

this that our own sole objection has been on the basis that this is a bad law ? You have no business to come here with a bad law and ask this House by the force of your authority to pass it.

3 P.M.

MR. DEPUTY CHAIRMAN : The question is :

"That the Bill, as amended, be passed."

The motion was adopted.

MESSAGES FROM LOK SABHA

I. THE APPROPRIATION (NO. 5) BILL, 1956

II. THE APPROPRIATION (RAILWAY) NO. 6 BILL, 1956

III. THE APPROPRIATION (RAILWAYS, NO. 7 BILL, 1956

SECRETARY: Sir, I have to report to the House the following messages received from the Lok Sabha, signed by the Secretary of the Lok Sabha :

I

"In accordance with the provisions of Rule 133 of the Rules of Procedure and Conduct of Business in Lok Sabha. I am directed to enclose herewith a copy of the Appropriation (No. 5) Bill, 1956, as passed by Lok Sabha at its sitting held on the 19th December, 1956.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

II

"In accordance with the provisions of Rule 133 of the Rules of Procedure and Conduct of Business in Lok Sabha. I am directed to enclose herewith a copy of the Appropriation (Railways) No. 6 Bill 1956, as passed by Lok Sabha at its sitting held on the 19th December, 1956.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

III

"In accordance with the provisions of Rule 133 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Appropriation (Railways) No. 7 Bill, 1956, as passed by Lok Sabha at its sitting held on the 19th December, 1956.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

I lay the Bills on the Table.

ANNOUNCEMENT *RE* BUSINESS THURSDAY, THE 20TH DECEMBER

MR. DEPUTY CHAIRMAN: I have to make an announcement. I have to inform hon. Members that the following Bills will be taken up in the Rajya Sabha tomorrow after the disposal of any item of business which may be left over from today's list:

The Appropriation (No. 5) Bill. 1956.

The Appropriation (Railways) No. 6 Bill, 1956.

The Appropriation (Railways) No. 7 Bill. 1956.

The Representation of the People (Miscellaneous Provisions) Bill. 1956.

THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) BILL, 1956

THE MINISTER FOR LABOUR (SHRI KHANDUBHAI DESAI): Sir, I move:

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

[Shri Khandubhai Desai.]

Mr. Deputy Chairman, this Bill is a very simple and an enabling Bill, and it is a most non-controversial Bill. I therefore need not make any long speech. But naturally the House will expect me to say something with regard to the progress that has been made after the Employees' Provident Funds Act, 1952 was passed. So, I am placing before the House some facts.

Sir, the Employees' Provident Funds Act was enacted in 1952 for the institution of provident funds for employees in factories in the first instance. The Act covered six major industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. The Employees' Provident Funds Scheme framed under section 5 of the Act was brought into operation in factories engaged in the six scheduled industries from 1st November 1952.

The Employees' Provident Funds Act covers about 2,300 factories in the six scheduled industries of which over 500 have been exempted from the provisions of the Act and permitted to operate their own Schemes of Provident Fund. Care has been taken to ensure that the benefits under those Schemes are not less than those under the Statutory Scheme, that the Funds vest in Boards of Trustees on which employees' representation is equal to that of the employers and that the investments are made in Central Government securities only.

The total number of workers covered in the six industries is about 16 lakhs of whom over 9 lakhs are in the exempted factories. The average contribution per year is about Rs. 17 • 4 crores. The total amount of contribution till the end of September, 1956, is estimated at Rs. 69 crores. The accumulations in the Fund have been invested in Central Government securities and are earmarked for financing development projects under the Second Five Year Plan. Up to the end of September 1956, a sum of about Rs. 4 crores "has been refunded

to outgoing members or their nominees.

Of late, there has been a persistent demand for the extension of provident fund benefits to all industrial workers. Recommendations for extension of the Employees' Provident Funds Act have also been made by the Planning Commission and by the tripartite consultative committees. Government intend to extend provident fund benefits to workers in all industries with an employment strength of 10,000 or more during a period of the Second Five Year Plan. As a first step in this direction, the Employees' Provident Funds Act has already been extended to 13 additional factory industries with effect from 31st July, 1956, and to another 4 from the 30th September 1956. With the coverage of these additional 17 industries, the benefits of provident fund have been extended to a further 5 lakhs of workers employed in about 1,600 factories and the annual addition to contributions on this account is estimated at Rs. 4'69 crores.

The Employees' Provident Funds Act, at present, applies to factory industries, and provides for its extension by notification only to such industries. There is no provision, however, enabling extension of the Act to non-factory establishments like plantations, mines, certain categories of commercial establishments, etc. Such a provision is essential if the objective of conferring provident fund benefits on workers in all industries with an employment strength of 10,000 or more is to be achieved. Preliminary surveys have been conducted by the Employees Provident Fund Organisation and Government are considering proposals for the extension of the Act to such establishments in consultation with the interests concerned. Before, however, this can be done, an amendment to the Act is necessary. The Bill accordingly seeks to empower the Central Government to bring under the purview of the Act, by notification in the official Gazette, any non-factory establishment or class of establishments in respect of the employees of which it is

of the opinion that a Provident Fund Scheme should be framed under the Act.

Government objective is to effect a gradual widening of the scope of the Act so that during the Second Five Year Plan, provident fund benefits are made available to a large majority of industrial workers in the country. With these few words, Sir, I commend the measure to the House for its acceptance.

MR. DEPUTY CHAIRMAN: Motion moved:

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

The time allotted for this Bill is 1J hours. Yes, Shri Perath Narayanan Nair.

SHRI PERATH NARAYANAN NAIR (Kerala): Mr. Deputy Chairman, through this Bill the Government is taking power to extend the provisions of the Employees' Provident Funds Act to the non-factory establishments employing more than 50 workers and also to such factories as employ less than 50 workers. The Government takes this power to extend these provisions by notification as and when it chooses to do so. In the ordinary course, Sir, I should not have grudged my very enthusiastic support to social security measure of this kind, but the record of the Labour Ministry, in the matter of implementing the provisions of the parent Act, up till now has been so discouraging that I find it hardly possible for me to give my enthusiastic support to this measure.

Sir, as the hon. Minister himself has explained, the parent Act was passed in 1952, and up to July 1956 about 16 lakhs of workers have been covered by this Act. Now, Sir, on a rough estimate, the organised industrial workers in India total about 30 lakhs, excluding the railway workers, of course. And I think that we had set the target under the First Five-

Year Plan that at least to all the factories employing more than 50 workers the benefits of this Act would be extended. But what do we find? The Minister himself has stated that just about 2,000 such factories have been brought under the provisions of this Act, and out of these 2,000 factories, 500 factories come within the exempted categories.

SHRI KHANDUBHAI DESAI: The term 'exempted factories' does not mean that the factories have been exempted from the operation of the Act.

SHRI PERATH NARAYANAN NAIR : My point is that even so far as the target set out in the First Five Year Plan is concerned the way in which this Act has been worked has not given us any indication that the Government are very serious about it. They have been proceeding at a snail's pace, and I think that, if only the Labour Ministry have set about it in right earnest, a larger number of workers could have been brought under the provisions of this Act. The fact is that the workers in our country require these social security measures very much. The other day only the Planning Minister said at Allahabad that only less than 5 per cent, of the workers in India get what may be called a living wage. Our workers require this very much, and it is only the accepted policy of the Government that the benefits of this Act should be extended to as large a number as possible. My point is that the Labour Ministry is working this Act in a very very slow manner. Their record has been very discouraging and, if I may say so, on this particular aspect, it is a case of proved inefficiency.

Now, in the Second Five Year Plan I think we have taken credit for about Rs. 250 crores from these provident fund deposits, but then the figures given by the hon. Minister just now show that hardly about Rs. 60 crores have been realised. That itself shows that they have been proceeding in a very lethargic manner. It is not only a question of giving these I benefits to the workers—the workers

[Shri Perath Narayanan Nair.] deserve them—but in the wider interests of the country for the implementation of the Second Five Year Plan, this scheme must be implemented with a little more zest. For example, out of these funds we have to use a portion for improving the housing conditions of the workers. If we do not have as much money as we hoped for under this, it means that the workers will be starved in other respects also, in the matter of their housing conditions. I am glad that after July 5 this year, this has been extended to about 17 more industries. That is good, but even today there are a number of industries still left out. In my own part of the country the cashew industry, which has been declared to be a seasonal industry, is excluded from the purview of this measure. The boatmen, the coir workers, the rice mill and flour mill workers, have been left but of the purview of this measure. That is why I say that the Labour Ministry has been very lethargic about it. Now, they are extending the benefits to the plantation workers, to the mining workers, not only in coal mines but other mines also. It is a good step. If you deny this provident fund benefit to other workers, what does it really mean? Every year you deny the worker about Rs. 100. If you do not extend it to about 11 lakh workers—according to the calculation of the Minister himself, out of 31 lakhs, it is being extended only to about 20 lakhs—you deny the workers about 11 crores of rupees, and to that extent you deny the country also the benefit of these deposits for the implementation of the Second Five Year Plan. So, I urge on the hon. Minister and his Ministry that they must show a little more zest, a little more promptitude, in regard to this measure. After all, it is not only in the interests of the workers but also in the interests of the country at large. These benefits must be extended to almost all the workers in industrial establishments and also to plantation workers.

I have just to make one or two other points also. In bringing forward this measure, the hon. Minister

has left off some very important points from the point of view of the workers. Even in the Second Five Year Plan. I think, there is a suggestion that the quantum of contribution to the provident fund must be raised from 6½ per cent, *i.e.*, one anna in the rupee, to 8½ per cent., *i.e.*, one anna four pies in the rupee. That much is called for when you consider the very low income of the workers. This will go a long way in getting funds also for improving the housing conditions of the workers under the Second Five Year Plan. Now, the Central Government have accepted this quantum of 8½ per cent, in the case of the Railways. I think the hon. Minister should have brought forward an amendment just to give effect to the recommendation of the Planning Commission and raise this quantum from 6½ per cent, to 8½ per cent. This has not been done.

Our own experience of the working of this Act has revealed certain difficulties from the point of view of the workers. For example, there is a forfeiture clause. If the worker retires or leaves service within a period of five years, the employer's contribution is denied to him. It is absolutely necessary that this provision should be liberalised. Some improvement has been made. The worker was to get the full benefit after twenty years. It has been reduced to 15 years. But if he retires within five years, almost 75 per cent, of the employer's contribution is denied to him. This is very unjust, and this is a point to which the Labour Minister must apply his mind and bring forward some more liberal provision.

Now, hardship is caused to the workers on another count also. This measure came into effect in 1952. Now, there are workers who have to retire or leave service within, say, two, three, four or five years. In such cases, the worker will get the benefit only for three or four years, which means very little. The man has put in so many years but he gets the benefit only for three or four years, *i.e.*, Rs. 250 or Rs. 300. This does not mean any real help to him at all.

The hon. Minister must be aware that in the case of textile workers in Bombay the Industrial Tribunal have come to the decision that in such cases the workers must be given gratuity benefits to the extent of one month's pay for every year of service covered. Otherwise, the little benefit that the workers get under this Act goes, if the workers happen to retire within five years. Therefore, gratuity benefits must be extended to them, and this has been held to be quite necessary and proper by the Industrial Tribunal. Therefore, my submission is that, if the hon. Minister had come forward with such a provision, it would have been very much in the interests of the workers. Though I am not quite enthusiastic, and I cannot be enthusiastic in lending support to this Bill, yet, it is good that the provisions are being extended to larger classes of workers, especially to those in plantations where the employers are making very large profits and yet denying the benefit of this scheme to their workers. They have been denying it to the workers on an average of about Rs. 100 per year.

With these remarks, I support this Bill.

SHRI S. N. MAZUMDAR (West Bengal): Mr. Deputy Chairman, as my hon. friend Shri Narayanan Nair said just now, this Bill is a good one, so far as it goes, and I may add that actually what we have been demanding since a long time by way of such changes in the Act has been embodied in it now. At the end of the year 1953, we did discuss in this House certain amendments to the Employees' Provident Funds Act and at that time I had insisted that plantations should be included in the Schedule of the industries which come within this measure. Now at last, this has been done and now the scope of the Act can be extended by the Government to establishments or industries which are not strictly speaking, factory industries. So I welcome this measure. But it has come very late. Though it has come very late, I do not say that this measure will not benefit the workers. It will, no doubt, benefit workers. But

as my hon. friend Mr. Narayanan Nair has rightly pointed out, the pace at which progress has been made in this direction has been very slow. The manner of implementation also has been very slow, and unless these factors are taken into consideration, the good that will come out of this measure for the workers will not be very effective.

As regards plantations, again, after 1953 a long time has elapsed and then in the last Industrial Committee on Plantations, it was agreed that this measure will be extended to the plantations. A large number of workers, nearly a million or more, who are employed in the plantations were denied the benefit of this Act. It was agreed in August 1955, that this Act will be extended to plantations. But even after that agreement in the Industrial Committee in which the planters also were present and they also had subscribed to that agreement, such a long time had to elapse for the bringing forward of this amending legislation. Government has extended by notification the provisions of the Employees' Provident Fund Act to factories and to tea gardens only recently, perhaps two or three months back. That could have been done immediately after that agreement was arrived at. In that matter also such a long time was taken by Government. The Government's case may be that in order to extend the provisions of this Act to non-factory Industries or other classes of establishments, it was necessary to amend the existing parent Act. To that I would reply that for the extension of the provisions of this Act to factories and to tea gardens such a long time was not at all necessary.

Secondly, in 1953, when we had suggested the expansion of the number of industries in the First Schedule, we also suggested to the Government that they should take powers to do so and that the powers which we were proposing to the Government to take, could be exercised in consultation with the industries and interests concerned through the Industrial Committees and other committees.

[Shri S. N. Mazumdar.] But it has taken such a long time. The extension of the provisions of the Employees' Provident Funds Act to only the factories and the plantations, covers only a very small fraction of the plantation workers.

Secondly, besides the question of the pace of progress, there are some other questions also. As Mr. Narayanan Nair has pointed out; there are other classes of workers to which this could have been extended. There was an agreement—I am not exactly sure of the date of it—in the Standing Labour Conference when this question was discussed, that the provisions of this Act will be extended to industries employing a thousand persons and the industries which have been just now enumerated by Mr. Narayanan Nair come under that category, as for instance, rice mills, cashew-nut factories, coir factories and other factories. Then there are the seasonal factories. It may be said that work in these seasonal factories is of a seasonal nature and, therefore, it is difficult to extend the provisions of this Act to workers in those factories. But in that connection also it may be pointed out that even in these seasonal factories the same workers are generally employed in the next season when the factory opens and begins to work and it should be the endeavour of the Government to see that the same workers are employed. Therefore, the break in the period of work need not come in the way of the extension of the provisions of this Act to these workers.

Anyway, it is good that the Government has taken powers to extend the provisions of this Act to non-factory industries and I hope these provisions will be implemented without further delay and that the pace will be speeded up.

There are a few other points on which I would like to touch. My hon. friend Shri Narayanan Nair has already pointed out the question of forfeiture. Under the present scheme, a worker forfeits the employers contribution to the fund, not only when

he retires or leaves the factory prematurely, but in case of dismissal or disciplinary action also. It is a moot point whether there should be this forfeiture even in the case of dismissal or disciplinary action, for the worker has been working there before up to the point of time when this disciplinary action took place. Often we find that even in industrial tribunals, they have come to the conclusion that the dismissal or disciplinary action was unjustified. Even assuming that in certain cases the dismissal was justified, what can be the reason for depriving the worker of the amount of the employer's contribution for the period before he was dismissed? Up to that point of time when he was dismissed, he was behaving as a disciplined worker and there was no complaint against the worker. So there was no justification for this forfeiture. I submit that this provision for the forfeiture of the employer's contribution should not be retained any further and it should be deleted.

Lastly, I would submit that there is another point that was raised on the previous occasion, namely, that this Act did not extend to factories owned by the Government. The argument of the Government was that the Government factories and establishments had their own schemes and if in a Government factory or establishment the existing scheme was better and more to the interest of the workers, than the scheme formulated under this Act, then that scheme would continue to exist. It was, however, pointed out that even in that case, the extension of the provisions of this Act to government factories also would not harm the workers or employees in any way. This was a point which was raised even in the provisional Parliament when this measure was first enacted. There also the point was raised: Why exclude the government employees? The Act should be a comprehensive one. The Act itself contains the provision that in the case of such establishments or factories where the existing scheme is more beneficial to the workers, that scheme will continue to exist, therefore there was no harm. But even in

this Bill the amendment is made in such a way that this provision will still continue to be in force. This much about government factories.

Next, I would submit that the employer's contribution should be increased to 8¹/₂ per cent and this is a demand which has been made, I think, by all sections of the labour movement.

With these few words, Sir, I would like to impress upon the Labour Minister that the measure which has come before us though belated is a good one because it will at least give the workers certain legal rights, at least to those who are not enjoying these benefits today, but the pace of implementation should be speeded up. The other points that I have raised should be given proper attention.

SHRI B. K. MUKERJEE (Uttar Pradesh): Mr. Deputy Chairman, I welcome this measure and my feeling is that even though the first speaker stated that he did not feel enthusiastic enough to support or to welcome this measure, ultimately he had to state that this will be for the benefit of the workers. Therefore, I feel that he also welcomed this measure. I do not think that this measure is very much belated. We had that Act passed in 1952 and we know now the number of workers who are covered by this Act and the amount collected on account of this provident fund. We have got to proceed gradually. The first speaker said that the number of organised workers in this country was about thirty lakhs out of whom only about sixteen lakhs are covered by this measure. He forgets one factor which was mentioned by his comrade who succeeded him and that is, the organised labour consists of workers in Government factories also and this Act is not applicable to them because their conditions are different from those of the workers employed in private industries. Most of the Government undertakings have got either a provident fund scheme in no way less advantageous to the workers than the provisions made under this

Act or some scheme of pension. Therefore, the organised workers working in those industries are not covered by this Act. Therefore, this number of six lakhs covers most of the people who, under the present circumstances, before the Act is led can be covered. Now, both the country and the Government feel the need to extend the scope of operation of this Act, that is to say, the workers not only employed in the manufacturing processes but also in the other commercial concerns should also be included. Government wants these benefits to be given to such workers also and has, therefore, come forward with this amending Bill and I feel that this House will welcome this measure and pass it as has been done by the other House. The question of extending this to other industries if any are left, may be taken up afterwards, but if our feeling is to delay this measure until and unless all the workers are covered by the provisions of this measure, then I am opposed to that.

SHRI S. N. MAZUMDAR : Who said that?

SHRI PERATH NARAYANAN NAIR : That has never been said.

SHRI B. K. MUKERJEE : That was the impression that I got from the speeches.

SHRI S. N. MAZUMDAR : Then you have got a wrong impression.

MR. DEPUTY CHAIRMAN: It is not correct.

SHRI B. K. MUKERJEE : We are not to hold this up. If we want to cover something else, we can take that up later on. We want to cover as many as we feel should be covered now by this measure.

MR. DEPUTY CHAIRMAN: All that they said was that this measure was belated but still they supported it because of the benefits to the workers.

SHRI B. K. MUKERJEE: They said something more.

MR. DEPUTY CHAIRMAN:
They did not want this to be postponed.

SHRI PERATH NARAYANAN NAIR :
We wanted it to be done at a more rapid pace.

SHRI S. N. MAZUMDAR: And with some improvements. Even in 1953, we did not oppose the amendments.

SHRI B. K. MUKERJEE: We must all welcome this. There was one suggestion made by the speaker who preceded me, Mr. Mazumdar. Our demand has been that if we can we should increase the contribution of the employers from 61 per cent, to something more than that. That is a question which we are agitating but unless we can convince the Government or the hon. Minister in charge of Labour, we feel that our agitation is not directed in the right way.

SHRI S. N. MAZUMDAR: Well, the hon. Minister himself is a trade-unionist. He must be convinced by his own experience.

SHRI B. K. MUKERJEE: The hon. Mr. Khandubhai Desai is a Minister of the Government of India. He was once our comrade and a labour leader but now he occupies, as the other Ministers of the Cabinet, a place in the Cabinet. Therefore, he is part and parcel of the Cabinet and in the Cabinet it is not a question of individual responsibility but it is a joint responsibility.

SHRI S. N. MAZUMDAR: Has he forgotten his experience?

SHRI B. K. MUKERJEE : I do not know but our agitation must be to convince him and convince the Government that we are justified. If we can canalise our arguments and persuasion and agitation in the right direction, we feel that the hon. Minister will be convinced and he will, in turn, be able to convince all the other friends in the Cabinet.

SHRI H. P. SAKSENA (Uttar Pradesh) : If there is some lack of enthusiasm on the benches to my right, I am prepared to lend some of mine.

SHRI S. N. MAZUMDAR: That is an obvious fact.

SHRI H. P. SAKSENA: With the flood of enthusiasm running in my veins, I support this Employees' Provident Fund (Amendment) Bill.

SHRI S. N. MAZUMDAR : Mr. Hathi will arrange for flood control measures.

SHRI H. P. SAKSENA: I remember three years ago the day when I had an opportunity to speak on an amendment relating to factory workers and it was then that I had suggested that the condition of the workers of the factories was growing so attractive that after some time there will be less attraction for a seat in the Parliament than there will be for working in a factory.

SHRI S. N. MAZUMDAR : I do not know whether any Member of Parliament has been attracted to join a factory as a worker.

SHRI H. P. SAKSENA : I do not want any interruptions. With this warning, I carry on.

Now, Sir, I have lived to witness, with these eyes, the improvements that have been effected in the condition of the factory workers. So far as my friends are concerned, they are hardened to such an extent that they will never even recognise the improvements that have been effected in the condition of the factory workers and which have been displayed.

SHRI S. N. MAZUMDAR : Do not distort. We have always recognised facts.

SHRI H. P. SAKSENA: Now, I must offer my congratulations to Mr. ¹ Mazumdar that his dream of the plantation labour being included in the benefits arising from the provident fund scheme has come true. That ¹ has been accepted and very soon plantation labour will be brought under the sway of the benefits to be given to the workers of the factories. Now, Sir, the hon. Mover of the Bill has

given us a sort of assurance that the intention of the Government is to gradually widen the scope of the Act. Now, that should have been sufficient for our purposes and when he makes a statement and when he gives an assurance, that is not a jumble of words ; it is an assurance given by a responsible Minister of a responsible Government which is national.

SHRI S. N. MAZUMDAR: And supported by a responsible member of the Government party.

SHRI H. P. SAKSENA : I am not ashamed of being a member of the Government Party and I only wish and pray that my friend there also—on this right side—will be on the right side instead of being on the left which is a wrong side.

Now, a plea was also made for the grant of gratuity and bonus to all factory workers. This is I think looking at one side of the picture and not at the other at all. The money for gratuity and bonus has got to come from the pocket of somebody, whether it be the Government or the employer or anybody else. The employers are not in a position to recognise, to accept and to put into effect this enormous demand for gratuity and bonus to be given to all the workers. This again has to wait for some time and it will be gradually widened.

Now, we have been told that seventeen additional factories have been recently brought under the benefits of this scheme of provident fund to workers, and extension of this benefit to workers of all factories is also aimed at. I wonder why this encouraging and this hopeful Bill could not bring any enthusiasm to the damp hearts of my hon. friends. Perhaps it may be due to the chill prevailing in the city of Delhi and if it is that, that will be removed very soon : after just a short time, within the span of a week or so, this chill will go away and then their enthusiasm will, I hope, be enlivened and renewed. This is a measure to which nobody can have any objection. This is intended for

the upliftment of the working classes, the poorer classes and I therefore give it my enthusiastic support.

SHRI KHANDUBHAI DESAI: Sir, I am surprised at the attitude which my hon. friends. Mr. Mazum-dar and Mr. Nair, took with regard to this Bill. Though they have been answered by two Members from this side of the House, I would like to supplement their remarks. This law, as the House is aware, was passed in 1952 and between 1952 and 1956, as I said, the law has been extended to about 21 lakh workers covered by the Factories Act. There are factories under Government also. Factories in the public sector are—I am open to correction—subject to provident fund schemes which are more liberal than the scheme under this law and so they have been exempted. Not that they have been exempted so that the Government may not give them the benefit of this scheme.

SHRI S. N. MAZUMDAR: I have not said that.

SHRI KHANDUBHAI DESAI: Now we have very recently extended it to 17 factories covering about five lakh workers which means that a total of 21 lakh workers are covered out of 3 million workers under the Factories Act. In addition about 3 lakh workers are covered by the public sector and the remaining factories which are not covered may come under the category of factories employing less than 50 persons as also those which are not covered by the limit which the Tripartite Conference has agreed to, that is, an industry in the whole country covering more than 10,000 workers. So, I may say without any fear of contradiction that all the three million workers working in the factories will be covered within a very short time, most of them having been already covered. As far as plantations are concerned, Mr. Mazum-dar knows that half the number of plantation workers—nearly a little more than half—are already covered under the Assam Plantation Labour Provident Fund Act and as far as

[Shri Khandubhai Desai.] other plantations in the East and in the South are concerned, they are not covered.

SHRI S. N. MAZUMDAR: In Assam also they have covered only after the last meeting of the Industrial Committee on Plantation.

SHRI KHANDUBHAI DESAI: But immediately they were covered.

SHRI S. N. MAZUMDAR : It was the Assam Government that took the initiative.

SHRI KHANDUBHAI DESAI: The Assam Government is a part and parcel of the Government of India. We have given our concurrence.

SHRI S. N. MAZUMDAR : I am sorry to interrupt the hon. Minister but . . .

SHRI KHANDUBHAI DESAI: I am not yielding.

MR. DEPUTY CHAIRMAN : Order, order.

SHRI KHANDUBHAI DESAI: So, 50 per cent of the workers are already covered and the other 50 per cent would also have been covered had it been possible to get this Bill through in the last session. So, that is our intention and there should have been more enthusiasm on the other side even though they are in opposition so as to enthruse us to do even something more. The Government may be responsible for some sins of omission and commission but as far as this particular measure is concerned I expected them to support it not half heartedly but wholeheartedly.

SHRI S. N. MAZUMDAR : We have supported the measure but only the working of it has been. . .

SHRI KHANDUBHAI DESAI: This cannot be done in a day.

MR. DEPUTY CHAIRMAN : They support the Bill but accuse you ; that is all.

SHRI S. N. MAZUMDAR: We pointed out the very slow process of implementation.

SHRI KHANDUBHAI DESAI: It has not been slow; it has been speedy enough and if you put in it more speed ; possibly the horse will tumble.

Now, we have already made a survey of the establishments likely to be covered and that comes to about 3,485 establishments covering about 9-42 lakh workers. When they will all be covered, the total contribution will be Rs. 9.15,000. Our intention is to cover them as early as possible and when I say as early as possible I would say we would do it promptly. It is not with a view to evade that I say so.

As far as the suggestion for raising it from six and a quarter to eight and one-third is concerned, as I said in the other House, it is under our active consideration. The Planning Commission has not categoricajly stated that it should be immediately implemented ; it says that this matter is worth consideration and I may tell the House that in the next Labour Ministers' Conference which is being I held this week we are to consider this proposal.

Now, with regard to the question of liberalisation of the scheme, the Government itself would like to liberalise the scheme as much as possible. We have taken certain action in this connection so that workers who have put in 15 years or more of service will get the full share immediately. These liberalisation rules have already been finalised. And workers who have put in 10 to 15 years of service will get 85 per cent; and workers with a service of 5 to 10 years will get 75 per cent and those who have put in 3 to 5 years will get 50 per cent. That means that the service which they have put in even before the Employees' Provident Funds Act will be taken into consideration and even for the workers who have put in less than three years' service also, we would like to give 25 per cent contribution.

There is one other point which was raised regarding dismissal from service. The employer has not been

given a blanket right of forfeiture. In such cases the Commissioner will look into them and opportunity is being given to the employee to say that the contribution by the employer should not be forfeited. Generally a liberal view will be taken in the matter.

So far as seasonal factories are concerned, there is no intention that this law should not apply and as it has already been applied to plantation which is a seasonal industry and also to sugar, there is no intention to apply it to the seasonal factories. What I should think is that even while sitting in the Opposition, they must at least on occasions like this wholeheartedly and with a full mouth support such measures, so that we can take them also into confidence, and we can have constructive suggestions. Some of the suggestions which have been made are already under the consideration of the Government.

SHRI S. N. MAZUMDAR: We always give constructive suggestions.

SHRI KHANDUBHAI DESAI: I might assure the House that the intention of the Government is to see that before the Second Five Year Plan is over all possible factory workers as well as the shop assistants and the clerical staff are covered by this law. I think I have replied to most of the points raised by our friends there and I hope they will pass the Bill now unanimously with full enthusiasm.

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 clause by clause consideration of the Bill. There are no amendments.

Clauses 2 to 6 were added to the Bill.

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

SHRI KHANDUBHAI DESAI: Sir, I move:

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill be passed."

SHRI S. N. MAZUMDAR: Mr. Deputy Chairman, Mr. Desai said that he was surprised at the criticism made from the side of the Opposition and I say that I was surprised by his surprise" because we have supported the measure. In this House I find that some Members are very short of memory, particularly Members like the hon. Mr. Saksena. He always says, it is a continuous theme with him, that we do not see any reason or any good. But if one goes through the proceedings of the House dispassionately, he will find that on many measures we have criticised the Government, but on measures which have benefited the workers or any section of the people, we have supported them. We have voted with the Government. We have even supported some measures wholeheartedly and we have gone into such good measures. On the occasion when vote was taken, a certain lobbying was done by the other side. And even today while discussing the Bill about the Delhi Tenants (Temporary Protection), though I suspect the motive of the Government, still I took the Bill as it is and I gave it my support. But I find that my hon. friends like Mr. Saksena, who are always out to take up cudgels against the Opposition, so that they may be in the good books of the Government, will never see these facts and will never see the reasons.

SHRI H. P. SAKSENA : My hon. friend is hopelessly wrong in assessing my intentions.

MR. DEPUTY CHAIRMAN: Order, order.

SHRI S. N. MAZUMDAR : I shall be glad to understand that I am hopelessly wrong in my assessment of Mr. Saksena. However, coming to the criticism of the Bill, Mr. Desai said about the work done by the Govern-

[Shri S. N. Mazumdar.]

ment of Assam, that the Assam plantation workers were covered by the Provident Funds Act. That was precisely my criticism also, that immediately after the agreement of the Industrial Committee was arrived at, the Assam Government—with the advice or may be with the blessing of the Government of India—took the initiative in enacting a measure for the State extending the scope of the Provident Fund Act to the plantation workers. But why not the same attitude be taken by the Government of West Bengal, which according to the words of the hon. Minister himself is part and parcel of the Government of India, and also in the South ?

Secondly, as regards other criticisms, the hon. Minister has said that they will discuss these matters in the Standing Labour Conference, that they will discuss in the Planning Commission. They will discuss it, I have no doubt, and I do not say that nothing will come out of these discussions. Something has come out of these discussions always.

I would also like to remind the hon. Minister that criticisms about the delay and dilatoriness on the side of the Government in the implementation of labour laws, or in the amendment of existing laws where needed, have been voiced not only from the side of the Opposition, but sometimes from the other side also. And these criticisms have really helped the Labour Minister when he wanted to do something really for labour. Therefore, I expected that the Labour Minister would feel that by pointing out these flaws and by making these criticisms, I am really strengthening his hands to fight for the speedy implementation of the labour laws inside the Standing Labour Conference or in the meetings of the Planning Commission.

Now, as regards liberalisation, it is good that the hon. Minister has announced these suggestions for liberalisation and if he had suggested this much earlier, I would have made some suggestions on them. He said, we

should like constructive suggestions. Again I submit that if the Labour Minister himself goes through the proceedings of the discussions on labour legislation, he will find that many constructive suggestions were given from this side.

SHRI KHANDUBHAI DESAI: And they were accepted.

SHRI S. N. MAZUMDAR : I did not say they were never accepted. Many were accepted, but accepted late. And without giving the Opposition its share of the credit, the Government wants to take credit for it. Now, I have already said I do not grudge the Government trying to take credit. For that reason I do not understand how Mr. Mukerjee seems to think that we are trying to delay the Bill.

Lastly, only one point about the liberalisation. I still think that there is further scope for liberalisation, because though the Commissioner has been given the right to see whether the employee has been dismissed rightly or wrongly, and whether the employer's share of the contribution should be forfeited or not—that is a step in advance—still the position is that if he is dismissed, the employer's contribution may be forfeited. My specific point was that even assuming that the employee has been justly dismissed, still before that his conduct was good and why for that reason the employer's share of the contribution should be forfeited ? So, I want it to be made positive that there will be no forfeiture of the employer's contribution.

SHRI PERATH NARAYANAN NAIR : On a point of clarification, I just want to know if the Government really expect to get this Rs. 250 crores from out of the provident fund deposits invested in the Second Five Year Plan at the rate at which they are setting out to implement the provisions now. The target is fixed. Can we expect to reach the target within the period of the Second Five Year Plan?

SHRI KHANDUBHAI DESAI: I do not think I should give any detailed reply to the reply which has

been given by Mr. Mazurndar. But one point I would like to make quite clear. In my view and in the view of reasonable people, this particular law has never been delayed. We were as anxious to bring in "as many people as possible under the provident funds scheme. The delay, if it has occurred, in bringing this amendment before this House is due to the state of business in both the Houses of Parliament. And if our friends over there would take a little less time on most of the Bills, they will get many such beneficial Bills before the House.

SHRI S. N. MAZUMDAR : It is for the Minister for Parliamentary Affairs to arrange.

SHRI KHANDUBHAI DESAI:
Now, as regards Rs. 250 crores, if my hon. friend, Mr. Nair, had read the Planning Commission's report, it is a provision and as such it is an accretion. It does not mean that the total amount of Rs. 250 crores. . .

SHRI PERATH NARAYANAN NAIR :
But a considerable portion. .

SHRI KHANDUBHAI DESAI : .. Rs. 50 crores every year is going to

come out of this provident fund. 4 P.M. Because, as the House is aware,

even by covering all the people it will not give more than about Rs. 30 crores which means that for the period of five years it will be Rs. 150 crores. There are other accretions also to this fund which may be used, as I said, for development purposes like housing, etc. As I said, the Government sector, the public sector is also increasing, and in a very large portion of the public sector that is increasing the employees may be covered. For example, the steel plant will come into operation very shortly and all the people, 20,000 or 30,000, who will be employed will immediately be covered by the Act, not by this Act. but by the relevant Act which is more liberal. Therefore, the question whether we will be able to accumulate or collect Rs. 250 crores during the Second Five Year Plan period does 5—61
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not arise, because there are many other amounts also which will be coming. But we would cover as many people as possible under this scheme. The intention is to go a little more promptly than my friends opposite think about it.

MR. DEPUTY CHAIRMAN : The question is :

"That the Bill be passed". The motion was adopted.

THE ELECTRICITY (SUPPLY) AMENDMENT BILL, 1956

THE DEPUTY MINISTER FOR
IRRIGATION AND POWER (SHRI J. S. L.
HATHI): Sir, I beg to move:

"That the Bill further to amend the Electricity (Supply) Act, 1948, as passed by the Lok Sabha. be taken into consideration."

The Bill is a small one but it is an important one in that it aims at amending the principal Act in certain respects, having regard to the fact that in the operation of the Act certain administrative difficulties were found during the past years. There were also certain loopholes found whereby advantage was taken by the industrialists to earn more profit than they were legally entitled to.

In order to have a proper background, Sir, we should know what the main Act aimed at. It was found necessary that there should be a uniform and sound policy for such development and that there should be coordination between different planning agencies for the development of power. At the same time if private enterprise was taking part in the development of power, the consumers should not be unnecessarily burdened and they should be able to get electricity at a reasonable rate." Under that Act. therefore. it was provided that a licensee would not earn more than 5 per cent profit on his capital investment. But in cal-