

Is it the pleasure of the Council that permission be granted to Shri R. B. Raut for remaining absent from all meetings of the Council during its current session?

(No hon. Member dissented.)

MR. CHAIRMAN: Permission to remain absent is granted.

I have to inform the hon. Members that the following letter has been received from Shri Nanabhai Bhatt:

"As I have been pre-occupied with certain fundamental problems of my new village University—Lok Bharati, I shall not be able to attend this session of the Council.

I request, therefore, our worthy Chairman and Members of the Council to grant me leave of absence and oblige."

Is it the pleasure of the Council that permission be granted to Shri Nanabhai Bhatt for remaining absent from all meetings of the Council during its current session?

(No hon. Member dissented.)

MR. CHAIRMAN: Permission to remain absent is granted.

#### PAPER LAID ON THE TABLE

##### MINISTRY OF COMMUNICATIONS NOTIFICATION

THE DEPUTY MINISTER FOR COMMUNICATIONS (SHRI RAJ BAHADUR): Sir, I lay on the Table a copy of the Ministry of Communications Notification No. 10-A/34-50, dated the 6th September, 1952, together with an explanatory note, under sub-section (3) of Section 5 of the Indian Aircraft Act, 1934. [Placed in Library, see No. S-151/53.]

MR. CHAIRMAN: We take up further consideration of the Employees Provident Funds Act.

#### DISCUSSION RE. DISALLOWANCE OF SHORT NOTICE QUESTIONS

SHRI V. S. SARWATE (Madhya Bharat): Sir, before that begins, may I put one matter before you? During the last session I put a short notice question enquiring whether the contemplated strike and lock-out at Indore could be prevented. The question was disallowed on the ground that the Minister did not agree. I wish to point out that in the Rules there is no doubt provision that if the Minister concerned does not agree, a short notice question should not be allowed, but as you know, Sir, this only gives a discretion to the Minister and generally it is common ground that discretion is always governed by reasonable grounds. It is to be used on reasonable grounds. In this particular case there seem to have been no reasonable grounds because there was sufficient time for the Minister to make enquiries. So I wish to know whether you, Sir, would not interfere in such cases and use your good offices to persuade the Minister to agree in such cases where there are about 7,000 people whose interests are affected and enquiries could have been made very easily and necessary steps could have been taken.

MR. CHAIRMAN: We always do it, Mr. Sarwate. Even when the Minister says that it is not possible for him to answer, we try to persuade him to reconsider. That is the line we adopt with regard to these matters. I don't disallow questions automatically.

SHRI V. S. SARWATE: Thank you. Do the Ministers give reasons?

MR. CHAIRMAN: They do give reasons sometimes.

SHRI V. S. SARWATE: May I know.....

MR. CHAIRMAN: I cannot tell you now. Shri Abid Ali.

#### THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) BILL, 1953—continued.

THE DEPUTY MINISTER FOR LABOUR (SHRI ABID ALI): Sir, yes-

terday I was explaining the difficulties with regard to the non-applicability of the Scheme to all the industries just at this stage and I assured the House that as and when it would become possible to extend the scope of the Act to other industries, certainly Government would be very happy to act accordingly.

A doubt was raised as to what becomes of the forfeited amount in case of dismissal of employees on account of misconduct or otherwise. Sir, it seems that some hon. Members were under the impression that the employer takes away the forfeited amount. Nothing of the kind happens. Both in this Scheme and the provident funds to which this Act does not apply, the forfeited amount cannot go to the employer because once the amount is collected, it is handed over to the trustees who hold it according to the Income-tax Act and the respective schemes which are sanctioned by the Income-tax authorities. The hon. Mr. Rama Rao mentioned the case of Sir Currimbhoy Ibrahim & Sons' liquidation in Bombay. Of course at that time this provision was not in the Act but subsequently the Act was amended and as soon as recovery is made from the employees on account of their contributions and the employers give their contribution, this amount goes under the charge of the trustees and it is invested according to the Income-tax Act according to which a Scheme is approved by the Income-tax authorities. What powers we have asked for are for the purposes of going to Court for the recovery of the last payment. If between the date of recovery by the employer and the payment to the fund, the factory goes into liquidation, then in the Bill it is proposed that we should have authority to go before the Liquidator and our claims should have priority. Therefore the difficulty which was mentioned by Mr. Rama Rao does not exist.

Then Mr. P. Sundarayya mentioned that if an employee has not completed five years of service and at the age of 55 he retires, he does not get any benefit. But this is not the intention of the

Scheme. Whatever may be the length of service of an employee, as soon as he completes 55, he becomes entitled to the full amount which may be to his credit in the Fund. Another point was raised with regard to the temporary employees. So far as I have been able to look into the Act and the Bill there is nowhere mention of the words temporary or non-temporary employee. The requirement is that the worker should complete 240 days of his working and then he becomes entitled to join the fund.

About the cards, I would assure hon. friends that before the end of December 1953 such of the workers who may not have received the cards will get the cards—most of them have already got them—showing the position of the amount to their credit.

Some objection was raised regarding the employees' contribution to the Fund and it was suggested that the employees should not be made to contribute to the Fund. The intention is that the employees' and employers' contribution both put together should become a decent amount for them to get as old-age retirement fund so that they may be able to have a shop or purchase land or do whatever they may like. If the employees are not contributing to the Fund, the amount they will get will not be sufficient and therefore both the employers and employees are to contribute to this Fund.

About loans, it is true that such of the employees who are directly under the Schemes which are not exempted are not allowed to get a loan. The reason is that experience shows and as a Trade Union worker I myself had felt that whenever any occasion arises, the workers draw from the provident fund loans and on retirement practically nothing is given to them because the amount to their credit has to be set off against the loan which might have been taken. Therefore intentionally, we have made this provision that no loan should be given from this Fund which is reserved to be used by them on retirement.

[Shri Abid Ali.]

About insurance, Shri Sinha had made a suggestion but I may inform him that insurance premium is allowed from this Fund—genuine of course. There have been some cases where workers were misled by some insurance agents and reports came to us and the Regional Commissioner was asked to make enquiries. Since then we have become more careful. Whenever there is a genuine desire on the part of the worker to utilise the amount standing to his credit, for having a life insurance policy, there is no objection to it. Also we allow loans for the purchase of a house or land for building a home. That also is allowed under the Scheme.

Another question raised was about the corporations which are established by the Central Government or the State Governments. The employees of these corporations which come within the industries to which the Act applies, are covered by this Act and they are not excluded, for instance the Hindustan Aircraft Factory, the Indian Telephone Company, the Vishakhapatnam Shipyards. These are covered and corporations like these are covered by this Act.

Sir, these are some of the points raised which needed answer. Of course, there were many other points which were mentioned by hon. Members and we have taken note of them.

Much was said yesterday about going the China way. Well, I may submit—not as a Deputy Minister, but as a Congressman—that I am devoted to non-violence and devoted to democracy cent per cent. So I refuse to go the China way. If I were to.....

SHRI P. SUNDARAYYA (Andhra): Sir, I strongly.....

SHRI ABID ALI: Sir, I do not yield. It is not. ....

SHRI P. SUNDARAYYA: I strongly protest against this total misrepresentation of what I said.

SHRI ABID ALI: It is not proper for my hon. friend to interrupt me. I did

not interrupt him at all. I am a Congressman and the Congress is a big organisation. It is in every village and in every *mohalla*. What happened in China we do not want to happen here. Otherwise my hon. friends opposite would not be here. We want them to be here. We want democracy to work here and we do not want that any party, however strong it may be, should prevail upon others and should kill people and put them on the gallows. I do not want that to happen in India.

Again it has been said that China has made much more progress than we have been able to achieve. That, I submit, is not quite correct. Friends who have gone there with open eyes and without any bias.....

MR. CHAIRMAN: But we are not discussing China.

SHRI ABID ALI: True, Sir, but you were not here yesterday when so much was said about what has been done in China. Otherwise, in my opening speech, I did not even touch upon this question. It was unnecessary. These friends have said that China had done much and we here have failed miserably. So in fairness, I may be allowed to make a reference to the same. As I was just now saying, friends who had gone there with open eyes and without any biased mind have told us publicly that India has made much more progress than China. Of course, in some respects they may have advanced and we may not have progressed as much as they, but on the whole we have made much more progress, all the time remaining within the four corners of the principles of democracy. There is no dictatorship here and no dictator will be allowed in India.

Sir, in conclusion, I may assure the House that the Scheme is worked with a view to benefit the workers. It provides the fullest possible scope for those who come in this Scheme to get complete protection to their funds. We are just now in the early stages of our journey towards achieving complete social security and for that the co-operation of every one is needed. With

the co-operation of all, we want this Scheme to succeed and it should be applied to other industries also so that gradually full social security is achieved and we make all-round progress.

Just two more points remain to be dealt with. Yesterday it was stated that only 10 per cent. of the workers are covered by the Act. That is not correct. Forty seven per cent. of the employees in the factories are covered by this Act.

SHRI P. SUNDARAYYA: Forty seven per cent. of all the workers?

SHRI ABID ALI: Sir, twenty nine and odd lakh workers are in the factories. That is what my hon friend himself also stated yesterday. He mentioned twenty nine and odd lakh workers were in the factories. And this Scheme covers thirteen and odd lakh workers.

SHRI P. SUNDARAYYA: What about the other workers?

SHRI ABID ALI: Yesterday my hon. friend was saying that only 10 per cent. of the factory workers were covered. That is not the.....

SHRI P. SUNDARAYYA: No, please read my remarks.

SHRI ABID ALI: I say out of the twenty nine and odd lakh workers in the factories, the Scheme covers thirteen and odd lakh workers. It is not as if other workers who are not covered by this Scheme have no provident fund benefits. Quite a large number of them have and.....

SHRI P. SUNDARAYYA: Give the figures.

SHRI ABID ALI: They too have got the benefits of provident fund schemes.

Another point that was referred to was about the permanent and temporary cadres of the employees in the offices of the Fund. Yesterday I said that they were 40 per cent. and 60 per cent., but that is not so. Actually

it is 60 per cent. permanent and 40 per cent. temporary. That is to say, 60 per cent. of the employees in the provident fund scheme are on the permanent cadre and only 40 per cent. are on the temporary cadre

Thank you, Sir.

SHRI K. L. NARASIMHAM (Madras): Sir, on a point of information. In the opinion of the hon. Minister, is this particular Act in any way better than the similar legislation that is now in existence in China?

MR. CHAIRMAN: Leave China alone.

SHRI ABID ALI: Thank you, Sir.

SHRI K. L. NARASIMHAM: Secondly, I want to know from the hon. Deputy Minister whether the Madras State Electricity Department comes under this Scheme. The Scheme covers six industries and I want to know whether this Scheme applies to the employees of the Madras State Electricity Department.

SHRI ABID ALI: No, they are not covered. It is a Government Department.

MR. CHAIRMAN: The question is:

"That the Bill to amend the Employees' Provident Funds Act, 1952, be taken into consideration."

The motion was adopted

MR. CHAIRMAN: Now we take up the clause by clause consideration of the Bill.

The motion is:

"That clause 2 stand part of the Bill."

There are two amendments to this clause, one in the name of Mr. Sundarayya and the other in the name of Mr. Mazumdar.

SHRI P. SUNDARAYYA: Sir, I move both the amendments:

"That at page 1, line 6, after the words and bracket 'principal Act)', the following be inserted, namely:—

'in sub-section (3), the words "specified in Schedule I" shall be omitted and'."

"That at page 1, line 11, the words 'the employer and' be deleted."

MR. CHAIRMAN: Amendments moved:

"That at page 1, line 6, after the words and bracket 'principal Act)', the following be inserted, namely:—

'in sub-section (3), the words "specified in Schedule I" shall be omitted and'."

"That at page 1, line 11, the words 'the employer and' be deleted."

Now, the amendments and the clause are before the House.

SHRI P. SUNDARAYYA: Mr. Chairman, having moved my two amendments, I would like to take the first opportunity to reply to the Deputy Minister's misrepresentation of my speech and to the totally irrelevant references which he made to the speech that I made yesterday. The first irrelevant remark that he has made is that I asked the Congress Government to go the China way. What I said he can see if he cares to read my speech or if he had only listened to me with a little more attention. What I said was this. And I quoted the Prime Minister himself as saying that we should always compare ourselves to China and our progress will be measured in better terms than China's.

In connection with this provident fund scheme, I referred to what is happening in China and compared our Scheme as well as the benefits derived under it to the insurance schemes in China, especially the old age pensions, and asked the Indian Government to compete with the Chinese Government in providing more benefits than they

are capable of providing now. In that itself, there was an exchange of words between the Deputy Minister and myself; he tried to interrupt saying that they did not want to go the China way. I said that they need not go the China way but that they could go the Indian way or any way they like in order to provide better amenities to the workers. I cannot understand why, unless he is very much obsessed with the progress of China.....

SHRI ABID ALI: We are happy about it.

SHRI P. SUNDARAYYA: ..... and his own incapacity to provide even the minimum decent insurance for our workers, he should be so much annoyed by the very reference of China and goes out of his way to misrepresent the speech itself.

The second misrepresentation that he committed was that I said that the provident fund scheme covered only 10 per cent. of the total number of workers. While mentioning this, I did not confine myself to the workers employed in the factories alone. I indicated the factory employees as 30 lakhs and added the plantation workers, other miscellaneous workers, Government employees, etc., and the total figure I mentioned was one crore and twenty lakhs. I know that the railway workers and certain sections of the Government employees have got a provident fund scheme about which no relevant figures are available. I asked the Minister to tell us how many of these various working class people, either employed by Government or by the various private industrial concerns are enjoying this kind of provident fund, either under this Act or under some other scheme, and are exempted for whatever reason it may be. From the figures available to me I said that the percentage covered will not be more than 10. Then, naturally, the simple thing for the Minister would have been to come out and say, out of this a crore and twenty lakhs of workers, how many of them are covered by the different schemes of provident

fund, insurance, etc. Instead of enlightening us that way, he tries to distort my speech and says that as 13 lakhs out of the 30 lakhs are being provided for in this Act, my arithmetic was bad. This kind of misrepresentation will not carry him much forward.

By the first amendment, I want the words "specified in Schedule I" in the principal Act to be omitted. The principal Act says, "subject to the provisions contained in section 16, it applies in the first instance to factories engaged in any industries specified in Schedule I". That was the principal Act. My amendment seeks to remove the words "specified in Schedule I". Of course, I know there is no hope of getting this amendment accepted.

SHRI ABID ALI: You are right.

SHRI C G K REDDY (Mysore): It may be.

SHRI P SUNDARAYYA: I am only mentioning that the prospects of its being accepted by the House at least at the present juncture is not much. If my amendment is accepted then this Scheme will apply to all factories in which 50 or more persons are employed. That is the purpose and meaning of my amendment. In Schedule I, only six industries, cement, cigarette, electrical, mechanical or general engineering industries, iron and steel, paper and textiles are mentioned and so many other important industries have not been mentioned at all. That is exactly why I want the words "specified in Schedule I" to be removed. If that is done, it would mean that this Scheme would automatically apply to all industries, all factories or concerns where 50 or more workers are employed. That is my main purpose. If the argument of the Deputy Minister has got any basis that large number of workers who do not come within the industries mentioned in the Schedule have not got provident fund schemes—of course, the plantation workers, the mine workers and workers in various transport undertakings have got some kind of provident fund or some benefit which will help them

in their old age—then the Deputy Minister should have no objection to accepting my amendment and bringing them all under this unified scheme of provident fund under this Act. This is my first amendment.

My second amendment is equally important. Here Government wants to take power to extend the scheme to any factory which may not come under the enterprises mentioned in Schedule I of the principal Act as it stands today. My amendment seeks to remove the words "the employer and" which means that the Government can extend it to any factory whether that factory comes under the industries mentioned in Schedule I or not, and if the majority of the workers in that particular factory want the scheme to be introduced there, then the Government has to do that. Sir, this amendment of Government which makes the agreement of the employers and employees a pre-condition to extending the Scheme to any factory in fact means nothing. It in fact prevents the Scheme from being extended because it is very rarely that the employer would be prepared to come forward and give more wages and more benefits to the workers unless he is forced to do that by industrial action or by legislation itself. We are concerned only with legislation and not industrial action in this House at least. So there is no sense in making the agreement with the employer a pre-condition to the extension of the benefits to any factory workers. If the Government really want to extend the Act the criterion must be the agreement of the majority of the workers in any factory. If there is such an agreement then the Government should take action on that. To make that possible, I am moving the amendment for the deletion of the words "the employer and" in clause 2 of the Bill.

Sir, these are the two amendments with regard to this clause. I hope the hon. Members will consider them and vote for them.

SHRI C G K REDDY: Sir, I fully support the amendments that my hon.

[Shri C. G. K. Reddy.]  
 friend Mr. Sundarayya has brought forth for our consideration today. Yesterday when the hon. Minister was opening his speech, we all expected that he would give a resume of the operation of this Act during the last few months and the reasons why he could not go further to liberalise this Act so that more and more workers could be brought under the operation of this Act which gives certain benefits to workers. Opportunity ought to have been taken, in my opinion, unless experience taught the Government otherwise, to have at least the Schedule expanded. There is no reason, as far as I can see, why this Act should not operate for all workers in the country whether they are in one industry or the other.

3 P.M.

I should also like to know why in the Schedule only certain specified industries have been chosen. Is it because only these six categories of industries are more profitable or are the only profitable industries where the employers can bear the burden imposed on them by this Act, or is it because of some arbitrary decision which only the Government can explain?

Now, Sir, there are so many other industries where the profits are much more. If you take mines, for instance, and so many other industries, you will find that they are indeed very profitable and the employers in those cases can well afford to give the most elementary concession like the provident fund which is a sort of social security for the workers and which for the first time a worker is going to get. Unless the Government proves that only these six categories are profitable enough to-day in the country and that therefore they cannot expand this list to include others and that they cannot therefore make the Act applicable to all workers, it is not possible for this House irrespective of any party affiliations to accept the contention of the Government. There may be other reasons, Sir, which we would of course await before we take any decision on

this amending Bill. I want the hon. Minister to let me know why he has chosen only these six categories of industries in the first instance and why he continues to confine himself to these six categories of industries. Is it because these six categories of industries are the only profitable industries in the country?

After all, Sir, according to the amending Bill he is going to give exemptions to certain factories for such reasons as he may think fit. If it is a burden on the employers, he is going to exempt them. When such power is going to rest with the Government what harm would there be if the Act is to operate upon all the employers and for the benefit of all the workers? If it be a factory where there is no profit and where the burden on the employer on account of this will be excessive, then the Government has the power to exempt that particular factory. Is it the contention of the Government that all factories of all industries other than those specified in the Schedule are working at a loss or are struggling for their existence? If it is so, then he can give the relief to the deserving employers if he thinks there are such people in the country to-day. He can give them the relief if they prove to the satisfaction of the Government that they are not able to give this elementary social security that this Act is for the first time giving to the workers of this country.

Therefore, Sir, without enlarging on that I think the issue is simple. I only want an answer from the Government to convince us and to convince this House as to why this Act cannot be made operative on all the workers of the country, especially because the Government has the reserve power to consider each and every factory on the merits and give exemptions if they think fit. If it is the contention of the Government that there are no other profitable industries, then I should like them to prove it. If they are not able to prove it, I shall come to no other conclusion than this that the Government by passing this amending Bill and making it into an Act, is

only making a show of sympathy to the workers and they do not want to go any further. That conviction will naturally impose on us the duty of pressing for this amendment and exposing the Government as much as we can.

SHRI B. K. MUKERJEE (Uttar Pradesh): Sir, I have got sympathies with both these amendments which are tabled, though I do not agree with the movers of these amendments that amendment No. 1 is less important than amendment No. 2. In my opinion amendment No. 1 is more important than amendment No. 2.

SOME HON. MEMBERS: Are you going to support it?

SHRI B. K. MUKERJEE: Wait please. Amendment No. 1 is implied in the original Act. The original Act was enacted very hurriedly at the fag end of the last Parliament.

[MR. DEPUTY CHAIRMAN in the Chair.]

At that time I do not know if anybody had any mind to apply to this legislation and to make it perfect. As it was not possible for any hon. Member to concentrate his attention to this piece of legislation then so many lacunae were found within a year of its application and therefore this amending Bill is more bulky than the original Act. This goes to show that the administration set up by the Government of India to implement this legislation is perfect and they have done their duty quite nicely. Therefore it goes to show that the first stage is over now. In this Act it is said, "it applies in the first instance to all factories engaged" etc. Now if we go by this phrase "in the first instance", that goes to show that within this one year the administration has been properly set. They have done their duty nicely and we can proceed further to the next stage. That is what was contemplated in this Act. What was contemplated in this original Act for the second and next stages should be incorporated in this amending Bill. Some may think if it is not

too early to go to the next stage. Our hon. Minister thinks it is the proper time to amend this Act and he introduced this amending Bill wherein the mover of amendment No. 1 wants that "specified in Schedule I" be omitted. That means deleting the Schedule altogether and applying the Act to all the industries employing fifty or more workers. That is the second stage that was contemplated in the original Act. Therefore I will just request the hon. Minister, if he feels it is the right time, to tread on the next step and I wish that he should go and ask the administration to proceed forward and apply this legislation to the next stage, that is, to the industries which were not at that time, that is, a year back, borne in Schedule I. But what I expected from the mover of this amendment was this, namely, his amendment to be worded in such a way as to delete clauses (a) and (b) of section 16 of the original Act.

SHRI P. SUNDARAYYA: Those amendments are also there and will come up.

SHRI B. K. MUKERJEE: But this amendment, if it is accepted, will give more freedom to the Government to act wherever they like and Government industries are not to be touched by this legislation. Unfortunately the hon. Minister is not fully aware how the Government servants are treated in this respect by the Government of India and by the State Governments also. These Government employees are not only kept temporary for more than 10 or even 20 years but they are denied all facilities. This is a very small facility, that is, they will contribute something out of their own earnings and the Government will put something out of their own revenue. This is a very mild and modest concession to the employees which has been denied to them so far. But this amendment does not contemplate to bring those people who are in Government industries or in the local bodies' industries.

SHRI C. G. K. REDDY: There is another amendment tabled.



**SHRI B. K. MUKERJEE:** I am coming to that. I am supporting this amendment and I am requesting the Minister to accept this amendment which was intended by the original Act. That is my intention.

Now, if the hon. Minister accepts this amendment—deletion of Schedule I—then the other amendment in item 2—deletion of the words 'the employer and'—this question will not come up for any other industry except those industries which employ less than 50 persons. But I can wait for those industries employing less than 50 persons for another one year or so, so that when the next amending Bill comes up we will press for that. But now I will request the mover of this amendment to withdraw his amendment for deletion of the words 'the employer and' and to press for the amendment for the deletion of Schedule No. I.

**SHRI P. SUNDARAYYA:** If the Deputy Minister for Labour will accept my first amendment, I will be very glad to withdraw the second amendment.

**SHRI B. K. MUKERJEE:** You said that the amendment will not be accepted. But if you read section 3 of the original Act, it says "first instance". The first instance is over now. We are now going to the second stage. Therefore I hope that the hon. Minister will accept the amendment.

**SHRI RAJENDRA PRATAP SINHA (Bihar):** Mr. Deputy Chairman, I stand to support the amendment. I would like to make only one or two points. Sir, my friend Mr. Reddy mentioned about profits. I find that many of the industries included in the Schedule are not running on profits; even then they are included in the Schedule. The whole difficulty has been that we have not been furnished with any report or any resume with regard to the working of this Bill. So we do not know how the position stands. But I know for certain that many of those industries included in the Schedule are running at a loss

and probably they have been exempted from the purview of this Act. I do not know, but this is what I feel. So if profit is the criterion for bringing the factories or industries under the purview of this Act then I support entirely my friend Mr. Reddy, because there are various other industries which are making very good profits, and better profits than the industries included in the Schedule. Therefore if the Schedule is altogether removed, there is provision for the Government to exempt any factory which is not running at a profit. Now those industries which are running at a profit and are at present not included in the Schedule can be brought under the purview of this Act and the workers there can enjoy the benefits of the provident fund.

The other point that I would like to make is that the other industries which are not included in the Schedule have also a very well organised body of labour. Probably the other criterion for inclusion in the Schedule is whether the industry has an organised body of labour or not. For example, the plantation labour is very well organised; mining labour is very well organised. They are making profits and there is no reason why they should not be included in this Scheme.

Then, Sir, my friend who has sat down just now, correctly pointed out that we have entered into the second stage and all other industries should be included in the purview of this Act. The hon. Minister pointed out that 13 lakhs of workers have already been covered out of 29 lakhs of workers. And that strengthens our case that we must now go ahead and more workers should be included; as my friend Mr. Mukerjee has said, the second stage has now come and all the industries should be covered by this Act.

**SHRI S. N. MAZUMDAR (West Bengal):** Sir, after hearing the arguments of my friend Mr. Mukerjee, I am all the more convinced that this amendment should be pressed for acceptance of the hon. Deputy Minister for

Labour. If it was implied in the original Act then why leave it in such vague implication? Why not make it specific? I do not find what objections can there be in accepting this amendment. Sir, we are not interested in finding the projections outside of the inner workings of the minds of the Government and things materialising by stages into different bits of legislation offering bits of benefits to labourers. This is a Bill which has come before the House after one year of the working of the original Act and I cannot accept the contention of the previous speaker—my friend Mr. Mukerjee—that when this Act was passed in the provisional Parliament it was not taken very seriously.

SHRI ABID ALI: He said "hurriedly".

SHRI S. N. MAZUMDAR: Hurriedly means not seriously. It should have been given proper consideration. That Parliament was packed by Members of that party.

SHRI B. GUPTA (West Bengal): People who were in a hurry!

MR. DEPUTY CHAIRMAN: You are never in a hurry.

SHRI S. N. MAZUMDAR: That argument does not hold water because.....

AN HON. MEMBER: Even this Parliament is packed by us.

SHRI S. N. MAZUMDAR: But there are people who can expose you and who can give you proper replies continuously.

SHRI ABID ALI: They will be exposed themselves.

SHRI S. N. MAZUMDAR: That will be seen. Sir, talking about exposures, I am forced to pass a remark and also at the same time make an appeal to my friends, particularly of the INTUC. Outside they pass some resolutions; but inside Parliament they take up another stand. There is no attempt

on their part to persuade their Government to accept their stand. Sir, the Working Committee of the INTUC passed a resolution requesting the Government to ban all retrenchment but when that question came up here and when it was raised by me during the discussion of the Unemployment Resolution my friends were sitting silent there.

As regards providing funds, Mr. Harihar Nath Sastri raised at a meeting of the International Labour Organisation a demand that a ceiling should be put on the profits of the industrialists but here I do not find my friends coming out and trying to persuade their own Government to accept this demand. I appeal to them that this is a question—there is no question of politics involved here—it is a question of benefits to the workers and we from this side are prepared to work with all who are really interested in getting more and more benefits to the workers irrespective of political opinion or party affiliations. So I appeal to them, do not be frightened by your own suggestions, when they come from this side. Please accept them and please see that the Government accepts them. My friend says that it will be done by stages. The stage was already overdue and now it has come up here and nobody in this House could advance any serious argument against the omission of that Schedule and extension of the operation of the Act to all the industries. So, Sir, I shall wait to see what reply my hon. friend the Deputy Minister for Labour gives and I would press this amendment for acceptance.

SHRI GOVINDA REDDY (Mysore): Sir, I wish to oppose Amendment No. 1. I oppose it not because I am not in sympathy with the object of the mover of the amendment. I agree with the principle that every industry.....

SHRI B. GUPTA: But differ in practice.

SHRI GOVINDA REDDY:.....which comes under the definition of factory and which employs such labour must

[Shri Govinda Reddy.]  
 be able to make a provident fund arrangement for its labourers and for its employees. I agree, and I also agree that this Schedule has to be enlarged. There are many more industries which should come under Schedule I and I believe that it is the purpose of the Government through this amending Bill for the Government to take power to enlarge the Schedule. But if we accept the amendment, I feel that it becomes either impossible to apply this Act definitely against any industry or it would create a hardship for many of the industries. Sir, if we accept the amendment, the effect will be that this would be applicable only to a factory which employs 50 or more persons. There are more factories today in India which earn profits—some earn profits but some at least which can make both ends meet. Then it is but right that they should make some arrangement for provident fund. But I do not think it can be denied that we have a number of factories which are working at a loss and which cannot make both ends meet.

In the field of cottage industry.....

SHRI P. SUNDARAYYA: Cottage industries do not come under the Factories Act.

SHRI GOVINDA REDDY: Please see the definition of a factory. A factory is defined here. Therefore you cannot take shelter under the Factories Act:

"Factory means any premises, including the precincts thereof, in any part of which a manufacturing process is being carried on or is ordinarily so carried on, whether with the aid of power or without the aid of power".

So, if factory were not defined here, what my friend Mr Sundarayya says would be correct.

SHRI P. SUNDARAYYA: But factory means those employing 50 or more.

SHRI GOVINDA REDDY: You want the entire Schedule to be omitted. Factory means all those manufacturing concerns which come under the definition of the Factories Act.

SHRI P. SUNDARAYYA: Under the Factories Act, if 20 persons are employed, it is enough; it comes under the definition of a factory. But if only 50 or more people are employed, it would come under the definition of a factory under the Employees' Provident Funds Act. My amendment is to that definition.

MR. DEPUTY CHAIRMAN: Go on, Mr. Reddy.

SHRI GOVINDA REDDY: Speaking of cottage industries.....

AN HON. MEMBER: They do not employ more than 50 persons.

SHRI GOVINDA REDDY: No; take for example the khadi industry; it employs more than 50; and even leaving aside cottage industries, there are many factories which employ more than 50 persons which cannot make both ends meet; and if we insist on them to make provision for provident fund, it would be rather hard on them. A number of factories would not be able to afford to make provision for contribution to the provident fund. I agree that no factory which can afford to pay such contribution should be allowed to escape from doing so; in fact, it should be compelled to pay it. It requires some kind of effort to find out whether a factory or any particular category of industry should be compelled to contribute towards the provident fund; and the Government is the best judge. The proper method for us to bring many more factories under the operation of this Act would be to add on to the Schedule already given here. It does not prevent the Government from listing on every industry which can come under the operation of this law.

SHRI P. SUNDARAYYA: Then, do you support my amendment?

SHRI GOVINDA REDDY: Yes, in spirit, but your amendment makes reference to factory only in one clause. If you amend it in one place, what will you do to the 'factory' appearing in other places. So, it is not wise for us to insist in pressing the amendment.

SHRI H. P. SAKSENA (Uttar Pradesh): I am afraid I do not find myself in agreement with the object contained in the amendment moved by my hon. friend, Mr. Sundarayya. My friend, Mr. Mukerjee, very ingeniously searched a place from the principal Act to point out that the words 'in the first instance' were mentioned there, and he pleaded that since the 'first instance' is now over, the second instance in the second stage of the journey should be commenced. He wanted more factories, in fact, he desired all the factories included in the Schedule. But my friend forgot that the end of the journey of the 'first instance' was not described. The first instance may well be in a state of continuation. The second stage has not yet commenced and for the time being.....

SHRI C. G. K. REDDY: It is in a state of suspended animation.

SHRI H. P. SAKSENA: There is no animation and there is no suspension. For the time being, the words 'in the first instance' should be understood to mean that only in a restricted part the objects and the advantages and the benefits of the Employees' Provident Funds (Amendment) Act will be provided to those factories mentioned in the Schedule. Obviously, Sir, it is not a pleasure for me who has always been in sympathy with the poor to find that certain sections of the labourers only are going to be benefited while others are not. But, we should also have some sympathy for the neo-administrators, the Labour Minister and the Deputy Labour Minister who are not experienced in the science and art of administration and are trying to feel their way slowly and slowly. But my sympathy for these workers is still there. I am confident that both

in the hon. the Labour Minister and the hon. the Deputy Labour Minister, we have got the best watch-dogs of the interests of the labouring classes. I am quite sure that as soon an opportunity affords itself, or the occasion arises, the hon. the Deputy Minister who has risen from a two-anna worker in a mill at Kanpur to the position of a Deputy Labour Minister, would not refrain from giving all the benefits and privileges to the labourers readily.

Sir, the amendment, I am sorry to note, has been moved in a vindictive spirit. (*Laughter.*) I would request the hon. Shri Sundarayya not to entertain a prejudice against all that the Government does, for this 'satanic Government' is capable of—even this Government is capable of doing something good. When it does anything good, take it with grace. If it is not good in your estimation, then it is right for you to criticise and condemn it. I hope this House will pass clause 2 of the amending Bill as it stands.

SHRI ABID ALI: Sir, after my assurance given to the hon. Member, Shri Sundarayya, this morning, I thought that he would not again make a reference to China and the China way. But again, Sir, before you took the Chair he thought it fit to repeat the same things. I have, Sir, already said that we want to go the Gandhian way and the Gandhian way gives every one complete protection. And as I said, we do not want to kill people, we do not want to go that way. (*Interruption.*) We are opposed to that and we will remain opposed always.

SHRI B. GUPTA: May I know, Sir, if the hon. Minister is allowed to betray such ignorance about a friendly country?

SHRI ABID ALI: Sir, I admire the Chinese people; I love them; I have been to China twice; I have lived with them; I like them; I respect them. But when people living here come and tell things.....

SHRI GOVINDA REDDY: Our method is different.

SHRI ABID ALI: Our method is Gandhian. It is certainly different.

SHRI C. G. K. REDDY: What is the definition of 'Gandhian way'? It has been so misused.

SHRI B. GUPTA: We need a little clarification, Sir.

SHRI ABID ALI: Let me remain true to my own principles and if any friend does not want to appreciate it, let him be happy. I do not worry about him. He can go to China and have his own flag or go to Russia and have the opposition flag and have the taste of it. Now, Sir, I wish to submit that we are happy to know that in our neighbouring country people are happy. There is no doubt about it. But when they come and tell us, "Do this because China is doing it", I say the principle itself is wrong from our point of view and we do not want to go that way. Therefore, let us remain here only and have our own way.

Now, with regard to the complaint about a resume of the achievements and all that, yesterday the hon. Member, Shri C. G. K. Reddy, was not here in the evening. Otherwise, he would have been in possession of all the facts which I gave in the concluding remarks in the evening. Now we have given all the necessary information, and as has been stated by the hon. Member, Shri Govinda Reddy, it is not that the Government of India are precluded from including any industry to come under this Act. The hon. Members opposite can say that other industries should be brought within the scope of the Bill. But, Sir, it seems that they are under the wrong impression. It is not necessary for Government to come before Parliament, because, Sir, section 4 of the main Act gives power to the Central Government which may by notification in the official Gazette add to Schedule I. So any industry can be brought within the scope of this Act by mere notification to be issued by

the Government of India. Therefore, it is not necessary to bring the amendment which has been proposed by the hon. Member, Shri Sundarayya. Now the question is as to why we are not bringing other industries within the scope of the Act. As I said yesterday, Sir, we have not even been able to complete twelve months after this Act was brought into force.

SHRI P. SUNDARAYYA: Will the hon. Minister give the quotation of the clause by which the Government is empowered to do that?

SHRI ABID ALI: Clause 4. It is sufficiently clear. I hope now my hon. friend will be convinced and will not press for his amendment because apparently he has not read it.

SHRI P. SUNDARAYYA: I have read it more than you have.

SHRI ABID ALI: Then this question need not have been put.

*(Interruption.)*

All right, every one should have the liberty to hold his opinion.

SHRI B. RATH (Orissa): We know how you are acting.

SHRI ABID ALI: Sir, these friends are bent upon quarrelling, but I refuse to quarrel. There should be two to quarrel. So, Sir, we think that this period within which the Act has remained in force has not been sufficient and has not been enough for the Scheme to get stabilised. And only yesterday these friends were complaining that reports had not been submitted and facts had not been given. I submit, Sir, that the period of trial was too short. As I have already said we want to stabilise everything completely and fully and after the experience which may be gained as a result of the working of the Scheme within the six specified industries, if the Government is convinced that it would be in the interests of the industries, Sir, we will not wait for a moment to bring more industries under the Scheme.

Now, Sir, much has been said about this. I need not go into that. It was also said that I was believing in one thing and acting otherwise. It is not correct, Sir. It is not that we do not want to do good to labour. Certainly we are meant for them and we are doing all that is possible not because some people shout about it but because we are convinced that we must give full protection to labour and bring them higher and higher. But we refuse to destroy industry and to create unemployment and chaos. We will not go that way.

As for the other amendment regarding employer, Sir, I explained yesterday in my opening remarks that at present we had certain requests from both employers and employees for applying the Scheme to some factories which were not covered by these six industries. Even in such cases we could not apply the Scheme. Therefore, the word 'employer' has been put there. I may submit that mines have been mentioned, and also railways. But the workers in coal mines have got an independent provident fund scheme and it is working very well. (*Interruption.*) I said coal mines. Again, Sir, I repeat for the third or the fourth time—since yesterday I have been repeating and still my friends have not been able to realise that it is not that wherever this Scheme or this Act is not applied the workers there do not get provident fund. Wherever a particular factory or industry can give provident fund and the workers do not get it, they are given adjudication and through the adjudication machinery they get provident fund.

Sir, I oppose both the amendments.

SHRI C. G. K. REDDY: I just want to ask one question. I ask why the original Act has restricted itself to six industries, and whether there are any criteria on which these industries have been chosen and if so, what they are?

SHRI ABID ALI: Yes, Sir, it was the subject matter of a long discussion in

the provisional Parliament and at that time it was felt that these six industries could bear the burden. Somehow we had to make a beginning and these were the six industries which were chosen to start with.

MR. DEPUTY CHAIRMAN: I am putting the amendment now.

The question is:

"That at page 1, line 6, after the words and bracket 'principal Act)', the following be inserted, namely:—

"In sub-section (3), the words 'specified in Schedule I' shall be omitted and'."

The House divided:

AYES—32

Abdul Razak, Shri.  
Angelina Tiga, Shrimati.  
Angre, Col. C. S. R.  
Banerjee, Shri S.  
Bhanj Deo, Shri P. C.  
Deshmukh, Shri N. B.  
Dhage, Shri V. K.  
Dhillon, Shri G. S.  
Dube, Shri B. N.  
Dwivedy, Shri S. N.  
George, Shri K. C.  
Ghose, Shri B. C.  
Gupta, Shri B.  
Guruswami, Shri S.  
Kakkilaya, Shri B. V.  
Kamalaswamy, Shri T. V.  
Kishen Chand, Shri.  
Kunzru, Shri H. N.  
Mahanty, Shri S.  
Manjuran, Shri M.  
Mann, Lt.-Col. J. S.  
Mathur, Shri H. C.  
Mazumdar, Shri S. N.  
Misra, Shri C. G.  
Nag, Dr. Kalidas.  
Naidu, Shri Rajagopal.  
Narasimham, Shri K. L.

Ranawat, Shri M. S.  
Rath, Shri B.  
Reddy, Shri C. G. K.  
Sinha, Shri Rajendra Pratap.  
Sundarayya, Shri P.

NOES—83

Abdul Shakoor, Molana.  
Abid Ali, Shri.  
Agnibhoj, Shri R. U.  
Agrawal, Shri J. P.  
Ahmed, Shri Gulsher.  
Aizaz Rasul, Begam.  
Akhtar Husain, Shri.  
Alva, Shrimati Violet.  
Amolakh Chand, Shri.  
Anant Ram, Pandit.  
Anup Singh, Dr.  
Barlingay, Dr. W. S.  
Bhuyan, Dr. S. K.  
Biswas, Shri C. C.  
Biswasroy, Shri R.  
Budh Singh, Sardar.  
Chauhan, Shri N. S.  
Dave, Shri S. P.  
Deogirikar, Shri T. R.  
Deshmukh, Shri R. M.  
Dharam Das, Shri A.  
Dube, Dr. R. P.  
Dube, Pandit S.  
Faruqi, Moulana M.  
Gilder, Dr. M. D. D.  
Gupta, Shri R. C.  
Gupte, Shri B. M.  
Hardiker, Dr. N. S.  
Hemrom, Shri S. M.  
Inait Ullah, Khwaja.  
Indra Vidyavachaspati, Shri.  
Italia, Shri D. D.  
Jafar Imam, Shri.  
Kapoor, Shri J. R.  
Kapoor, Shri Prithviraj.  
Karayalar, Shri S. C.  
Kaushal, Shri J. N.

Khan, Shri A. S.  
Khan, Shri Samiullah.  
Kishori Ram, Shri.  
Leuva, Shri P. T.  
Malkani, Prof. N. R.  
Maya Devi Chettry, Shrimati  
Mazhar Imam, Syed.  
Misra, Shri S. D.  
Mookerji, Dr. Radha Kumud  
Mujumdar, Shri M. R.  
Nagoke, Jathedar U. S.  
Narayan, Shri D.  
Nihal Singh, Shri.  
Onkar Nath, Shri.  
Pande, Shri T.  
Parikh, Shri C. P.  
Pattabiraman, Shri T. S.  
Pheruman, Sardar D. S.  
Pillai, Shri C. N.  
Podar, Shri R. A.  
Pustake, Shri T. D.  
Raghubir Singh, Dr.  
Rajagopalan, Shri G.  
Reddy, Shri Channa.  
Reddy, Shri Govinda.  
Reddy, Shri K. C.  
Roufique, Shri M.  
Saksena, Shri H. P.  
Savitry Nigam, Shrimati.  
Seeta Parmanand, Dr. Shrimati.  
Sharda Bhargava, Shrimati.  
Sharma, Shri B. B.  
Soila Bala Das, Kumari.  
Singh, Capt. A. P.  
Sinha, Shri B. K. P.  
Sumat Prasad, Shri.  
Surendra Ram, Shri V. M.  
Tajamul Husain, Shri.  
Tamta, Shri R. P.  
Tankha, Pandit S. S. N.  
Tayyebulla, Maulana M.  
Thanhlira, Shri R.  
Vaidya, Shri Kanhaiyalal D.  
Variava, Dr. D. H.

Varma, Shri C. L

Vyas, Shri K.

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 1, line 11, the words 'the employer and' be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

MR. DEPUTY CHAIRMAN: The motion is:

"That clause 3 stand part of the Bill."

There is one amendment by Mr. Sundarayya.

SHRI P. SUNDARAYYA: Sir, I move:

"That at page 1, after line 17, the following be added, namely:—

'(ai) in clause (b) for the words "but does not include", the words "and shall also mean" be substituted'."

MR. DEPUTY CHAIRMAN: Amendment moved:

"That at page 1, after line 17, the following be added, namely:—

'(ai) in clause (b) for the words "but does not include", the words "and shall also mean" be substituted'."

The amendment and the clause are open for discussion.

SHRI P. SUNDARAYYA: The purpose of moving this amendment to clause 3 is to change the definition of

basic wages as given in clause 2 of the principal Act. The definition of basic wages as given in the original Act is this:

"'Basic wages' means all emoluments which are earned by an employee while on duty or on leave with wages in accordance with the terms of the contract of employment and which are paid or payable in cash to him, but does not include—

(i) the cash value of any food concession;

(ii) any dearness allowance (that is to say, all cash payments by whatever name called paid to an employee on account of a rise in the cost of living), house-rent allowance, overtime allowance, bonus, commission or any other similar allowance payable to the employee in respect of his employment or of work done in such employment;

(iii) any presents made by the employer;"

My amendment will make it mean that basic wages means not only the first contract that the employee was able to get as wages, but also the cash value of any food concession, any dearness allowance, house-rent allowance, overtime allowance, bonus, commission etc. and any presents made by the employer. Because according to the Scheme the rate on which the employer has to pay is only on the basis of basic wage and dearness allowance. In the old scheme the rate is calculated on the basis of so-called basic wages and dearness allowance but it is a known fact, that the workers have, after long struggles, won a number of concessions like house-rent, overtime allowance, bonus, commission etc. which are nothing but a portion of the wage. Therefore if the provident fund Scheme is really to give them some benefit, then the contribution should be on the total emoluments in whichever form he may be getting and not merely on the basic wage itself; because a number of concerns



[Shri P. Sundarayya.] have given house-rent allowances, and even bonus for 3 and 6 months in a year. Similarly over-time allowance. Even the Factory Act itself allows them to work over-time. As such all those things have to be taken into consideration and on the total emoluments the employer has to be asked to contribute his share and the question of the employee's contribution may be taken up later on. It is for that purpose that I am moving that basic wages mean not only original emoluments but also the cash value or any food concessions, any dearness allowance, house-rent, bonus, etc. Since it benefits the workers to some extent at least, I want the hon. Members to give due consideration to it and accept it.

SHRI ABID ALI: All these years the provident fund in India was being paid on the basic wage only.

SHRI P. SUNDARAYYA: At that time there was no Opposition in Parliament.

SHRI ABID ALI: This was the first step of the Government of India of their own accord to bring the dearness allowance also with the wages for payment of provident fund to workers, and since this Act has come into force, the workers in the applied industries get their provident fund on the dearness allowance also. My hon. friend has said that nowhere in the Act he has seen anything more than this. I may draw his attention to page 3—Explanation to clause 6 which says:

"For the purpose of this subsection, dearness allowance shall be deemed to include also the cash value of any food concession allowed to the employee."

SHRI P. SUNDARAYYA: I take the food concessions as part of the dearness allowance.

SHRI ABID ALI: He had himself asserted that food concessions are not calculated for provident funds and therefore he wanted to bring his

amendment. After this clarification, I hope, he will withdraw his amendment. As for house-rent, etc. it is not the practice anywhere to include them for provident fund. Of course, we have gone sufficiently ahead by including the dearness allowance and also cash value for food and the workers are happy about it.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 1, after line 17, the following be added, namely:—

'(ai) in clause (b) for the words "but does not include", the words "and shall also mean" be substituted.'

The motion was negatived.

4 P.M.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

MR. DEPUTY CHAIRMAN: The motion is:

"That clause 4 stand part of the Bill."

There are two amendments to this clause.

SHRI ABID ALI: Sir, I move both the amendments:

"That at page 2, line 16, for the words 'come into force', the words 'take effect' be substituted."

"That at page 2, line 17, for the words 'with effect from', the word 'on' be substituted."

MR. DEPUTY CHAIRMAN: Amendments moved:

"That at page 2, line 16, for the words 'come into force', the words 'take effect' be substituted."

"That at page 2, line 17, for the words 'with effect from', the word 'on' be substituted."

The clause and the amendments are now before the House.

SHRI P. SUNDARAYYA: Sir, I would like the hon. Deputy Minister to explain what is the great change that he proposes to bring about as a result of these two amendments.

MR. DEPUTY CHAIRMAN: It is only a question of drafting.

SHRI P. SUNDARAYYA: Could he explain to us what is the meaning of the original draft and what is the meaning of it now? What is the difference between the two? That is what I would like to know.

MR. DEPUTY CHAIRMAN: It is just legal technical language, that is all. I don't think any explanation is called for. Anyway, you do not oppose it?

SHRI P. SUNDARAYYA: If there is any difference, I would like to oppose the amendments.

MR. DEPUTY CHAIRMAN: I put the amendments to the House.

The question is:

"That at page 2, line 16, for the words 'come into force', the words 'take effect' be substituted."

The motion was adopted.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 2, line 17, for the words 'with effect from', the word 'on' be substituted."

The motion was adopted.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

MR. DEPUTY CHAIRMAN: The motion is:

"That clause 5 stand part of the Bill."

There is an amendment to be moved

SHRI P. SUNDARAYYA: Sir, I move:

"That at page 2, for lines 19 to 21, the following be substituted, namely:—

'5. Amendment of section 6, Act XIX of 1952.—In section 6 of the principal Act,—

(i) in sub-section (1) the words "and the employees' contribution shall be equal to the contribution payable by the employer in respect of him and may if any employee so desires and" shall be deleted; and

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—"

MR. DEPUTY CHAIRMAN: Amendment moved:

"That at page 2, for lines 19 to 21, the following be substituted, namely:—

'5. Amendment of section 6, Act XIX of 1952.—In section 6 of the principal Act,—

(i) in sub-section (1) the words "and the employees' contribution shall be equal to the contribution payable by the employer in respect of him and may if any employee so desires and" shall be deleted; and

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—"

Now the amendment and the clause are open for discussion.

SHRI P. SUNDARAYYA: I move my amendment to clause 5 of this Bill which seeks to amend section 6 of the principal Act. Section 6 of the principal Act is connected with the contributions and matters which may be provided for in the scheme. The provision is that the employer must contribute 6½ per cent. of the basic wages and dearness allowance "for the time being payable to each of the employees and the employees' contribution shall be equal to the contribution payable by the employer in respect of him and may, if any employee so desires and if the scheme makes provision therefor, be an amount not exceeding eight and one-third per cent. of his basic wages and dearness allowance."

My amendment seeks to delete the words "and the employees' contribution shall be equal to the contribution payable by the employer in respect of him and may, if any employee so desires". And if my amendment is accepted, section 6 will read thus:

"The contribution which shall be paid by the employer to the fund shall be six and one-fourth per cent. of the basic wages and dearness allowance for the time being payable to each of the employees, and if the Scheme makes provision therefor, be an amount not exceeding eight and one-third per cent. of his basic wages and dearness allowance."

The purpose of my amendment is, as I have said in my speech at the first reading of the Bill, to see that the employee need not contribute anything to the fund and only the employer need contribute to it. If my amendment is accepted, then it means that the employer will make all the contribution, under this scheme, the minimum being 6½ per cent. and he may have to contribute up to 8-1/3 per cent. It is with that intention that I have moved my amendment. The Deputy Minister for Labour has said that whatever may be the position in other countries, we want the workers also to contribute to this provident fund scheme, because if

we make only the employer contribute, then the amount available to the worker when he retires or when he is incapacitated will be so small that it would not be enough for him. That is the reason, the Minister said, why the worker is also being asked to contribute. Our objection, however, to this proposal is that the worker's wage is already so low and as such if you ask him to contribute to this fund, the prospect of his getting something after 20 or 25 years of work is not a very alluring one for him. First of all, he has to meet his day to day wants. That is his first problem. If the argument is that with the employer's contribution alone the amount that accrues to the worker at the time of retirement would be very small, then the Government can increase the rate at which the employer has to contribute. Or again, in certain factories where the employer cannot contribute more than what he is already contributing, because of the financial difficulties in which the factory might have got involved, in that case, the Government must find out means of contributing something from the general funds to tide over the situation so that the workers may have some more benefit in their old age. That would be a really beneficial scheme for the worker and not one in which you make him compulsorily contribute to the fund. I may be annoying the hon. Deputy Minister for Labour, but I have to face it and tell him—and most probably he may not know it—that in Soviet Russia, in China, in the Eastern people's democracies like Czechoslovakia, Poland, Rumania, Bulgaria and Hungary, the worker is not to contribute anything to the insurance schemes and other schemes. It is entirely the employer or the Government that contributes. For the Deputy Minister's way of thinking, or according to the economy in which he has been brought up, this may sound rather fantastic, that everything should be contributed by the employer or the Government and it may be difficult for him to understand it. All the same, I would like him to consider this proposal and accept my amendment since it is beneficial to the workers

and the working masses of our country. Others have done it and I would like our Government also to adopt this principle and as such accept my amendment.

**SHRI S. P. DAVE (Bombay):** Sir, I rise to oppose this amendment that has been moved by my hon. friend Shri P. Sundarayya. It may appear rather queer that an amendment which appears beneficial to labour should be opposed by one who claims to be sympathetic to labour and who tries his best to get as many advantages to labour as possible.

I am against the spirit of the amendment. I would rather ask for more wages, fight for more wages, have more wages rather than in an indirect manner accept a low wage and take a benefit from the employer to supplement that wage. It is more honourable that my remuneration is well fixed from which a slice may go for thrift or economy as something to lean upon in my old age rather than that I should accept a sort of low wage on condition that all the burdens of the benefits are borne by the employer. It may be the Chinese and the Russian method. People may adopt methods according to what they please and what is congenial to their atmosphere and temperament. I have no quarrel but I consider that it is more self-respecting that a worker may, when he chooses to have a provident fund, also contribute his own quota. There would be other difficulties also in case of misconduct etc.

**SHRI P. SUNDARAYYA:** Then you move that the employer need not contribute anything.

**SHRI S. P. DAVE:** However, it is the right of the worker to claim certain benefits and I do not want to go to the extreme of the employer also not doing his duty. Therefore, Sir, I think the principle accepted in India, where both are contributors, is a sound principle. After all, in countries that he has cited, in a majority of them, Government alone is the employer and naturally, therefore, they do not allow much of free trade

union movement. But, I do not want to tread on controversial ground and raise a controversy here. Therefore, in the initial stage, I have said that people may adopt things that may be congenial to their temperament, to their history and to their economic growth. Here, by principle, custom, usage, function, and belief, a worker considers it self-respecting to be a contributor to his own provident fund because then he comes upon, in his old age, something for which he has contributed; he has gradually built it up by adding to it from month to month.

I do not think, Sir, that any more discussion is needed on the subject.

**SHRI S. N. MAZUMDAR:** Mr. Deputy Chairman, Sir, I rise to support the amendment moved by my hon. friend Mr. Sundarayya. I have just now listened to the speech of my friend Mr. Dave. I am unable to understand his logic. He seems to be burdened with the idea that by putting forward the demand for the exemption of the employees from contributing to the provident fund, it means naturally low wages. I cannot accept his contention nor do I find any justification for the hypothesis which he has built up. As the situation exists today in India wages are low; of course, industrial actions will be there, workers will fight for increasing their wages. But we know that it is a law of capitalism and that the employers will constantly try to lower the wages of the labourers. I do not like to go into the general principles but I would request my hon. friends to go into the reports of committees like the Fair Wages Committee, the Minimum Wages Committee, etc., and they will find how low our wages are. You can go on fighting for raising the wages and at the same time you can go on fighting for this principle that there should be no contribution from the employees. We stand on the principle that the employees should not be made to pay any contributions. Why? Because by way of making the employers and the State pay for their provident fund they are getting their rights; they are

[Shri S. N. Mazumdar.]  
getting a share of their own wages which they are otherwise being cheated out of by the employers through various devices. As I said before, these measures of social security are not the boons granted to labourers. They have earned these by their struggles.

Secondly, before I take my seat, I would appeal to my friends, particularly my friend, Mr. Abid Ali, not to get himself into jitters when China or the Soviet Union is mentioned. We wish to go the Indian way, as my friend Mr. Sundarayya said; let us beat the other countries but I am astounded to see the reactions of my friends when these countries are mentioned when they are easily drawing from the experience of other capitalist countries. My friend here just now said that having regard to our custom, according to our usage, we shall develop our own methods, but then you are drawing upon the experience on labour legislation from the capitalist countries. For heaven's sake study these; you may not accept them but you may at least study them and do not make wrong observations when anything about the social conditions of a country is mentioned.

Lastly, Sir, coming to the question of usages and customs and history let not my friends forget that this is a colonial country where industrial development was deliberately kept at a backward and low level by the British imperialists. Even now, in the economic field, our industries are suffering from a great many handicaps due to domination of foreign capital. Here the wages are low and there was not an iota of labour legislation social security legislation before. Some is coming now. Do not make your principles on the basis of these colonial conditions. Look up to the world, find out what you can do now, what you can do later on, but as regards the principles, let the principles be clearly enunciated before the House and before the labourers so that we could know where we want to go.

SHRI ABID ALI: Sir, the matter has been made sufficiently clear by the contribution of my hon. friend Shri Dave. There remains little for me to say. This matter has already been dealt with also by me. As I have said before, we want that when workers retire, they should have a substantial amount to have their own plans after retirement. Therefore, it is necessary that they should also contribute to the provident fund. If only the employers contribute to the fund, the amount will be substantially small. We are, therefore, opposed to the amendment which has been moved by the hon. Shri Sundarayya.

As regards the remarks which we have been exchanging since yesterday, I may assure, Sir, both the hon. Members opposite that I am neither annoyed nor am I excited when references are made to countries like Russia or China. On the other hand, I have already stated that we very much appreciate the advance made in those countries but when we are asked to go that way certainly we say that we do not want to go that way because according to us, our way is more profitable for our country and we want to remain within the four corners of democracy. We do not want that one class of citizens should rule over the rest of the country. We want that the whole country, and every adult in this country should have a vote and should elect the Government of their choice on democratic principles. These friends seem to be annoyed themselves because when they want to make propaganda that the country to which they have got the loyalty is advancing and when we.....

SHRI P. SUNDARAYYA: We have got loyalty only to our country. You may have loyalty for others.

SHRI ABID ALI: It is all very well said but it is not a fact and when we reply they naturally get annoyed. There is nothing for me to get annoyed about.

(Interruptions.)

We know that there the workers are made to work for more than 12 hours a day.

SHRI B. GUPTA: Who said that?

SHRI ABID ALI: In India it is not more than eight hours.

(Interruptions.)

Our workers work only for 8 hours and if they work more, they are paid overtime allowances which according to the new enactment includes not only the basic wage but also the dearness allowance.

Sir, I oppose the amendment.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 2, for lines 19 to 21, the following be substituted, namely:—

'5. Amendment of section 6, Act XIX of 1952.—In section 6 of the principal Act,—

(i) in sub-section (1) the words "and the employees' contribution shall be equal to the contribution payable by the employer in respect of him and may if any employee so desires and" shall be deleted; and

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—'

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clauses 6 to 10 were added to the Bill.

MR. DEPUTY CHAIRMAN: The motion is:

"That clause 11 stand part of the Bill."

There is an amendment in the name of Shri P. Sundarayya. Are you moving it, Mr. Sundarayya?

SHRI P. SUNDARAYYA: Sir, I beg to move:—

"That at page 4, for lines 4 and 5, the following be substituted, namely:—

'11. Amendment of section 13, Act XIX of 1952.—In section 13 of the principal Act,—

(i) in sub-section (1), for the words "as it thinks fit", the following shall be substituted, namely:—

"whose number shall not be less than three for every factory to which the Scheme applies and who are elected in accordance with the system of proportional representation by means of the single transferable vote by the members of the Scheme in that factory or concern"; and

(ii) in sub-section (2),—'

MR. DEPUTY CHAIRMAN: Amendment moved:

"That at page 4, for lines 4 and 5, the following be substituted, namely:—

'11. Amendment of section 13, Act XIX of 1952.—In section 13 of the principal Act—

(i) in sub-section (1), for the words "as it thinks fit", the following shall be substituted, namely:—

"whose number shall not be less than three for every factory to which the Scheme applies and who are elected in accordance with the system of proportional representation by means of the single transferable vote by the members of the Scheme in that factory or concern"; and

(ii) in sub-section (2),—'

The amendment and the clause are open to discussion.

**SHRI P. SUNDARAYYA:** Again I have to bring in another important amendment to clause 11 of the Bill which seeks to set up inspectors to ascertain whether the provisions of the Act or of any Scheme have been carried out by a factory or not. I shall read out the new clause which this amending Bill seeks to bring. I shall read it out so that my amendment to it will become very clear. "In respect of a factory to which any Scheme applies or for the purpose of ascertaining whether the provisions of this Act or any Scheme are applicable to any factory to which the Scheme has not been applied or for the purpose of determining whether the conditions subject to which exemption was granted under section 17 are being complied with by the employer in relation to an exempted factory". In the principal Act this clause was not there and so we welcome this clause being brought by the Government because here is a mechanism which is sought to be put into motion by which it can be ascertained, in respect of a factory to which any Scheme applies, whether the provisions of the Act or any Scheme are being carried out or not. Also it can be ascertained whether the provisions of the Act or any Scheme are applicable to any factory to which the Scheme has not so far been applied. Also it can be determined whether the conditions subject to which exemption was granted are being complied with by the employer in relation to an exempted factory. All these things can be enquired into. Therefore a mechanism is sought to be devised here by having inspectors for such purposes.

The purpose of my amendment is this. In section 13 of the principal Act it is said, "The appropriate Government may, by notification in the Official Gazette, appoint such persons as it thinks fit to be inspectors for the purposes of this Act or of any Scheme, and may define their jurisdiction." Here the Government take full power to appoint the inspectors. What my amendment seeks to suggest is, "The appropriate Government may, by notification in the Official

Gazette, appoint such persons whose number shall not be less than three for every factory to which the Scheme applies and who are elected in accordance with the system of proportional representation by means of the single transferable vote by the members of the Scheme in that factory or concern." There is no use merely Government appointing some inspectors to go through the factories or the management of factories to see whether the conditions of the Scheme are being properly applied or not. We have got plenty of this kind of inspectors. There are a number of complaints against these inspectors that they are not doing their jobs. Of course, now I do not want to go into the working of the Factories Act or the working of the various other Acts and to show how the inspectors merely nominated by the Government have, in many cases, failed in their duties and were not able to improve the labour conditions. That is why I am providing the best inspectors in this case of a provident fund Scheme which is beneficial to the workers and they should be the representatives of the workers themselves because they know where the shoe pinches and they have to work every day under the management and as such the representatives of the workers are given the right to check up whether the scheme is being properly implemented or not. Then only it will be very best checkup. There can be no better checkup than that. Let the Government appoint the inspectors but they could appoint only those persons who are elected by the workers themselves. For that purpose I have provided that in each factory or concern to which the Scheme applies there should be three inspectors who are elected by the members of the Scheme in that particular factory. I have proposed three and proportional representation also because the Government will plead "there are so many trade unions; there are so many differences. How to select the representatives of the workers?" Even if there are differences among the workers, even if some political groups work among the working class, on this question of

benefit, on this question of implementing the beneficial schemes for the worker there need be no difference and there need be no conflict. To solve such differences and such difficulties I have proposed my amendment. At the same time the workers have a right to select their own representatives and that is why I suggest that instead of one inspector there may be three inspectors who can be elected by means of proportional representation so that even some minor section of the workers can elect the person in whom they have got full confidence. To make these things possible I am moving this amendment.

SHRI ABID ALI: Sir, firstly I may submit that we have not received any complaints so far that any inspector has failed to do his duty. However, I assure the House, Sir, that if at any time any complaint is made—I shall be very happy if it is brought to the notice of the Government by the hon. Member or trade union worker or anyone—about the failure by any inspector in doing his duty, certainly very strong action will be taken in such cases.

SHRI P. SUNDARAYYA: We shall have one more added to the unemployed if an inspector is discharged.

SHRI ABID ALI: Another will be employed, Sir. The number will be the same. The system of inspection in other spheres also has been working very well. I have been a trade union congressman the whole of my life and I know that the workers get their accounts. They keep account as soon as their contribution is recovered and they add their employer's contribution to it. Of course there are many illiterate workers but they have got their friends who give them help. My friend seems to be under the impression that everywhere there is mismanagement, that there is no union anywhere existing, that the workers have not got their friends to help them and that all Government inspectors are bad. I do not think the society is bad to that extent. But we

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believe that our inspectors are doing good work. We believe that the workers are alert and that most of the trade union organisations are discharging their duties properly. This amendment is not at all appropriate, I am sorry to say, and I oppose it.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 4, for lines 4 and 5, the following be substituted, namely:—

'11. *Amendment of section 13, Act XIX of 1952.*—In section 13 of the principal Act,—

(i) in sub-section (1) for the words "as it thinks fit", the following shall be substituted, namely:—

"whose number shall not be less than three for every factory to which the Scheme applies, and who are elected in accordance with the system of proportional representation by means of the single transferable vote by the members of the Scheme in that factory or concern"; and

(ii) in sub-section (2),—."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 11 stand part of the Bill."

The motion was adopted.

Clause 11 was added to the Bill.

MR. DEPUTY CHAIRMAN: Clause 12. There is an amendment.

SHRI S. N. MAZUMDAR: Sir, I move:

"That at page 4, line 25, for the word 'three', the word 'six' be substituted."

MR. DEPUTY CHAIRMAN: Clause 12 and the amendment are open for discussion.



**SHRI P. SUNDARAYYA:** Sir, I rise to support the amendment moved by my colleague Shri Mazumdar, that the word 'three' on page 4 should be substituted by the word 'six'.

**MR. DEPUTY CHAIRMAN:** You want three months' imprisonment to be increased to six months?

**SHRI P. SUNDARAYYA:** Yes. Because in the amending Bill it is said: 'whoever contravenes or makes default in complying with any provision of this Act or of any condition subject to which exemption was granted under section 17 shall, if no other penalty is elsewhere provided by or under this Act for such contravention or non-compliance, be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.' Of course, our amendment is intended to make the punishment from three months to six months. Because in section 14 of the principal Act they have provided: "Whoever, for the purpose of avoiding any payment to be made by himself under this Act or under any Scheme or of enabling any other person to avoid such payment, knowingly makes or causes to be made any false statement or false representation shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both." This is the provision in the principal Act. Again it says: "A Scheme framed under this Act may provide that any person who contravenes, or makes default in complying with, any of the provisions thereof shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both." Apart from these two contraventions of the Scheme, if there is any other contravention for which there is no specific provision, for that this clause is provided. Generally contraventions of the Scheme come from the employer and to prevent any employer from going against the Scheme and depriving the workers from the benefits to which they are entitled, the Government has rightly thought

fit to make it a deterrent punishment. When they are providing in two sections six months and one thousand rupees, we cannot understand why the Government should become lenient in this case especially when it is referring to factories to which exemption was granted. Why should the Government fight shy of keeping the original proposal of six months? Why should it be reduced to three months? Therefore to keep the whole Act in consonance with the other sections, we have sought to raise the punishment from three months to six months. When we say that the punishment should be raised, it does not mean that every time he will be convicted for six months. The law courts are there and the lawyers and judges are there who will look into the whole question. No one need be panicky merely because we say that deterrent punishment should be there. But if in a particular case deterrent punishment is necessary then the courts should be empowered to give that deterrent punishment, at least to the extent of six months. That is why we are bringing this amendment so that it may be in consonance with the other two clauses of the principal Act.

**SHRI ABID ALI:** There is no question of being panicky or being kind to employers. Whenever any particular Bill is brought forward the whole scheme of enactment in the country has to be respected. In the original Act for specified offences six months' imprisonment has been provided. Now for residuary offences, only three months' imprisonment is provided. It is everywhere less than for specified offences, Sir, I oppose the amendment.

**MR. DEPUTY CHAIRMAN:** The question is:

"That at page 4, line 25, for the word 'three', the word 'six' be substituted."

The motion was negatived.

**MR. DEPUTY CHAIRMAN:** The question is:

"That clause 12 stand part of the Bill."

The motion was adopted.

Clause 12 was added to the Bill.

MR. DEPUTY CHAIRMAN: Clause 13. There are amendments.

SHRI ABID ALI: Sir, I move:

"That at page 4, lines 31 and 43, for the word 'rules', the word 'scheme' be substituted."

SHRI P. SUNDARAYYA: Sir, I move:

"That at page 4, lines 37-41 be deleted."

MR. DEPUTY CHAIRMAN: The amendments and the clause are open for discussion.

SHRI P. SUNDARAYYA: Sir, my amendment means this. In clause 13 of this Bill it is sought to define offences by companies. It says: "If the person committing an offence under this Act or the rules made thereunder is a company, every person, who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly." Then there is a proviso there.

MR. DEPUTY CHAIRMAN: You want the proviso to be omitted?

SHRI P. SUNDARAYYA: Yes. The proviso says: "Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence." I want this proviso to be omitted because this helps more or less the culprits to go scot-free. We cannot allow the company managers or the company proprietors to escape the penal provisions of this measure if they break up this Scheme. But under this proviso he is given an alibi; if he comes and pleads before a

court that he tried his best but the offence has been committed without his knowledge, then naturally he will be able to get away scot-free. Most probably ultimately a poor clerk may come into trouble because the proprietor will say that he took every precaution and that it happened without his knowledge. We are not going to believe that serious violations of the provident fund scheme can be done by the clerks without the knowledge of the proprietors or the managers who are really responsible for such contraventions. As such, we should not accept these grounds; if the company fails to comply with the provisions of the scheme and if they bring forward such an alibi it should not be allowed and the proprietors should not be allowed to escape the penal provisions of this Act. That is why we want to have this proviso omitted. Otherwise, the big proprietors of many of the companies will go with impunity, break these things, and plead before a court of law that he took all and every precaution but this thing has happened without his knowledge. Such kinds of alibis are bound to come and as such this provision is very harmful for the workers and this provision should, therefore, be deleted.

SHRI ABID ALI: Sir, we are no doubt clear that a guilty person should not be left out or an innocent person punished. The whole thing is left to the court. If the court finds that a person is not guilty, he is not guilty.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 4, lines 31 and 43, for the word 'rules' the word 'scheme' be substituted."

The motion was adopted.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 4, lines 37-41 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clause 14 was added to the Bill.

MR. DEPUTY CHAIRMAN: The motion is:

"That clause 15 stand part of the Bill."

SHRI P. SUNDARAYYA: Sir, I am not moving amendment No. 9 because it is covered by another amendment No. 23. So, I move amendments Nos. 10, 23 and 24. No. 11 is covered by No. 24.

MR. DEPUTY CHAIRMAN: Amendments moved:

"That at page 5, lines 41-50, sub-clause (b) of clause 15 be deleted."

"That at page 5, for lines 35 and 36, the following be substituted, namely:—

'(a) in sub-section (1) as so re-numbered, in clause (6), the word "other" shall be omitted and for the words "three years" the words "one year" shall be substituted; and, to the said sub-section (1), the following *Explanation* shall be added'."

"That at page 5, the following be added after line 50:—

'Provided that the Central Government itself contributes that amount due from that class of factories so exempted'."

Clause 15 and the amendments are now open for discussion.

SHRI P. SUNDARAYYA: Sir, may I correct a small mistake I have made?

MR. DEPUTY CHAIRMAN: No, it is too late it has already gone into the records.

SHRI P. SUNDARAYYA: I want to move amendment No. 9 also.

MR. DEPUTY CHAIRMAN: You said you would not move it as it was actually covered by amendment No. 23. You yourself objected on a previous occasion.

SHRI P. SUNDARAYYA: The Chair can use its discretion.

MR. DEPUTY CHAIRMAN: Has he the leave of the House to make the change he wants to make in amendment No. 23?

(No hon. Member dissented.)

SHRI P. SUNDARAYYA: Sir, with the correction I have made the amendment reads thus:

"That at page 5, for lines 35 and 36, the following be substituted, namely:—

'(a) in sub-section (1) as re-numbered clause (a) shall be omitted, and in clause (b), the word "other" shall be omitted and for the words "three years" the words "one year" shall be substituted; and, to the said sub-section (1), the following *Explanation* shall be added'."

Sir, section 15 of the present Bill deals with the amendment to section 16 of the principal Act. Section 16 of the principal Act says:

"Act not to apply to factories belonging to Government or local authority and also to infant factories.—This Act shall not apply to—

(a) any factory belonging to the Government or a local authority; and

(b) any other factory, established whether before or after the commencement of this Act, unless three years have elapsed from its establishment."

These are the two provisions in this Act and this excludes some of the factories. My amendment No. 23 is sought to amend this provision. So, in sub-section (1), this clause (a), "any

factory belonging to the Government or a local authority" will be omitted. That means, they also will come under the scope of this scheme. That is the first part of the amendment. As we have a number of speakers on this side of the House as well as Shri B. K. Mukerjee from the side of the Congress benches also who have said that it should be applied to all factories, especially to the Government factories, I have moved this amendment. Both in the debate as well as in his reply, the Deputy Minister for Labour has mentioned that even if the clause is omitted, the workers who will come under the provident fund scheme, will be very small in number because, he says, in the Schedule there are only six industries mentioned, and in these six industries there are very few factories that are actually being managed by Government or local authorities and so does not affect a large number of persons and so this provision does not really deprive any large section of workers from the provisions of the Scheme. We disagree with these things because the Government itself says that it is going to extend this Schedule to all other industries at some future date at least if not immediately. There will be a large number of Government employees in these factories who will benefit from the provident fund scheme. The Government should come forward and say that all the workers employed in Government factories or in factories managed by local authorities should also get the benefit of this Act. I find from the labour statistics that about three lakhs of workers are employed in factories managed by the Government or local authorities. I do not know how many of them have got provident fund schemes other than this particular scheme. The other day some of the speakers from the Congress benches had pointed out that when this Bill was originally mooted, there was a very great opposition to such proposal and it was not included in the Ordinance, but later on in the Act the Government sought to bring some such thing. So I want the Government at least to accept this principle and show to other

employees that Government does not shirk its responsibility to its own employees. That is why the first part of my amendment says: "To omit these exemptions given to any factory belonging to the Government or the local authority". Then, Sir, my amendment No. 23 says that instead of three years one year should be there. I take it for granted that the period should be taken into account from the time a factory starts functioning and not from the time we lay the foundation stone of the building etc. I do not of course know what the Legal Department of the Government of India meant by establishment. But in any case the common understanding is that the establishment is from the time the factory starts functioning. Sir, when a factory starts functioning, one year's period is quite sufficient for its proper functioning. So there is no necessity for three years. Of course I know the argument that is going to be put forward against this. They want three years' time to be given to a factory so that it may stabilise itself, so that its economic condition can be studied and so that it can be said whether it is a losing concern or a profit making concern and if it is a profit making concern, then only the provident fund scheme can be applied. It is because of these things that three years' period is sought to be given. If they are not making profits, if they are not stable, the Government can always apply the exemption that is there. There is no reason even from the point of view of economic argument to exempt a factory unless it has three years' standing. There is no necessity to make a provision that the factory must exist for three years before this scheme can be applied to it. That is why the second part of my amendment No. 23 makes it very clear that instead of three years it should be only one year.

Then, Sir, coming to the other amendments, my amendment No. 10 says:

"That at page 5, lines 41-50, sub-clause (b) of clause 15 be deleted."

[Shri P. Sundarayya.]

Sir, this is a new clause which the Government wants to bring in. It says:

"(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

'(2) If the Central Government is of opinion that having regard to the financial position of any class of factories or other circumstances of the case, it is necessary or expedient so to do, it may, by notification in the Official Gazette, and subject to such conditions as may be specified in the notification, exempt that class of factories from the operation of this Act for such period as may be specified in the notification.'

Sir, I have no objection to withdraw this amendment provided the Government is prepared to accept my amendment No. 23. Because when we omit three years and put one year, practically every factory that is functioning will come under it. Of course the Deputy Minister for Labour has given the assurance to this House that these exemptions will be very very limited and that these exemptions will be given only after careful scrutiny, etc.

SHRI ABID ALI: And sparingly.

SHRI P. SUNDARAYYA: Yes, sparingly also. Even if the Government is going to use this power of exemption sparingly, even in those very few cases, I do not want the workers to be deprived of the benefits, and therefore I am moving a proviso to this clause, if it is the intention of the Government to retain it:

"Provided that the Central Government itself contributes that amount due from that class of factories so exempted."

This is a good proviso since it benefits the workers in two ways. Even where the Government sparingly uses this power of exemption, it will be extra-vigilant before it issues orders exempting any such factory and will much more carefully go into the capacity of the factory to pay this or not. Therefore this will be a check on the Government also not to resort to this clause and exempt many factories even though they may not deserve it. In any case, this is not the main point. The main point is that the workers should not be deprived of this minimum benefit merely on the ground that a particular factory is unable to pay it, nor do we want, as Mr. Manjuran said the other day, any factory to be closed. He said, "Let the factory be closed. We are not concerned." But we are very much concerned that every factory should be functioning. I can understand some factories being unable to meet this, their reserves having been exhausted and all their profits having been exhausted. Even if the employers may have other concerns, they may not be able to meet this. Such conditions we can imagine, but even in such cases we want those factories to function. Exemption should be given only in very very limited cases and even in those limited number of cases the workers should not be deprived of the benefits, and therefore for the time being all I could think of was that the Central Government should undertake the responsibility of paying this contribution. This is only a modest burden on the Government in the interests of the workers, and that is why I urge that my amendments Nos. 10, 11, 23 and 24 should be accepted.

MR. DEPUTY CHAIRMAN: Amendment No. 11 you have not moved.

SHRI ABID ALI: with regard to the question of Government factories, I have already replied to it in detail and I do not want to repeat those arguments again.

About the one year limit, I am surprised how the hon. Member feels that

one year would be enough for a factory to get stabilised. We feel that a three year period is reasonable and should be retained. About the clause empowering the Central Government to grant exemptions, as I have said previously also, it will be used only in exceptional cases, not generally for every factory. Therefore I oppose the amendments.

MR. DEPUTY CHAIRMAN: You oppose amendment No. 24 also?

SHRI ABID ALI: Yes, Sir.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 5, lines 41-50, sub-clause (b) of clause 15 be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 5, for lines 35 and 36, the following be substituted, namely:—

'(a) in sub-section (1) as so renumbered clause (a) shall be omitted, and, in clause (b), the word "other" shall be omitted and for the words "three years" the words "one year" shall be substituted; and to the said sub-section (1) the following *Explanation* shall be added:—

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 5, the following be added after line 50:—

'Provided that the Central Government itself contributes that amount due from that class of factories so exempted'."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 15 stand part of the Bill."

The motion was adopted.

Clause 15 was added to the Bill.

MR. DEPUTY CHAIRMAN: The motion is:

"That clause 16 stand part of the Bill."

There are some amendments to this clause, in the names of Messrs. Sundarayya and Mazumdar. Are you moving them?

SHRI P. SUNDARAYYA: Yes, Sir I move:

"That at page 6, line 11, for the words 'not less favourable', the words 'more favourable' be substituted."

"That at page 6, line 13, for the words 'not less favourable' the words 'more favourable' be substituted."

"That at page 6, line 21 for the words 'not less favourable', the words 'more favourable' be substituted."

"That at page 6, after line 23, the following be added, namely:—

'Provided that the appropriate Government has ascertained the opinion of the majority of such employees before arriving at the opinion'."

"That at page 6, for line 39 to 46, the following be substituted, namely:—

'(c) any person or class of persons employed in any factory to which the Scheme applies, if such person or class of persons is entitled to benefits in the nature of provident fund, gratuity or old age pension and such benefits, separately or jointly, are on the whole not less favourable than the benefits provided under this Act or the Scheme: '

and that sub-section (3) of the proposed new section 17 be re-numbered as sub-section (2)."

"That at page 6, line 45, for the words 'not less favourable' the words 'more favourable' be substituted."

MR. DEPUTY CHAIRMAN: The clause and amendments Nos. 12 to 17 are now open to discussion

SHRI P. SUNDARAYYA: Sir, my amendment No. 12 says:

"That at page 6, line 11, for the words 'not less favourable', the words 'more favourable' be substituted."

The words used in the clause are ".....if, in the opinion of the appropriate Government, the rules of the provident fund with respect to the rates of contribution are not less favourable than those specified in section 6." My amendment says that instead of "not less favourable" the wording should be "more favourable". In this section. No. 17, the conditions under which exemptions could be given are defined. The Government thinks that a factory having its own provident fund can be exempted provided the rates of contribution are not less favourable than those specified in section 6. My amendment says that they could be exempted only if the rates of contribution are more favourable than those specified in section 6. I do not want any factory to be exempted merely because it provides similar facilities. As I said during my speech on the first reading, if they are providing the same kind of benefits, why should these factories seek exemption from this Scheme? It is because they want to escape strict inspection, etc. We do not want any factory to be exempted unless they provide more favourable benefits to the workers. My amendment No. 13 is only a consequential amendment. The clause says, "..... and the employees are also in enjoyment of other provident fund benefits which on the whole are not less favourable, etc." Here again, I want the words "more favourable". It is only such workers as enjoy more favourable benefits who should be exempted. Similarly in line 21, the clause says, "any factory if the employees of such factory are in enjoyment of benefits in the nature of provident fund, pension or gratuity and the appropriate Government is of opinion that such benefits, separately or jointly, are on the whole not less

favourable to such employees, etc." Here again, instead of the words "not less favourable", I want the words "more favourable". My argument is that, if a factory is to be exempted, the total benefits from its various schemes should be more than the benefits provided in this Scheme. Otherwise, that factory should not be exempted.

[THE VICE-CHAIRMAN (SHRI AKHTAR HUSAIN) in the Chair.]

So I want the words 'not less favourable' to be omitted and the words 'more favourable' to be introduced there. If these two amendments are accepted then comes the question of who is to decide whether the conditions are less favourable or more favourable or at least not less favourable. All these things have to be decided. Government may say that the board of trustees will decide. Of course that is some safeguard. But we want to provide that the appropriate Government should ascertain the opinion of the majority of such employees before arriving at the final opinion. We want the workers themselves to be consulted by suitable methods as to what they think about the employer's scheme and whether they give them more benefits or not before these exemptions could be given even if they are more favourable. So there should be the safeguard that any Scheme even if it is more favourable should be decided by the workers themselves primarily and their opinion must be ascertained and then only Government should take such a decision. Therefore to give that statutory provision in the Act itself, we have moved this amendment reading:

"Provided that the appropriate Government has ascertained the opinion of the majority of such employees before arriving at the opinion."

Similarly in line 45 for the words 'not less favourable' the words 'more favourable' should be substituted. I would like the Deputy Minister of Labour to remember the small incident

or side talk that took place yesterday. When I was making this point that no factory should be exempted unless it has got provident fund Scheme or more favourable Scheme, he was nodding his agreement and he was telling Mr. Ranga that he approved of it. If you are in sympathy with these things—as I found him yesterday—then certainly this is a minor amendment and yesterday itself I requested him to accept at least these things because it seemed yesterday that he was in sympathy with it. Sir, I hope all these are minor amendments and as such the Minister of Labour will certainly accept at least these amendments which do not even hit anybody and in fact there will be more uniformity in the provident fund Scheme. Instead of giving all these exemptions, let everybody come under this unless he provides more benefit. It will smoothen the administrative machinery and also the functioning of the provident fund Scheme itself and Government need not be in trouble to find out the number of workers coming under this and how many are coming under exemption. So with less money and more purpose the whole Scheme could be managed. As such I want the Government to accept at least these amendments.

**SHRI K. L. NARASIMHAM:** In the original Act the words 'or more favourable' are there. Are there any reasons for changing the words?

**SHRI ABID ALI:** About my side talk with Mr. Ranga, it had nothing to do with what my hon. friend Mr. Sundarayya was speaking at that particular moment. About exemption, we are very particular and again I may say that the exemption does not mean exemption of the employer from the obligation of contributing to the provident fund Scheme.

**SHRI P. SUNDARAYYA:** I agree.

**SHRI ABID ALI:** It only means for this particular purpose, that is exemption from the direct control of the Act under the supervision of the Commissioner of the provident fund Scheme.

The Scheme is there. In this particular matter we are to be guided by the wishes of workers themselves. When workers come to us and say that they should remain where they are, that they feel that they are happier by managing their Schemes locally and we should not take it under direct control, in that particular case, certainly we don't insist that the Scheme should come to us directly. When such an application comes, then our Regional Commissioner makes enquiries on the spot, he studies the scheme, he consults the workers there, then the matter goes to the State Governments, they scrutinise the whole thing and then it comes to the Commissioner here and thereafter necessary notification is issued either by the Central or the State Government whichever may be the appropriate Government. All precautions are taken to see that this action is not to the detriment of the workers.

Yesterday it was said that the employers mislead the workers and obtain their consent. I might suggest to friends who are working in the trade union field to bring such cases to our notice and again it is not that once an exemption is made, always such schemes remain exempted. We have power to cancel the exemption and take over the Scheme under our direct control. Therefore there is no necessity for these amendments and as I have said, we are entirely guided by the wishes of the workers themselves.

**SHRI P. SUNDARAYYA:** What is the harm in accepting 'more favourable' instead of 'not less favourable'?

**SHRI ABID ALI:** Whether it is more than sixteen annas or less, it is left to the workers to decide.

**MR. VICE-CHAIRMAN (SHRI AKH-TAR HUSAIN):** The question is:

"That at page 6, line 11, for the words 'not less favourable', the words 'more favourable' be substituted."

The motion was negatived.



MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): Amendments Nos. 13 and 14 being to the same effect, would the mover like to press them?

SHRI P. SUNDARAYYA: It may be—another context is there.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The question is:

"That at page 6, line 13, for the words 'not less favourable', the words 'more favourable' be substituted."

The motion was negatived.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The question is:

That at page 6, line 21, for the words 'not less favourable', the words 'more favourable' be substituted.

The motion was negatived.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The question is:

"That at page 6, after line 23, the following be added, namely:—

'Provided that the appropriate Government has ascertained the opinion of the majority of such employees before arriving at the opinion'."

The motion was negatived

SHRI P. SUNDARAYYA: Sir, I don't press my amendment No. 16.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): Does the hon. Member have the leave of the House to withdraw his amendment?

The \*amendment was, by leave, withdrawn.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): Is amendment No. 17 pressed?

SHRI P. SUNDARAYYA: Yes, Sir

\*For text of amendment, See col. 236, *supra*.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The question is:

"That at page 6, line 45, for the words 'not less favourable', the words 'more favourable' be substituted."

The motion was negatived.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The question is:

"That clause 16 stand part of the Bill."

The motion was adopted.

Clause 16 was added to the Bill.

Clause 17 was added to the Bill.

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): There are a number of amendments to clause 18 in the name of Mr. Sundarayya.

SHRI P. SUNDARAYYA: Sir, I move.

"That at page 7—

(1) line 50 be deleted,

(2) after line 50, the following new sub-clause (ia) be inserted:

'(ia) the following new items shall be added:—

Cigars and any preparations of tobacco other than cigarettes.

Coffee.

Pepper.

Rubber.

Tea'."

"That at page 7, after line 50, the following new sub-clause be inserted, namely:—

'(ib) the following shall be added:—

'Any factory or company which employs more than fifty employees'."

"That at page 9, at the end of line 8, the following be added, namely:—

'and the expression 'silk' includes artificial silk or rayon'."

"That at page 7—

(1) line 50 be deleted;

(2) after line 50, the following new sub-clause (ia) be inserted:—

'(ia) the following new items shall be added :—

'Cigars and any preparations of tobacco other than cigarettes.

Coffee.

Tea.

Rubber.

Pepper.

Fertilisers.

Heavy chemicals.

Drugs and pharmaceuticals.

Paints and varnishes.

Soap.

Tanning and footwear.

Glass.

Petroleum products.

Power alcohol.

Matches.

Sugar.

Vegetable oils and Vanaspati.

Food products.

Ships'."

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The other amendment is No. 27, standing in the name of Shri S. N. Mazumdar, but he is not present.

So, these amendments, namely, Nos. 18, 19, 20 and 25 moved by Mr. Sundarayya and the clause are now before the Council for discussion.

SHRI ABID ALI: Sir, with your permission and to save time, I may submit with reference to the amendment dealing with silk moved by my hon. friend here, that he may not press it perhaps, because, the original Act on page 7 deals with "Textiles (made wholly or in part of cotton or wool or jute or silk, whether natural or artificial).

SHRI P. SUNDARAYYA: But rayon is not there.

SHRI ABID ALI: No, but.....

MR. VICE-CHAIRMAN (SHRI AKHTAR HUSAIN): The hon. Deputy Minister can explain the position in his reply.

SHRI P. SUNDARAYYA: Here, in clause 18 we deal with the Schedule. Government was not prepared to accept the amendment to clause 2 of the Bill which sought to extend the scope of the Bill to all factories which employ more than 50 workers. At that time the Government did not see its way to accept our amendment. We are moving amendments so as to enable a number of industries to be brought under this Scheme so that it could be applied, if not universally, at least to every factory and company which employs more than 50 workers. Before I show why the Government should accept this revised Schedule I would like to speak of line 50 which says that the word "production" shall be omitted. So in the amending Bill, they want to omit this word "production" which occurs there in the original Act. In the original Act it runs thus:

"Any industry engaged in the manufacture or production of any of the following, namely:—

Cement.

Cigarettes.

Electrical, mechanical" etc. etc.

I do not understand why they now seek the deletion of the word "production" from this section. They cannot argue that "manufacture" and "production" are one and same. Actually "production" is a wider term than "manufacture" and it will cover many processes which normally may not come under the term "manufacture". That is why I want the word "production" also to be allowed to continue in this provision so that no factory or company can escape applying this provision maintaining that the process is not manufacture. So the word "production" which denotes a wider meaning should be

[Shri P. Sundarayya.]  
retained and unless the Government give us reasons and not merely argue that the word "manufacture" includes "production", or that they both mean the same thing, we cannot be satisfied

SHRI GOVINDA REDDY: The word "manufacture" is not defined here.

SHRI P. SUNDARAYYA: Maybe but why do you want to delete a word that is already there? "Manufacture" is not defined. But I say "production" is a wider term and it should be allowed to continue there and other industries which could be brought under the Scheme should also be brought and nobody need be excluded

Now, I come to the items which I want to be included in the Schedule

In the course of the debate itself, the hon. Minister, to a pointed question about the criterion on which Government included only those six industries in the Schedule and not the others, replied that they considered them as most paying.

SHRI ABID ALI: Most appropriate.

SHRI P. SUNDARAYYA: And not paying? A specific question was put by my colleague, Shri C. G. K. Reddy and the answer given was not merely more appropriate but that they were more profitable also. If that is the criterion, Sir, all these industries which I have mentioned are very profitable ones. There may be a few units in each industry—just like as there are units in all those mentioned in the Schedule—which may not be paying their way but, taking this criterion naturally the industries which I have mentioned here are very profitable concerns and they should be included. That is one point.

The second is, what we should take into consideration is the number of workers employed in these industries which are not being included and how large a section of the workers do not get the benefit of the provident fund.

From these two criteria, all the industries that I have mentioned certainly deserve to be included in the Schedule

Take again cigarettes. Here, only cigarettes are mentioned. Why limit the scheme only to the manufacture of cigarette. Why don't we extend it to others, e g, cigars or any preparations of tobacco other than cigarettes. As I have already pointed out, in Andhra and in Bihar, there is the I. L. T. D. Company functioning. It has got huge factories for the purpose of curing tobacco. That is not a losing concern. It is one of the most powerful imperialist concerns making huge profits and having a network of establishments throughout the whole country and there is no reason why the provident fund Scheme should not be applied to the factories owned by that concern. The total number of workers that are employed in the manufacture of cigars or in preparations of tobacco products is 85,000, not a very negligible number either. As such, this Scheme should be applied to them. Of course, I could not get the total amount of profits which this industry is making, no such statistics are readily available from any Government publication as to which factory is making how much of profit. We have to laboriously struggle going through the balance sheets that appear in the newspapers now and then and also through various economic journals. It is not possible for us, with a limited staff and with so many other jobs to do. It is for the Government, with its 50,000 employees in the Central Secretariat itself to furnish us that information

The next point is about coffee, tea and rubber. These three important plantations should, according to us, be included. There are 12 lakhs of workers employed in these plantations. If we take the criterion to be the number of workers employed, then these plantations must surely be included. Unfortunately, instead of bringing this huge section of the working class into the Scheme of provident fund, Government is having a soft corner for the plantation owners.

[MR. DEPUTY CHAIRMAN in the Chair.]

SHRI ABID ALI: Question.

SHRI P. SUNDARAYYA: Why question? I can give you facts to prove this. Recently the Government brought in the Tea Plantation Act but they said that this would not be applied to the tea plantations. They bring an Act but they do not apply it. We have put so many questions on it and they said that they could not implement it. Similarly under the Industrial Disputes Act they brought a good Ordinance giving some relief for people who were likely to be retrenched or who were going to be laid off but there also again the Government thought over it—we do not know for whose pleasure or for what purpose—and came with an amendment to that Ordinance that plantation should be exempted from this Ordinance. That means that tea plantation labour can be retrenched and they can be thrown out without paying anything to them. I refer especially to the tea plantation workers. They can be retrenched or laid off without being given the benefits which other employers are expected to give. If this is not 'soft corner' what else is? I would ask the Government to explain. Do they argue that coffee, tea and rubber plantations or pepper also—of course in regard to pepper I could not gather much material—are not profit-making concerns because in the coffee, tea and rubber plantations out of the total capital nearly 60 to 70 crores of rupees are British-owned. My figures are that 86 per cent. in tea, 93 per cent. in rubber and 37 per cent. in coffee are British-owned. So much British capital is there in it and naturally they are making huge profits on their capital investment. So when such is the case why does not the Government introduce the provident fund Scheme in all these plantations? I believe one of the hon. Members was saying that in Assam some 200 small tea plantation units are not paying their way. Of course I cannot go into every concern, and actually I have not gone to find out whether they are really losing or not.

SHRI GOVINDA REDDY: They have closed down.

SHRI P. SUNDARAYYA: We know how the employers are closing down, and what tactics they adopt. Only to cut down wages they close down these things. We have plenty of examples in Bombay, Ahmedabad and even in Kanpur, of closing a shift for a few days and then again restarting it so that the workers could be retrenched with the close of the shift till it is again restarted. We know all these tricks that they adopt. Closing down does not mean that there is actually a loss. In any case if there are a few units which are really losing and which have no resources or reserves to carry on then certainly the Government has got the power to exempt them under the financial difficulty clause which we have passed just now. Therefore tea, rubber and pepper also should come under these things.

Sir, I now come to the heavy chemicals and fertilisers. Now most of the heavy chemicals are dominated by the huge Imperial concern, the Imperial Chemical Industries. More and more industries are being added on to the Chemicals Department and Drugs Department and they are all managed by it. No one can say that the Imperial Chemical Industries is not a profit-making concern or that it is in such a financially hopeless position that it cannot afford to bear the burden of this provident fund Scheme. Even the Deputy Minister will not dare to put forward that argument here. If that is so, why not this thing be extended to the heavy chemicals also. Working in the chemical industries is injurious to health and when they are working like that they do not get this benefit which is their right. There are 35,000 workers employed in these heavy chemical industries. These figures I got from the Manufacturing Census of 1950.

Then I come to the soap industry. Nearly 65,000 workers are employed in the soap industry and one of the most powerful concerns which controls 43 per cent. of our soap industry is Lever Brothers. The second biggest

[Shri P. Sundarayya.]

concern controlling about 20 per cent. or so of the soap industry, which is earning huge profits and which is expanding, is the Tata's concern. Why don't the Government think of extending the Scheme to this soap industry which is so well established and which is making so much profit? As per the Manufacturing Census nearly 7,000 workers are employed there.

Now I come to tanning and footwear industry. 22,000 workers are employed in the tanning and footwear industry. This also should certainly be brought under these things. Some of the footwear companies like Batas are foreign-owned and as such to say that they are not making profits would be a totally wrong thing and even from that angle that industry also should be brought into this Scheme.

Then there is the glass industry which is well-developed and well established in India. It has not only three years' standing but more than a decade's standing or two decades' standing. And as such we cannot understand why the glass industry workers who are about 22,000 in number cannot be brought under the Scheme. Now, coming to petroleum products, 14,000 workers are employed. Three more refineries are going to be put up and they will employ more and to say that these refineries that are being built up and those that are already there cannot pay this provident fund would be totally wrong. We know who manages these? Whose capital is invested in them? Ninety-seven per cent. of their capital belongs to the Britishers and the Americans. As such, to say that these huge concerns who have got so much capital that they cannot know how to invest it in their own countries and who find it necessary to export it to our country to get huge profits, to say that they cannot pay this is wrong. Why cannot they be asked to pay a little to the workers? That is why we say that the petroleum products industry should be included. Similarly, power alcohol which is a part of the sugar industry. The mills which produce sugar have got

molasses which are converted into power alcohol and we know how much these sugar magnates have earned from 1947 onwards. In one year alone, we believe that they have earned from black market operations a hundred crores of rupees. But last year they said they were losing and the Government gave them four crores of rupees or so, but they did not honour their obligations. They increased their prices. So they are making huge profits. Why can't the sugar factories be brought under this Scheme? If it is done, nearly 1 lakh and 25,000 workers will benefit. Why should they be excluded from the Scheme? Then take the matches industry. Ninety per cent. of the match factories is owned or controlled by foreign concerns, especially Swedish concerns. They are making huge profits. 13,000 workers are employed in them. Why should they not also be included in this Scheme? Then there is the vegetable oils industry—vanaspati and other food products. They are also making profits and the number of workers involved is 1 lakh and 30,000. They must also derive some benefit under this Scheme. Then there is the shipping industry with a number of concerns. It is one of the basic industries of the country and the benefits of this Scheme should apply to its workers also. So, taking all these things, the Government should be able to include them.

SHRI S. P. DAVE: Do I understand that my hon. friend is suggesting that some of these industries have no Schemes of their own?

SHRI P. SUNDARAYYA: That is exactly why on the first day itself I asked the hon. Deputy Minister for Labour to provide us with information as to which industries have got such Schemes and how many workers derive benefit. Most probably he himself was not able to give it, because the figures were not readily available. I can understand his difficulties. And their Year Book of 1953 gives figures of 1951, whereas if we go to the monthly gazettes or the weekly economic journals we can get figures up to the end

of May or June. I cannot understand why this Government with its huge departments and with its huge machinery is bringing out such publications giving old figures after three years. It is simply a waste of public funds. We spend Rs. 12 or so and we find...

SHRI ABID ALI: Do not purchase them

SHRI P. SUNDARAYYA: What an argument? We pay Rs. 12 and purchase it and we find that it gives the figures for 1951 in 1953. This is not the way to function efficiently—leave alone democratically. It is a queer argument. The hon. Minister says, 'you need not read it'. We are here to read it; we are here to examine it in spite of the bad advice he may be giving. If we do not read these things, we come here and do what? Shall we just listen to your speeches and go back?

SHRI ABID ALI: You will be wiser.

SHRI P. SUNDARAYYA: No, not at all. I agree that some of them may have their own provident fund Scheme. If they have their own Scheme, why don't they come under the unified Scheme so that workers may get all the benefits. As I have said, some of them may have Schemes. If they have already, there is no point in excluding them; from the Scheme if they do not have it, include them. Of course, I cannot make an exhaustive list of persons who should be brought under this. The other day, Mr. Rama Rao mentioned the category of journalists. We know the condition of the journalists. Similarly mine-workers. The coal mines have provident fund Scheme, the other mines have not yet got it. So, once you attempt to make a list, naturally something or other is left out. So, to cover such omissions I moved another amendment—No. 19. "Any factory or company which employs more than fifty employees" is sought to be inserted as a new sub-clause after line 50, page 7. When I was discussing that the provident fund Scheme should apply to all factories and wanted to omit Schedule I, at that

time, Shri Govinda Reddy said that if I omitted the Schedule in one clause, it will not read all right as Schedule 1 is in other clauses and will cause confusion. As the other House adjourned, this House may also adjourn and all other consequential amendments can be made. It is one of the difficulties for Shri Govinda Reddy to accept. Now, the Schedule is there, let him accept it.

SHRI GOVINDA REDDY: That is not my main objection. That is only a subsidiary one.

SHRI P. SUNDARAYYA: Sir, this is the minimum thing that Government should do. There is no criterion by which they refuse to admit their employees under the provident fund Scheme. Take the profits of these companies; their assets and other things. Why do you allow these foreign firms to escape from the provisions of the provident fund Scheme? It is just that these industries should be included in this Scheme. I want this Government to extend this Scheme—however unsatisfactory, however meagre it may be—so that a larger number of working classes may come under the benefit of the provident fund Scheme.

SHRI ABID ALI: Sir, earlier in the day, I had referred to section 4 in the main Act which gave ample power to the Central Government to extend the scope of the Act to any industry which it considers proper to be brought under this Scheme. Therefore, it is not necessary at all for the hon. Member to press for this amendment. As I have stated, after this Scheme is stabilised, if it is felt that it can be extended to other industries, certainly it can be done without waiting even for a moment

Sir, with regard to the plantations, about which the hon. Member made a mention a large number of workers here were retrenched some months back. Therefore, much had to be done to retain them. And now, only for a few months, these plantations are having better times. To say that because there are European owners Government is kind to them, is not

[Shri Abid Ali.]  
 fair. I do not think anything more uncharitable could have been said by the hon. Member. Again, individual factories have been mentioned. This is not the criterion to bring the whole industry under the Act. The position of the whole industry has to be considered. It is not that we are considering at present the bringing in of other industries within the scope of the Act. What I have submitted, Sir, is that once the Scheme is stabilised in respect of the present industries to which the Act has been applied then only further extension will become possible. Then, Sir, some figures have been quoted by the hon. Members with regard to the investments by foreign concerns and all that. But certainly by no stretch of imagination can any one say that we are influenced because of foreign companies or their working in these particular industries. On the one hand, the hon. Member has got detailed figures about investments etc. and on the other he pleads complete ignorance with regard to the provident fund Schemes being available to the workers working in these industries. (*Interruption.*) We read the awards given by the tribunals. The trade union workers read those awards. It is a matter of commonsense.

SHRI B. GUPTA: Commonsense does not produce provident funds.

SHRI ABID ALI: As trade union workers we read the awards of tribunals. Sir, wherever it has been found that a particular factory can bear the burden of provident fund Scheme and the employers have not been agreeing, matters have been referred to adjudication and we usually grant adjudication in such matters. Then, with regard to petroleum concerns, every one knows that in Bombay the Caltex, the Standard Vacuum, the Burmah Shell, have got provident fund Schemes. It is not that because the Act has not been applied the workers have not got the Scheme. They have got it. It is only the question whether particular industries should be brought within the scope of this Act or should not

be brought under this Scheme. That is a question to which I have made repeated reference this afternoon and there is nothing for me to add to what I have already said. I oppose all the amendments.

MR. DEPUTY CHAIRMAN: I am putting the amendments to the House.

The question is:

'That at page 7—

(1) line 50 be deleted;

(2) after line 50, the following new sub-clause (ia) be inserted:

'(ia) the following new items shall be added:—

Cigars and any preparations of tobacco other than cigarettes.

Coffee.

Pepper

Rubber.

Tea'."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

'That at page 7, after line 50, the following new sub-clause be inserted, namely:—

(ib) the following shall be added:—

'Any factory or company which employs more than fifty employees'."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 9, at the end of line 8, the following be added, namely:—

'and the expression 'silk' includes artificial silk or rayon'."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 7—

(1) line 50 be deleted :

(2) after line 50, the following new sub-clause (ia) be inserted:—

'(ia) the following new items shall be added:—

Cigars and any preparations of tobacco other than cigarettes

Coffee.

Tea.

Rubber

Pepper.

Fertilisers

Heavy chemicals

Drugs and pharmaceuticals.

Paints and varnishes.

Soap.

Fanning and foot-wear.

Glass.

Petroleum products.

Power alcohol.

Matches

Sugar.

Vegetable oils and Vanaspati.

Food products.

Ships'."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 18 stand part of the Bill."

The motion was adopted.

Clause 18 was added to the Bill.

MR. DEPUTY CHAIRMAN: There is a new clause, clause 19.

SHRI ABID ALI: Sir, I move:

"That at page 9, after line 8, the following be added, namely:—

'19. *Repeal of Ordinance 1 of 1953.—(1) The Employees' Provident Funds (Amendment) Ord-*

nance, 1953 (1 of 1953) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken'."

MR. DEPUTY CHAIRMAN: The amendment is now open to discussion.

SHRI ABID ALI: It is a self-explanatory.

MR. DEPUTY CHAIRMAN: The question is:

"That at page 9, after line 8, the following be added, namely:—

'19. *Repeal of Ordinance 1 of 1953.—(1) The Employees' Provident Funds (Amendment) Ordinance, 1953 (1 of 1953) is hereby repealed.*

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken'."

The motion was adopted.

Clause 19 was added to the Bill.

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

SHRI ABID ALI: Sir, I move:

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

MR. DEPUTY CHAIRMAN: Motion moved.

That the Bill, as amended, be passed."



SHRI P SUNDARAYYA Sir, I would like to make some general observations on this Bill. I am not going into details. This is not also the proper time for it. I want the Government to consider seriously whether it is not worth while to extend the provident fund Scheme uniformly to all industries and also whether it is not advisable to bring in a social insurance scheme wherein all the benefits that should go to the workers could be embodied in one consolidated Act, so that even in the interest of the Government themselves, they could show what they have provided for the benefit of the workers. They are very bold propagandists even about the things that they do. They do not know how to do it. Of course, there is very little that they have done and that is why they are afraid to tell people what they are actually doing. I think that in the interest of the workers and in the interest of democratic life itself, Government should bring in a consolidated insurance Bill which will apply to all sections of the workers, whether Government or private.

Secondly, I would like to say that in going through this Bill, we found that we did not have the necessary material available to us. It was only through plodding through the various economic journals and the various labour year books etc. that we could gather the information required. It is no use telling us that after all trade union workers should know about all these things. Trade union workers are not omniscient. They have got their own limitations. They may know about one particular factory or a particular industry in a particular place. To expect them to know of what is happening to the workers throughout the whole of India in all industries is not right. This is beyond any trade union worker or trade union organisation at the present stage of development. Government itself does not have those facts. They said  
6 P.M. that they don't have the facts. So it is very difficult really

to argue and convince at least some of the people who really want to know what is the real position with the meagre facts that are there. We have put a number of questions in both the Houses to elicit the profits of some of these huge concerns. The Government consistently refuse to give any consolidated figures to us. If they were available to us certainly we could have made a better case. We could have said "These are the factories who are making so much profits and so why cannot these provident fund Schemes be applied to them? Why cannot a complete social insurance scheme be applied and why not the benefits be increased?" We don't have these figures. Of course we will plod on these things.

Another point I should like to make is this that when Government bring Bills they must not take this attitude that not a comma or a full stop shall be changed. If that is the attitude with which they approach the Legislature and they simply rely on the majority which they have got, then that is not the way any Government should function. That means when Government brings any measure, they have their majority and therefore whatever reasonable arguments we may advance, however studiously we may make points Government will not accept even a minor amendment. Then, naturally what is the use of our pointing these things out to them?

SHRI ABID ALI. Don't point out

SHRI P SUNDARAYYA There is one use. It may not benefit you, it may not benefit the Government in power. You may rely on your majority but we will continue to do it. You may say 'no' to everything. We will continue to press every amendment with all our strength.

SHRI ABID ALI I don't object to it

SHRI P SUNDARAYYA You cannot. When you are bringing these things, we know you are not going to accept any radical changes. For that the population or the people should change the Government. But we are here to argue so that some

minimum concessions are obtained for workers and people by representing their grievances to the Government and try to reason with them to accept at least minor things. If the Government say 'no' and say, 'We are all-pervading, we know everything and what is best for the people and you can go on shouting or if you don't like shouting, you need not tell it', as the hon. Minister just now pointed out—if this is the attitude, then we will do it and continue to do it even though we understand that this Government is not amenable to improve the lot and so not accept even the minimum that we are trying to get for the people. Though we know that Government is refusing to do it, we will certainly continue to do it. When you speak in that mood, then we know that nothing is going to be conceded. For the last two years we have been here and the Government in most of these things—in practically in all these things—they have not accepted even the most minor amendments we have suggested. That is the way they are functioning but we will continue to do these in spite of your annoyance about it.

**SHRI ABID ALI:** I am not annoyed.

**SHRI P. SUNDARAYYA:** In spite of your impatience, we will continue to do it because if you don't even improve these things, then at least the people will see what we, as representatives of the people, have told the Government and it is for the people to consider whether to allow this Ministry or Government to continue or to change it. If you think that by your ways of refusing even to concede the barest and the most minimum you can continue because of your majority, then you are entirely mistaken and this is not a question of challenge. I warn the Government: "Don't be so sure of your majority. Be considerate in the interest of the people and workers. When reasonable amendments are suggested, when reasonable proposals are made, take it seriously; otherwise, there is no use of bringing this legislation whatsoever."

With these minimum things we have to be content in spite of our representations and other things. We have to be content with the meagre benefits which the Government in its almighty power has thought fit and proper to give us. We cannot oppose this Bill because it gives some concessions to the workers. So willy-nilly we have to accept it and fight for more and we will tell the people "This is what we have done and it is for you outside to take care of these people and vote against them".

**SHRI H. P. SAKSENA:** You have had your propaganda value.

**SHRI S. P. DAVE:** Sir, I would not have stood up at the fag end of the day, but I feel I must make a few observations on the broad lines on which my hon. friend Shri Sundarayya has chosen to attack the policy of the Government, apart from the merits of the Bill. I agree with him on the last observation that he made, that the Bill is small effort towards remedying some of the existing difficulties, that it does not confer much by way of substantial rights. The hon. Deputy Minister piloting the Bill also accepted that and said that in course of time, as experience is gained as to how it is working in regard to the industries to which it is now applied, the Government have an idea of enlarging its scope. I also spoke at the first reading stage and said that I would have liked an integrated scheme of social welfare better than piecemeal legislation and that would be the best arrangement in the scheme of things. But then it is for the Government in power to decide the exact moment when they should take up these responsibilities and how to carry them out successfully. I am afraid some of the criticisms that are made here are made not for educating the Ministry, but with an eye to a larger public outside this House, in order to show them that they and their party alone and not others have at heart the welfare of the poor masses of this country.

**SHRI P. SUNDARAYYA:** More than the Government

SHRI S. P. DAVE: Sir, each of us stands by his manifesto.

SHRI B. GUPTA: Which manifesto? You have too many.

SHRI S. P. DAVE: All of us have come by the same procedure. Let us not forget that. Whether it is the direct election method of the other House or the indirect method of this House, we have all come by the same procedure and each of us has promised to his electorate to do certain things which have been incorporated in our manifesto. Sir, I do not consider this an opportunity to assess what the Government have done and what they have not done. There might have been many mistakes, many omissions and commissions. I am personally also not quite satisfied with regard to certain things. It does not therefore, mean that every piece of legislation that comes up here should be considered as of no good, simply because it emerges from the other party. Let us try at least in the field of the welfare of the workers, that general subject which is a non-political subject, to try to see what is the consideration that can be shown. I am sure it will be acknowledged that at least the two gentlemen who are connected with the Labour Ministry now at the moment have been veteran trade union workers. They have sense of proportion and they have a sense of reality and they know from their experience what is proper for the moment and that they bring before the House. Of course, we have our differences with them. I personally feel that possibly we could have gone a step further; but that need not make us doubt the motives of the other party as to why a particular industry was included or not included. I agree with my hon. friend Mr. Sundarayya when he said in conclusion, "Get what you can, but fight for more." Yes, that is the correct attitude. Agitate for more. I am also a trade-union worker and I know satiation is death. There is the honest way of doing it; but the carping manner in which some of the criticisms are being made is no good. They say, "We are going to shout and shout."

Well, if you shout, it will be useless. You will be merely giving pain to your throat. If it is really good criticism you need not shout. Friends, you need not shout; we can understand each other without any shouting. Let us be friends sitting in the same House, in the same atmosphere, thinking only of how we can do good to Mother India.

Sir, I support the Bill.

MR. DEPUTY CHAIRMAN: Any reply?

SHRI ABID ALI: Sir, I may say a few words first with regard to the threat or challenge. Of course, it should not be taken seriously. I do not know why they challenge.

SHRI P. SUNDARAYYA: I have not given a challenge.

SHRI ABID ALI: They think that it would be more helpful for them to get more votes.

SHRI B. GUPTA: You seem to be afraid of losing votes.

SHRI ABID ALI: All that is there is for votes so far as they are concerned and, so far as we are concerned, we have pledged ourselves to have a welfare State and all that is possible is being done to reach that objective. The masses recognise it; they know that if a particular thing has not been done it is not because we are not willing to do it but because we have been unable to do it. To that extent people appreciate the difficulties and it is not necessary for these hon. friends to come and tell us in what way we should proceed and in what way we should not. Of course, as elected Members here, they have the right to submit their amendments, to give their suggestions and we are always willing to accept all reasonable suggestions. If I do not accept the amendments of the hon. friend, it is not fair for him to think that we are unreasonable. We feel, where we do not accept them, that the amendments

suggested by them are either not necessary or are not practicable or are superfluous or that it is not possible to implement them.....

THE DEPUTY MINISTER FOR FINANCE (SHRI A. C. GUHA): Pre-judicial or?

SHRI ABID ALI: ..... at present. Therefore, a person can be reasonable to a reasonably minded person. If somebody takes it into his head to become unreasonable and feels that he is the only reasonable person, let him be happy. I do not want to quarrel with such people.

SHRI B. GUPTA: Very high philosophy.

SHRI ABID ALI: I also appreciate that Government publications should give as latest information as it might be possible. It is a big country and the larger the country the more the difficulties. We do try to collect information to place before the hon. Members only. We make our literature available for general reading also. The hon. Member said that it is a waste of money and when I said, 'Do not waste money' it annoyed him; if so, I cannot help it. With regard to the particular item he said that as an individual trade union worker he cannot collect information. I also appreciate that but they have also got a central trade union organisation which can collect the information. We will supply all that which may be available with us. The fact is that if they are not aware of provident fund schemes in existence in the various industries which have been mentioned by my hon. friend, then it is evident that they are cut off entirely from the trade union field and the hon. Member pleads his ignorance and inability.

SHRI P. SUNDARAYYA: You are more cut off from the trade union movement

SHRI ABID ALI: We have had enough of discussion.

SHRI S. N. MAZUMDAR: Why are you fighting shy of giving this information?

SHRI ABID ALI: I thank all hon. Members who have participated in the debate and who have given valuable suggestions. These will receive our earnest consideration.

MR. DEPUTY CHAIRMAN: The question is:

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

The motion was adopted.

#### THE REHABILITATION FINANCE ADMINISTRATION (AMENDMENT) BILL, 1952

THE DEPUTY MINISTER FOR FINANCE (SHRI A. C. GUHA): Sir, I move.

"That the Bill further to amend the Rehabilitation Finance Administration Act, 1948, as passed by the House of the People, be taken into consideration."

Before I proceed to discuss the provisions of the amending Bill, I think it will be appropriate for me to give a description and a short history of this Act. After the partition of India, there were a large number of refugees coming into India first from the Western side and then from the Eastern side. In addition to the ordinary rehabilitation work undertaken by this Government, it was felt that there was a category of refugees for whom special measures had to be taken to get them rehabilitated. So in 1948 this Rehabilitation Finance Administration Act was passed by Parliament and in the Objects and Reasons of that Act in its Bill form it was stated that "Credit facilities for the settlement of refugees in business and industry cannot adequately be granted by commercial banks and other financing agencies nor can they appropriately be provided by a commercial