill itself clause 5 deals with cooperative societies. I have carefully followed the Minister when he said that we are following a policy of caution in dealing with cooperative societies. At the same time I have to bring to his notice that this caution is being extended and is made a principle in some centres wherein some State Ministers belonging to the ruling party here go to the extent of saying that no trade union is necessary in factories managed by cooperative societies or when it is a cooperative concern. I do not see that idea here but at the same time he is putting the figure at 50 here. I do not know why we should limit it to 50 persons in the case of cooperative societies. Rightly the hon. Member ' who spoke first pointed out that some employers can take it into their heads to organise a factory on cooperative lines and evade

[Shri K. L. Narasimham.] the thing by applying it under that pretext or some other. I say that there may be a few such persons but why give that scope?

SHRI ABID ALI:
power. Fifty without

SHOT K. L.
NARASIMHAM: I understand. Again the initial extension period is extended to 5 years. Previously it was 3 years. It is not in the right direction. When we are thinking in terms of industrialising and when small and medium scale industries are coming up and when even the workers in those factories are to be covered by the provident fund scheme, why this initial period should be extended to 5 years, I do not understand. For these reasons, Sir, I oppose clause 5 of this Bill.

In our country social security measures are in a very initial stage and we are only slowly introducing social security measures, one after another, after discussing the matter at various conferences and so on. We also do it piecemeal. A study group recommended the adoption of a scheme which will combine the different social security provisions at present in force into an over-all social security scheme; but I do not see the Ministry taking any step in that direction. Instead of bringing in piecemeal legislations like the present one, it would have been better if they had considered the whole problem and brought in an over-all scheme wherein they could combine all the social security schemes in one measure so that vast numbers of workers may be covered by it. This kind of piecemeal legislation only takes time and much more time will, I am afraid, elapse before they think of such an over-all measure.

Sir, I come from a State where there are nearly two lakh workers covered by the Factories Act, but only 30,000 are covered by the Provident Fund Act. The vast numbers are outside it. The main reason for that is that the

majority of the workers in that State, the great percentage of them, come from tobacco factories and they are seasonal factories and the Schedule mentions only cigarette industry and so these workers are not covered by this Act. Some 80,000 of these workers are employed in that industry. The I.L.T.D. Company, the National Tobacco Company and the British India Corporation employ a large number of them for periods, varying from three to six months. These workers are excluded from the purview of this Act. So also those who are employed in Government undertakings in that State, like the electricity undertakings and in the P.W.D. are outside the purview of this Act. The Regional Labour Commissioner took up this matter with the State Government and even then the State Government evaded implementation of this Act in their case. I know of one case in Guntakal where a corporate spinning mill did not apply this Act and one hon. Member of the Lok Sabha had to make repeated representations to the Ministry to make the factory owners apply this Act to their workers. The Commissioner for Provident Fund also had to make efforts, and then though the Act should have been applied to them from 1957, it has now been applied only from 1960. What are the workers to do now? For three years it has not been applied to them. Are they to have any compensation? Will they get the employer's contribution also for this period? That is not the case.

Therefore, I say, there are loopholes in the implementation of this Act which should be properly stopped and that is not being done even in the present Bill. The hon. Member who preceded me rightly pointed out the evasion of payment by employers. There are employers—their number may be very small—who do not deposit their contribution to the Provident Fund, they evade it and then close the factory. Then, after the closure the workers are at a loss to know how to get the amount they

had deposited. There is no stringent provision to tackle this kind of thing even in this Bill. This measure does not tackle the problem which needs immediate attention, especially when we seek to apply this to factories employing even 20 workers. Very stringent measures are necessary so that ¹ -evasion may be avoided.

When I submit that this Bill is not comprehensive enough, I have also to refer to the subject of the rate of contribution. Even when framing the labour policy for the Second Five Year Plan, the Labour Ministry was telling the persons concerned and also the country that the rate of contribution would be increased from 6i per cent to 8 J per cent. But nothing more has yet been done except the appointing of a committee to go into the question of the capacity of the concern to make that much contribution, if such a rate is laid down. Sir, the Government knows that there are industries where the workers are willing to make that much of contribution. They are asking for the raising of the rate from 6J per cent to 8£ per cent but that is not being done,

Moreover, there are these shops and establishments to which this Act is not being extended. The employers in these shops and establishments are rich enough and they have the capacity to introduce this scheme for the "workers under them, but even then this Act is not made applicable to them and most of the employees are of the middle class who have no social security measures for their benefit and they are taken out of the purview of this Provident Fund Act.

Next I would submit that though all the workers are asking for the reduction of the period for eligibility to get the full contribution from the employers from 15 years to 3 years, this Bill does not say anything on that point. This scheme has been in operation now for some time and I submit the time has now come when they should think in terms of reducing this period of eligibility for full contribu-

tion from 15 years to 3 years. After three years or even after ten years of hard labour when the worker leaves the service in a particular factory, he is not now getting the full contribution from the employer. He goes without it.

SHRI ABID ALI: Why? SHRI K. L.

NARASIMHAM: Because of your scheme.

SHRI ABID ALI: Why is he not paid?

SHRI K. L. NARASIMHAM: Because this scheme says that unless he has put in .15 years of service, he cannot get the full contribution.

SHRI ABID ALI: Should we encourage workers to leave establishments?

SHRI K. L. NARASIMHAM: We do not encourage; that. But when the worker is sent outi what happens? It is not a question of encouraging him to leave the establishment.

About the operation of this Act I can give some instances from my State of Andhra Pradesh. There the Trade Unions have been asking for the constituting of an advisory board for this Provident Fund Act and such an advisory board was once contemplated. We do not know why that is not being constituted up till now in that particular State.

For all these reasons, Sir, I submit that though I welcome this measure, at the same time I have to say that it is not comprehensive enough and the Ministry should think again and bring in a comprehensive Bill dealing with the whole problem and in order to stop all the loopholes that have been found in putting the measure into operation. These loopholes should be dealt with properly. In fact, for the last three years I have been representing to the State Government about the workers in the electricity undertakings in the, Andhra Pradesh. These electricity undertakings are being extended and even now there are nearly 20,000 workers in these undertakings

[Shri K. L. Narasimham.] and connected departments. Some are permanent and others are temporary and so on. The Union had to give strike notice for this Act to be applied to these workers and though the State Government took a decision to apply it to them, we do not know when that day will actually come and when it will actually be applied to them. When even workers- in government undertakings and in electrical undertakings are placed in this position, what is the remedy? Action should be taken. In the case of such undertakings or managements to see that this Act is applied to these workers and that it is enforced there also. The penalty shown here is not enough to tackle this problem. The Ministry has to think of some stringent measures to see that this Act is enforced. Just extending it and increasing the coverage by reducing the number to 20 is not enough. At the same time they should have stringent measures to see that this Act is enforced to the benefit of all the workers. Only then will the benefits of the Act go to the workers.

With these words, Sir, I request the Ministry to think over the whole problem and to correct the defects.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2 "30 P.M.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at half-past two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

SHRI RATANLAL KISHORILAL MALVIYA (Madhya Pradesh): Mr. Deputy Chairman, I rise to offer my wholehearted support to this measure which has been brought forward by the hon. Deputy Minister of Labour. This is an outstanding measure which, for the first time in the history of labour, has provided a substantial measure of social security in respect

of old age. Prior to this, there have been some measures like the Workmen's Compensation Act which provided security in times of emergency or in case of death or injury during employment. In comparison to the working of the Workmen's Compensation Act, this measure provides a definitely better security for old age, *and* hence I treat this measure as a very important one. After the enactment of this measure in 1952, the attempt of the labour organisations and labour as a whole has been to seek increasing security for the future, and for the past few years we are engaged in demanding old age pensions, gratuity, etc. It is surprising that we have not been able to do much towards the grant of pensions and gratuity. I know of certain establishments in the country which have provision for pension in their establishments. Of course, the number of workers may be very small but they are getting that privilege of pension. There is also provision for gratuity but the scope is limited to a very narrow field. Looking to the times, it has become increasingly necessary that the scope of social security should be increased, and it is our hope that the Government would find out ways and means of providing pension and gratuity. It is also our hope that the provisions of this Act would be extended to all organised industrial workers. In fact, we cannot ignore agriculture. The condition of the workers in this sector is the worst. They are the worst sufferers. They have neither got any provision for social security nor do they get decent wages. They get very meagre wages in comparison to industrial workers. It has become necessary for me to mention this because we are passing through a time when we are devising means of securing social security to the workers whether in the industry or in agriculture. It is only a hope that I have expressed and I am sure that Government would extend the benefits of this measure to the other workers who have been left out of the scope of this measure.

as well as to agricultural workers who have not so far been touched by this measure.

So far as this Act is concerned, it came into force in 1952, and we had hoped that this would be enforced in full by the employees in the industries to which this Act was made applicable but our hopes have not so far been fulfilled. Soon after this Act was enforced, a number of establishments employing fifty or more persons retrenched some persons or made transfers of employees in such a way that a large number of workers could not be brought within the orbit of this Act. The result of this has been that a large number of workers were left out of the scope of this Act, and the relief which this Act was intended to grant to the workers was not available to them. I would not like to take the time of the House in citing all such cases but there have been quite a large number of such establishments. We have been pointing out these cases to Government in the various labour conferences. We have been discussing the point about extending the scope of this measure to other industries as well as to establishments having less than fifty workers. We have also been pressing Government to see to it that this Act is enforced in respect of those establishments which have been circumventing this measure so far. It is on the basis of these experiences that this measure has been brought forward. Even though it is belated because such incidents started occurring a few years after the Act was enforced, nonetheless I am glad this measure has come now. This measure extends the benefit of provident fund to those establishments which have got a strength of twenty workers. As my other friends have expressed their apprehensions and have suggested ways and means of checking it, in the same way I feel that, as in the past industrialists having fifty or a little more number of workers succeeded in reducing the number of their workers in their establishments from 50 or a little more

to less than fifty, there may be a few who may still adopt the same tactics, namely, those who have got twenty workers at present in their factory may try to reduce that number. I am glad that the Government is alive to these tactics of some of the employers and that they have made a good provision in the new clause 2A. It says:

"For the removal of doubts, it is hereby declared that where an establishment consists of different departments or has branches, whether situate in the same place or in different places, all such departments or branches shall be treated as parts of the same establishment."

This is a provision which will provide good protection to the employees from the tactics of those employers who try to have many departments of one and the same establishment, who bifurcate their establishments and locate them at different places in order to escape the provisions of this measure. So this is a very welcome change.

Now, I come to the argument which has been given out by some of my colleagues and that is with regard to co-operative societies. Clause 5 gives a sort of guarantee to those co-operative societies which have got 50 employees. I agree with my colleague, Mr. Dave, that unless an employee is a member of the co-operative society, has a share in the profits of the society, the other societies should not have been exempted from the operation of this Bill, that is, establishments whose employees have not the privilege of having any share in the profits of the co-operative societies should not be exempted. This exemption is going to debar them from the privilege which this Act confers on their other colleagues. Now the position is this. If a person is an employee of an establishment, having 20 employees, which had previously 50, this provision will give him the benefit of provident fund and also the contribution of the employer but then an employee of a co-opera-

[Shri Ratanlal Kishonlal Malviya.] tive society may have been getting—I do not say this with certainty be- cause I am not aware of such instances but there may be instances where an employee of a co-operative society may be contributing to the provident fund—the share of the profits of the society, but as soon as this provision is passed, he is not likely to get it because that society will be exempt from the operation of this Act. So it is necessary that the interests of those who are covered at present by these provisions should be protected. Either by having an additional provision or through rules or through powers which have been given to the Government under other clauses of this measure, "their interests should be protected.

Now, so far as clause 2 is concerned, I am at one with my colleagues that one month's notice after the cessation of the operations of an establishment should be given to the workers. I strongly feel that, such a notice is very necessary. I would go a step further and suggest to the hon. Minister that any establishment which' wishes to close down or which wishes •"to reduce the number of its workers should not be allowed to do so unless the conditions in that establishment are examined by Government officers -thoroughly. I have just submitted that this Bill has been made necessary due to our past experience of the employers who tried to curtail the number of their workers' in order to see that the provisions of this Act did not apply to them. That apprehension is ■"still there that there will be • still some small establishments or factories which will try to reduce the number of workers below 20 or below 50 and •will try to defeat the objective of this -measure. Therefore it will be proper for the Government to see, in order to prevent the repetition of such a thing happening and in order to extend the operation of this Act even to ten persons or five persons, that establishments do not try to : reduce their number, or close down? The Government should not allow any .establishment to close down, unless

the conditions in the establishment and the requirements of the establishment for a thorough running of it, are examined by an officer and on his recommendation alone the employer should be allowed to reduce the number of workers.

Now, Sir, there have been suggestions from my colleagues to make ;his Bill stringent. I feel that the Government has got wide powers under section 14B to meet any tactics of the employers. Section 14B gives power to the Government not only to recover the contribution of the employees and the contribution of the employers, but they are also empowered to recover that with damages. Maybe this power might not have been utilised by the Government strictly. But the section gives them full power to see that "the workers' contributions are not mishandled by the employers and also they do not withhold their own contribution. I request the Government to see to this, and I emphasise this because of the practical difficulties which we have faced and which we have to face in the day-to-day work of our trade unions. There are employers who will not pay either the contribution of the employees or their own contribution. Some of them are huge establishments having a capital of lakhs and lakhs of rupees. There are these establishments having big investments which neither- pay the contribution of the employees nor pay their own contribution sometimes in case of closure of the establishment. This has happened in the case of the Raj Nandgaon Textile Mill, where the Government of Madhya Pradesh was put to great difficulty and I believe that still they have not been able to recover the amount from the employers. So, it is not only in the case of <he small employers, but also in the case of big employers we have got to be very strict in realising this amount. And when the power has already been acquired by the Govern, ment, it should be utilised to' "the fullest extent. They should see that the provident fund contributions are

not left with the employers or remain with them for utilisation in their own business. The condition of the industry changes from time to time. It may be that in the hope of getting more production, getting more profit, the employers utilise this fund, but in the end they may lose. Then, they may lose not only their own money, but this money also. I am conscious of the fact that the Government has been very strict in realising provident fund amounts and the percentage of the fund which they have not been able to realise from the employers may be very meagre. Still it is necessary that the provident fund contribution of the employees, as also of the employers, should not be left with the employers. There are also other provisions which empower the Government to see that the amount of provident fund is fully realised from the employers, giving priority to provident fund. For instance, there is section 11 which provides for priority of payment of provident fund contribution over other debts, and the Government is empowered to give priority to the realisation of provident fund amount. If there are other debts left over with the employer, they will be realised afterwards. On the one hand, I may submit that the apprehensions expressed by my friends here in the House may not be well founded, so far as the realisation and collection of the provident fund is concerned. On the other hand, it is fact that the contributions remain with the employers. There are instances. With the power which has been acquired by the Government under sections 11 and 14B there should be no instance whatsoever of any amount having been left with any establishment towards provident fund. So, my submission is that the Government has got to be very strict in the application of the law. They may not require more laws to be framed for the realisation of this amount. This can be covered by the provisions already made and also by making provisions in the rules which they have made or they may make hereafter.

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So far as this measure is concerned, it has given greater security to the workers to whom the principal Act is applied and also to those workers who would now be getting the privileges in this Bill by this extension to establishments which have twenty workers. It is a very good measure and the Government and the hon. Deputy Minister deserve the congratulations of myself and the workers throughout the country. I would urge upon the Government that the legislation which we are framing today and the legislation which already exists should be applied stringently. This is what I want. No mercy is to be shown because it is a question of the right of the poor man, it is the question of the right of a man who has got no voice, who cannot speak out without the support of such measures or the organisations, and we, the Parliament, are the trustees of the rights and privileges of these poor people. If we get reports from some corner that any amount is found to be due from any employer and that the worker has not been able to realise it, I think we are to be blamed, we stand charged before the worker for this sort of mistrust. So, it is a great obligation on us, it is a great obligation on the Government, and I would urge that the Government should be very strict in implementing not only the existing provisions of the Act but also the provisions which we are now going to frame today.

With these words I again very strongly support this measure and congratulate the Government for bringing it before this House today.

SHRI P. C. MITRA (Bihar): Sir, I rise to support the Bill. The previous speaker has already covered most of the points but I want to point out one or two things.

There is a proviso to sub-section (5) of section (1), that is in clause 2 of the Bill, which is as follows:

"Provided that where for a continuous period of not less than one year the number of persons employ-

([Shri P. C. Mitra.] ed therein has been less than fifteen, the employer in relation to such establishment may cease to give effect to the provisions of this Act and any Scheme framed thereunder, with effect from the beginning of the month following the expiry of the said period of one year, but he shall, within one month of the date of such cessation, intimate, by registered post, the fact thereof to such authority", etc.

In my opinion there should be some provision for an enquiry by the Government department so that it may be known whether actually the number of employees has come down to less than 15, i.e., the employer *ipso facto* should not be permitted to cease giving effect after giving an intimation only. Otherwise I think that the measure is all right, but I do not know whether the Government has got the machinery to enforce it. I find that already employees have much difficulty in getting back the money when anybody retires or resigns particularly from small companies. I know of many instances where after four or five or six years' service employees resigned and they wanted back the provident fund money deposited in their name, but they did not get it. There is a provision that an employee should get a release certificate from the employer. Generally the employers of small factories, etc., do not give even that discharge certificate to their employees, and on that account the employees do not get the benefit of drawing that money. Besides that, even where the employers give that certificate, there are instances in which even for six or eight or nine months or even a year the employees had to make correspondence with the Government and in spite of their effort, they did not get the money. I know of a recent case of an old person who has served a company for fifteen or sixteen years and nearly lost his eyesight. He has retired and has been trying for nine months to get his provident fund amount but that money has not yet been paid to him. I think, Sir, that to make the measure popular, Gov-

ernment should find out some means so that the poor employees who have no education or education not good enough to make any correspondence etc. may get back their amount easily. This is the only point to which I wanted to draw the attention of the Government.

With these words I support the Bill.

SHRI ABID ALI: Sir, I am thankful to the hon. Members who have participated in this discussion and for the support they have given to this Bill. We always welcome all constructive suggestions, and we are glad when hon. Members who participate in trade union activities give us information with regard to the defects in the scheme or in its working.

Sir, just now an hon. Member who spoke was mentioning about delays. I may urge upon hon. Members not to wait for any discussion of this nature in this House or for Parliament to meet and for questions to be put, but whenever any such instance comes to their notice, I urge upon them kindly to intimate to us, and I assure them that genuine efforts would be made not only in that particular case but it would also be helpful to improve the working of the various measures.

When this Bill was being discussed in the other House, to a similar criticism I had said that within three weeks we were able to make payment after a worker retired or if unfortunately death took place. Subsequently on enquiry I was told that this position of three weeks' period was some months back. Now the position is only two weeks on an average within which we are able to make payment from the time of retirement of a worker. Sometimes after death, because of no mention of the heirs in the required form, it becomes difficult and some delay is thus caused. But ordinarily it should not take more than two or three weeks. Whenever hon. Members come to know of delay, they should kindly oblige us by supplying this information directly to me or to the administration as they may please.

Some reference was made to Minister* of the ruling party. I did not know what the hon. Member was mentioning, I could not catch him, but just he made reference to Ministers of the ruling party or something like that. Maybe somebody somewhere might have done a thing which was not liked by my hon. friend there. However, Sir, a good suggestion has been given by my friend from Maharashtra with regard to checking after information is conveyed to the department that less than 15 workers have been in any particular establishment for full one year. Other Members also have just spoken regarding the same thing. I assure the hon. Members that not only checking will be done to verify the fact that not more than 15 persons have been employed during the preceding twelve months but also a constant check will be maintained not only over that particular establishment but over all other establishments also to ensure that such establishments which may be coverable are not left out. Also a suggestion was made that workers should know of the fact that no more Provident Fund subscriptions would be deducted from them. Either through the employer or from our office they will be informed of this fact. That should be quite satisfactory.

Now a suggestion was made about affidavit. Suppose a particular employer comes out with an affidavit that now, for some time, he thinks that it will not be possible or necessary for him to have 20 or more than 20 workers, but suppose after one month the * situation is such that he employs 20 or more workers, then automatically he should be covered. But that affidavit does not preclude him from having a larger number of workers. At that particular time he may be under that impression.

SHRI ROHIT M. DAVE: I had only in mind that one year period, that if after eleven months he said that this month "I" am not likely to take more than 15 people or 19 people, perhaps this type of exemption can then be given. Instead of doing it subsequent-

ly it should be done before this particular provision comes into operation. The affidavit was only with regard to that one month.

SHRI ABID ALI: Of course I appreciate the anxiety of the hon. Members that every effort should be made not to leave the employers of such establishments which should be covered but manage to remain uncovered. Necessary efforts in that direction will always be continued. Of course there are the trade unions as well which are very much helpful in this matter and they are getting more and more active workers who are getting more and more conscious of their rights and responsibilities, and with that the situation is considerably improving.

Then a suggestion was made, Sir, with regard to stamps. It involves cost, wastage of stationery and printing. Even then this is no guarantee. We had this in the Coal Mines Provident Fund Scheme, and it had been abandoned some years back, because that was not considered to be very much helpful. I shall come shortly to this particular point of default about which the hon. Members are anxious.

Now some suggestion was made about a comprehensive Bill. I fail to understand what further remains to be done. So far as coverage is concerned, now we have come to 20, and about increasing the quantum hon. Members know that a committee has already been appointed for that purpose. With regard to amalgamating the various retirement benefits and our Employees' State Insurance Corporation benefit and all that, hon. Members know that as directed by the Indian Labour Conference and the Standing Labour Committee needful is being done, and I share the wishes of the hon. Members that it should be speeded up and a decision should be taken quickly. But things take their own time, with all the speed that is put into it. Still, I feel some more time will be necessary to come to conclusions, and of course these matters are being reported to the Standing

[Shri Abid Ali] Labour Committee and the Indian Labour Conference from time to time, and the members representing all trade union organisations and the employers are very much alert there also with regard to this matter.

Now, Sir, a suggestion was made that employees should be allowed to have the full contribution of the employers if an employee has put in three years' service. It is not a practical suggestion, Sir, and not to the benefit of the workers themselves. First the period was twenty years and some time back we reduced it to fifteen years. It is not that they have always to wait for fifteen years. When a worker's services are terminated for reasons beyond his control—either the establishment closes or there is retrenchment or there occurs death—then immediately the full contribution becomes payable. But in case of either dismissals or where the worker himself leaves the job and goes away, then of course it should not be, as I was saying by interrupting when the hon. Member was speaking . . .

SHRI K. L. NARASIMHAM: In the case of closure it affects.

SHRI ABID ALI: In the case of closure full amount must be paid, because that is beyond the control of the worker; it is no fault of his and so he should be paid the full contribution. Of course, in our coal mines scheme the procedure is that for one year the worker is allowed to make efforts to have another employment in a coal mine anywhere else, not necessarily in the same coal mine where he was working. The idea is that workers should remain attached to a particular establishment. At the age of twenty or twenty-two, a person may join a factory or a mill. Now, if we allow a three-year period for payment of full contribution, then he will serve at one place, then leave the job and go to another place, in the meantime spending up the money he got. In such a case it is no more retirement benefit, and when he retires at the age

of fifty-five or sixty years nothing practically will be left in his hands. Therefore the idea of Provident Fund everywhere prevalent is that a longer period should be prescribed, and once a person is in a particular establishment for more than 15 years, then, ordinarily, he does not leave the present job, because his fund becomes a decent amount and then he gets interest on it and it gets accumulated from year to year and that also is a temptation to continuity of service. Therefore this suggestion is not acceptable, Sir. Now in the year 1957 we amended the Scheme and the hon. Member knows the percentage of payment so far as the employers' contribution is concerned. Regarding tobacco and other establishments, as hon. Members know, from time to time we are covering more and more establishments, and the number is increasing.

About default, Sir, I may tell hon. Members that some time back the total amount of the Fund was Rs. 173 crores and the amount in default was Rs. 3-97 crores, nearly Rs. 4 crores and that comes to 23 per cent. Now the accumulated Fund is Rs. 250 crores and the amount in default is Rs. 2\ crores which means 1 per cent only. Hon. Members would appreciate that even in the best managed concern there will be some bad debt, not that we want that it should remain here. The position will further improve with the stringent action that we have been taking. Recoveries are much better, and also hon. Members would appreciate that the amount in default, most of it, was of the period when the establishments were not covered by the Fund Scheme or related to the establishments which were in the exempted category. In such of those as are not exempted the default is comparatively less.

The hon. Member from Madhya Pradesh, Shri Malviyaji, was complaining about Rajnandgaon. There, very strong action was taken; the furniture was also attached and of the Rs. 23 lakhs due, Rs. 19 lakhs have

been realised, and more realisations are taking place. The attitude of a good creditor is always to help the debtor to survive and pay. If we take strict action, suddenly the establishment will close down and not only their amount will be in jeopardy but also the workers will be rendered unemployed. It is all very good to say, as Malviyaji said, that not a pie should be left. We also want the same position to happen but there are occasions when a particular establishment is in financial difficulty. What should we do? Should we immediately step in? Thereby its credit is lost in the market and within three or four days the establishment will close down and the workers will be rendered unemployed. That also has got to be taken care of. It has to be seen that the amount due to the Fund should come and the establishment should work and the management should be better. From these figures I am sure every hon. Member here would be convinced that the position has considerably improved with the action which has been taken from time to time. By simply putting a particular manager or employer in jail the amount does not come. The effort always is to realise the dues, particularly the amount which has been recovered from the workers.

In some cases there may be default. For that purpose we have created a reserve fund of about Rs. 20 lakhs. The scheme will be that so far as the workers' own contribution is concerned, that should be paid in full, and gradually as the amount is realised from that particular establishment, the contribution of the employer also, as far as possible, should go to them. But the amount collected from the workers themselves will be paid to them from the reserve fund which we are creating under this Fund. To that extent they will be no more losers.

, Sometimes workers' own wages remain overdue and unrealised. While we are having discussion with regard to provident fund, every hon. Member stands up to say that not a pie should

be lost to the worker. I also agree with them. But somebody should kindly be helpful to tell us how it should be accomplished. That nobody is able to say.

Some hon. Members said that at several places because of a change in service conditions provident fund was not realised. I am sorry I am not able to agree with that point of view. I would request the hon. Members kindly to let us know in case there are any establishments where such a thing has taken place.

With regard to the attention to be paid by the administration, Sir, the figures that I have quoted would be sufficiently convincing that the administration—particularly the administration of this organisation—is quite satisfactory. We have got a Board of Trustees in which, besides Central and State Governments, we have got workers' and employers' representatives as well. They are very much alert and active and take keen interest in the working of this organisation; their suggestions are always welcome.

Sir, reference was made regarding the establishment of an advisory committee for Andhra Pradesh. There is not much to be done by these State advisory bodies. But still as there is a demand for it, we will make an effort and induce the State Governments—some of them have already agreed to have a regional advisory board at State level also although the Central Board of Trustees is there in which, as I said, all the employees' organisations have been represented. One hon. Member from this House and one from the other House also are sitting on that Committee.

Sir, my hon. friend from Andhra Pradesh was saying that only 30,000 workers are members of the Provident Fund. My information is that there are more than 70,000, and not 30,000.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Employees' Provident Funds Act, 1952, as passed by the Lok Sabha, be taken into consideration—"

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clauses 2 to 6 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI ABID ALL Sir, I move:

"That the Bill be passed."

The question was put and the motion was adopted.

THE REPEALING AND AMENDING BILL, 1960

THE MINISTER OF LAW (SHRI A. K. SEN) : Sir, I beg to move:

"That the Bill to repeal certain enactments and to amend certain other enactments be taken into consideration."

Sir, it is a formal measure the objects of which have been mentioned in the Statement of Objects and Reasons. Many of the Acts which are still on the Statute Book have become obsolete and are mentioned in the First Schedule. Many of them have become obsolete partially, the amendments in respect of which are given in the Second Schedule.

The object of the Bill is to repeal enactments which have become completely obsolete—mentioned in the First Schedule—and to amend them to the extent it is necessary with regard to those which have become partially obsolete or partially necessary. This is

really in accordance with the recommendations of the Law Commission.

The question was proposed.

DR. W. S. BARLINGAY (Maharashtra) : Mr. Deputy Chairman, Sir, I rise to support the Bill and I completely endorse what the hon. Minister of Law has said in regard to this Bill, namely, that it is really more or less a formal Bill and nothing really need be said on it. Nonetheless, it seems to me that now that a Bill of this sort is before this House, certain questions of a very unorthodox and non-traditional nature may be raised. Sir, after having read the General Clauses Act with a certain amount of attention it seems to me that the General Clauses Act does require a good deal of amendment. And when we have before us a repealing and amending Bill of this sort, which virtually repeats some of the provisions of the General Clauses Act, that need seems to be almost imminent.

Sir, there is one question that I should like to ask, though I admit immediately that that may not be necessary from one point of view. As a matter of fact, as I said, I want to ask quite a non-traditional question. The question that I wish to ask is whether it is at all necessary to have a repealing Act of this sort. I will take one Act as an instance. You have the Government Officers Indemnity Act, 1860. Now this particular Act obviously, it is agreed, has no application to any present state of facts. It does not apply to our present conditions at all. That is quite clear. But it is also clear that it did apply to a certain state of conditions in those olden days. It was a good Act in those conditions and merely because those conditions do not exist now, I do not see why that particular Act should be repealed. Of course, I am not suggesting for one moment that that Act is any more useful but that Act did apply to those conditions and I do not see what is gained by a Repealing Act of this sort. I am raising this point, as I said, from