

most backward areas where there is a lot of unemployment and drought due to which these people are struggling for one square meal per day. The unemployed youths are not getting loans from the banks due to indifferent attitude of the banks causing a lot of concern and harassment for the youths. The weaker sections of these areas are being deprived of the said facility of loans due to lack of conviction on the part of bank officials. Keeping in view the helplessness of the people of Tirupati, I request the Government to consider setting up a public sector industry or an ordnance factory in Tirupati.

12.13 hrs.

[MR. DEPUTY SPEAKER *in the chair*]

(vii) Demand for Converting Bitragunta Loco Shed into an Electric loco POH shed in Andhra Pradesh

SHRI B.N. REDDY (Miryalguda): Bitragunta loco shed is located on the line from Vijayawada to Madras in Nellore district, A.P. State. This loco shed is one of the oldest with an investment of Rs. 50 crores; but it is being wasted as railways have not made out any plan for its utilisation. So the loco shed has become redundant and is to be closed. The shed could have been utilised by the railways by converting it for some other useful purpose, such as Periodical Overhaul Shed (POH) for electric engines. A demand to convert this loco shed into electric loco POH shed was made as early as in 1980 but nothing has been done so far. As there are plans to electrify the entire Vijayawada Division, it would be better if this loco shed is converted into Electric Loco POH shed. I request the Minister of Railways to look into it.

(viii) Demand for re-opening the Ashok Paper Mills, Darbhanga in Bihar

DR. G.S. RAJHANS (Jhanjharpur): After the closure of Ashok Paper Mills in

Darbhanga a few years ago, Mithila region of North Bihar has virtually become industry less. This was a joint venture of the Governments of Assam and Bihar. Whereas the Assam Unit of Ashok Paper Mills has been rehabilitated after the implementation of Assam Accord, the Bihar Unit has been left in the lurch, throwing nearly four thousand workers out of job. Because of the closure of Ashok Paper Mills nearly thirty thousand people of Mithila region are on the verge of starvation. We have been urging upon the Central Government for the last two and a half years to make arrangements for the reopening of this Mill. Nearly a year ago, we were assured by the Union Government that serious efforts were being made to reopen this factory in collaboration with the Bihar Government and some financial institutions. This had made the people of Mithila region very hopeful, but nothing definite has been heard since then. I, therefore, earnestly request the Central Government to make serious efforts to rehabilitate Ashok Paper Mills and save thousands of people from starvation.

12.15 hrs.

PAYMENT OF GRATUITY (AMENDMENT) BILL—contd.

[English]

MR. DEPUTY SPEAKER: I wish to inform the House that we will take up item No. 7 motion for appointment of a Joint Committee immediately after the lunch break. Now we are taking up item No. 8, further consideration of Payment of Gratuity (Amendment) Bill moved by Shri P. A. Sangma on the 30th July, 1987. Shri K. N. Pradhan may continue his speech.

[Translation]

SHRI K.N. PRADHAN (Bhopal): Mr. Deputy Speaker, Sir, the other day also while speaking on the Bill I was drawing the attention of the hon. Minister towards the fact that he has fixed the amount of

[Shri K.N. Pradhan]

gratuity at Rs. 50,000, instead of an amount equal to that of 20 months' salary. In this connection, my submission was that your action in raising the limit of eligibility from Rs. 1600 to Rs. 2500 does not appear to be proper, because when this law was enacted, the number of people drawing Rs. 1600/- as salary was very less. In any concern there used to be only one or two such executives as were in receipt of more than Rs. 1,600 as their salary. Now raising this eligibility limit to Rs. 2,500 is in no way just and proper. Therefore, this limit needs to be increased further or it should be totally abolished. If it is proposed to raise it, then this limit of Rs. 50,000 will also have to be raised, otherwise it cannot be called a good legislation. Therefore, in my opinion this clause of Rs. 25,000 should be deleted as its deletion is not going to make any difference.

Now the gratuity Act provides for payment of only 15 days' gratuity in a year. Sir, our Bonus Act also provides for the payment of at least one month's salary as bonus. On that basis, I would like to tell that this amount is earned by the employees. So, whether it is bonus or gratuity, this should be one month instead of 15 days.

Similarly, you have said that gratuity will be paid after 5 years of service. I do not find any justification in it. Therefore, the gratuity should also be paid after one year's service. Similarly, the temporary workers who have put in one year's service and leave service on disciplinary grounds, should also be eligible for getting gratuity.

Sir, in case payment is not made in time, there is a provision to pay interest. It makes no difference if you charge simple interest or interest payable on fixed deposits, because the capitalists and big people do not incur any loss on that account. They charge interest at the rate of 25 to 30 per cent on black money and earn much more than that. Hence they do not find it difficult

to pay either simple interest or the interest payable on fixed deposits. We have seen that the worker does not get the payment of his provident fund on his retirement. Even after his death his children run from pillar to post to get that payment but they do not get it. Therefore, this Bill should be a deterrent so as to save the workers from this harassment and to dissuade the mill-owners from this sort of arbitrariness. This will ensure them timely payment. Hence, there should be a provision to charge penal interest on such delayed payments. Then only the workers will be able to get their gratuity amount in time.

Similarly, the provision of insurance is also welcomed but the provision for the fund being sought to be created will be applicable only in the case of those factories where the number of employees is hundred or more. The said provision should apply to those factories also where the number of workers is only ten. This fund should be maintained by the Government and not allowed to be kept with the factory owners as in that case, the workers will find it difficult to get it.

Even after doing all those things, you have not evolved any monitoring system. There is no monitoring committee to check periodically whether the workers who have retired have got their dues in time or not. Unless you set up such a Committee, all your efforts to amend the law or to bring about any improvement will prove fruitless. I hope the hon'ble Minister will positively consider all these suggestions made by me and other hon'ble Members. With these words, I support this Bill.

[English]

DR. DATTA SAMANT (Bombay South Central): Sir, before coming to this Bill, I would like to point out that for the last three years I am hearing in this House that the Government is going to consider all the labour laws; they are going to bring forward a comprehensive legislation all together about provident fund, accident

claims, industrial disputes, etc. I am for a composite and good legislation. It is needed in this country.

Sir, during the last week, the Supreme Court had specifically said that the Industrial Disputes Act needs a basic and considerable change. I blame the Government for delay in reforms. It is not interested in labour welfare. The Government is not interested to reform any of the labour laws. Whatever you are planning, it is to ban a strike, to ban a lock-out, to ban a union and to ask for their accounts. These are all retrograde steps.

Sir, seven crore people are unemployed in this country. There is no effective law court or labour commissioner. There is not a simple Act to decide the share of the workmen. Even if an employer earns a profit, my information is that nobody shows the profit correctly. When he earns so much money, a reasonable share should be given to the workman as he is increasing the growth. But such type of law is not existing in this country for about 20 crores of workers in this country. The minimum wage has not been implemented in 50 per cent of the States of this country. This is the position even in some of the opposition ruled States. This shows the apathy and negligence. This shows that they are not bothered about the welfare of workers. They are starving the industry. Do you want to close the industries in Bombay and start them in U.P. or Bihar and start paying a worker Rs. 10 or 15 in spite of his hard work? Sir, coming to the point, the Hon'ble Minister is raising the qualifying limit for gratuity from Rs. 1,600 to Rs. 2,500. In spite of this, the workers are not going to get any monetary gain. Some of my colleagues have already spoken on this point very nicely. You see, the employers are earning and having a lot of black money, Swiss money. You can raise the limit. There is no problem. I think this law is very absurd as far as Bombay is concerned.

Sir, in Premier Automobiles, as per your revised Act, 90 per cent of the workers will

not get gratuity; in the Bayer, 50 per cent will not get gratuity and in Colour-Chem too, 50 per cent will not get gratuity. In spite of the revised limit of Rs. 2,500, 70 to 80 per cent of workers in Bombay are not going to get the gratuity. Sir, why not make this limit indefinite? Such a law is absurd as far as Bombay is concerned. At present, we are giving gratuity to employees drawing wages upto Rs. 1600. It is now proposed to raise this limit to Rs. 2500 for payment of gratuity—of course, Rs. 1600 per month limit is much less. Even then, many workers in the pharmaceutical and chemical companies would not be entitled to get gratuity. There are a number of such companies like NOCIL, then steel and tyre companies, which can afford to pay gratuity to their workers, Rs. 50000 or Rs. one lakh, but many workers would not be covered. In fact, the people at the helm of affairs in these companies are indulging in a lot of black money. In fact, no limit should be fixed for payment of gratuity. If that is not agreed to, the limit should be raised so that more workers are covered and they may get a lakh or two lakhs of rupees after putting in thirty or forty years of service. Why are you bothered about the big people? You cannot control them; you have no restriction on them. They are enjoying all the concessions for starting new industries. And why this restriction on payment of gratuity to workers in those establishments? I suggest that the Government should raise this limit for enabling more employees to get gratuity. There should be no limit, in fact, and the workers who have put in thirty or forty years of service in an industry should get this gratuity. The limit, otherwise, should be raised substantially.

The hon. Members may be concerned about the public sector undertakings. I can understand that. All the public sector undertakings are Government concerns. If they cannot afford to pay a higher quantum of gratuity, there can be a separate limit for payment of gratuity for them. You are already having such a difference in the case of LIC scheme. You are keeping Government factories aloof.

[Dr. Datta Samant]

Why not have similar provision in this case also? Let the workers in Modi concerns, Glaxo and other industries get two or three lakhs of rupees as gratuity. Why are you bothered about these companies?

Then, what about the minimum wages? Let us do something in their case also. There are sixteen crores of unorganized labour. There are factories with ten, fifteen or twenty workers. We talk of poor people, but is this Government interested in them? Why don't you start with some minimum gratuity for such people? I think, the minimum wage in this country should not be less than Rs. 11. It is Rs. 6 per day in Maharashtra as also in some of the other States. Let it be any State, but I suggest that you start with some minimum gratuity on the basis of wages. It will enable lower people also to get this benefit. You start with any amount. I suggest that it should be Rs. 1000 minimum. That would give a positive indication that the Government is interested in the welfare of the workers.

There is another suggestion which the hon. Minister is making. He is including the dependent parents of wife also in clause 2. I support this amendment.

Then, clause 4 on page 2 of the Bill. While calculating gratuity, the total salary of the month is taken and divided by 26 days. In that case, workers will get hardly 15 per cent more. In some of the factories, particularly the multi-national ones, they work for 22 days. There are factories like Glaxo and others. Therefore, in such cases, where the working days are 22, the monthly salary should be divided by 22. By that, workers will get another 15 per cent amount. If you agree to that, workers in these factories will benefit a lot.

Then, there is a Supreme Court judgement also in the case of Glaxo versus the Union about four years back. The Supreme Court in that judgement said that the monthly salary of the workers where in factories the working days are 22, should

be divided by 22 only and then calculations made. Whatever you are suggesting in this Bill, by that the workers are going to get 15 per cent more amount. As I said, there are some factories where the working days are 22 in a month. What I did in Bombay some 15 or 20 years back, the Centre is now taking it up. In all big factories in Bombay, like the German Remedies, Crompton, etc., the monthly salary is taken and it is divided by the number of working days, i.e. 22. So, my suggestion is that while computing the gratuity amount, where there are 26 working days you divide the monthly salary by 26 and where it is 22, you divide it by 22 so that the total quantum will increase by another 15 per cent.

Now, on page 3, it has been mentioned that instead of "20 months' salary" the words "50,000 rupees" shall be substituted. They say they have a lot of love for the workman, but I must say that as per the existing law, not a single employee is going to receive more than Rs. 50,000. Rs. 1600 is the maximum amount on which the gratuity will be paid. Supposing a man is appointed at the age of 18 years, for how long do you expect him to work? Do you expect him to work for 42 years? Nobody works for 42 years, but still let us take the extreme case. So, his gratuity will be 21 months' salary or it may be, in cases where there are 26 working days, about 22 or 23 months' salary. Thus, as per the existing payment of gratuity scheme nobody is going to receive more than Rs. 34,000. Therefore, I would say that this is an absurd clause and it should be withdrawn. I would say, this is a political clause which is there just to please the people. Actually, nobody is interested in the welfare of the labour of this country. As per the existing law, nobody will get more than Rs. 34,000 as gratuity and you keep on saying that this will come to about Rs. 50,000. If you insist on Rs. 50,000, then the gratuity should be paid on the amount of Rs. 25,000, but that you are not going to do. Therefore, these are absurd clauses, which are there just to satisfy the people and get the publicity. It is all that and nothing else.

I appreciate the Hon. Minister's stand taken under Clause 4(a).

About 1,70,000 factories and about 1 crores of workers are affected because of the closure of the factories. They are not going to get the provident fund. Had you started such type of compulsory insurance long back, the workers would have got a lot of benefit out of this. Still, I think this is the positive step which the hon. Minister has taken and for which I really compliment him. Here the worker or the employer has to compulsorily start the insurance and the instalment, which must be deposited to the Insurance Company, is paid from the beginning. So, there is somewhat security for the workers' gratuity and more than 500 or so workers will be benefited by this Compulsory Provident Fund Scheme. But, I am afraid if this law will be implemented? Sir, here I wish to draw the attention of the Hon. Minister to the fact that Child Labour Abolition Act was discussed here for 15 days. We have long speeches but can the Hon. Minister make a statement in this House that even 1 per cent of this Child Labour Abolition Act has been implemented. We sitting within the four walls of this august House, discuss a lot of things, like Child Labour, Labour Gratuity, Share of workman, etc., but this Government is not at all interested in the implementation of any of these schemes. You suggest a lot of things, but where is the machinery to implement all these things. But, I would say that Clause 4 which is about the compulsory insurance of the workers, must be properly implemented.

In this regard, I am going to give you two suggestions. At the time of retirement, when the workman gets his gratuity, he should get interest on the instalments paid by him. Now I do not know in what way you are going to frame the rules with regard to this LIC scheme. You do not know the exact date on which the workman retires and the number of instalments paid by him. Therefore, all these details have to be worked out and proper rules should be

framed. But I once again appeal that the workman should get interest on gratuity at the time of his retirement, as is being done now in the case of provident fund. Government have even raised the rate of interest on provident fund to 11 per cent. If you do not pay interest on gratuity, the workman will be put to a disadvantage. The gratuity money is used by the employer for a number of years. And in this country, the value of rupee is going down. In the last 30 years, the value of rupee has come down to just 14 paise. If the gratuity is going to be paid after 20 or 30 years and if no interest is paid on the gratuity, then value of the gratuity money in real terms is going to be much less. Government should take care of these things and see that the employee gets a good amount of gratuity at the time of retirement.

As far as provident fund is concerned, there is a provision which enables the workers to get loan on the grounds of sickness, construction of a house, etc. I would suggest that the workers should get this type of loans under the LIC scheme also. It will not be difficult for the Government to frame rules in this regard, especially when 50 per cent of the LIC operations are under the Government.

As regards Clause 7, I appeal to the Government to withdraw it. If an employee dies or retires, gratuity should be paid within a month. Under this Clause 7, if gratuity is not paid within a month, there is a provision to pay interest on the amount. I am afraid, this is going to be a very big loophole. All the employers lend this gratuity amount at 20 to 30 per cent and carry on their business. This clause enables them to withhold the payment of gratuity by paying a paltry 10 per cent interest and using the money for their own advantage. So, in spite of the strict laws, nobody is going to pay the gratuity in time. Therefore, if the hon. Minister is really sincere, he should see to it that gratuity is paid within one month. It must be made compulsory for the employer to pay gratuity within one month of the workman's retirement. Therefore, all the

[Dr. Datta Samant]

clauses under Section 3A should be totally deleted.

I have just one or two suggestions to make and I will not take much time of the House. A workman is eligible for gratuity only after five years of service. This time limit of five years is a little too high. To become permanent in the service, it takes a workman about five years, and he has to wait another five years to become eligible for gratuity. Taking advantage of this provision, many employers are terminating the services of their employees, just to avoid payment of gratuity. Even in Bombay, they are resorting to such practices. So, I would suggest that this qualifying period of service should be reduced from five years to one year.

Secondly, the ceiling on the number of workers in an establishment should be completely removed. In the Maharashtra Assembly also, for the last 20 years, this point is being discussed. Even if there is only one workman, he should be paid gratuity. What is the difficulty in doing this? Why do you want a certain number of workers to pay gratuity? Whether it is a big establishment or a small unit, even if there is only one workman, gratuity should be paid.

While concluding, I would like to reiterate that the five years of service should be reduced to one year; wage limit of Rs. 2500/- per month should be changed, because big bosses can pay much more; the monetary ceiling of Rs. 50,000 should be raised to rupees one lakh; rules must be framed enabling the workers to get loans from the LIC; at the time of retirement, workmen should be paid interest on their gratuity amount; and the clause which provides for interest if the gratuity is not paid within one month must be completely deleted.

All these suggestions are very practical ones and these should be accepted by the

hon. Minister. I have also moved some amendments in this regard and I request the hon. Minister to take them into consideration.

[*Translation*]

SHRI GIRDHARI LAL VYAS (Bhilwara): Hon. Deputy Speaker, Sir, I support this Bill and want to make some suggestions to the hon. Minister. As was just now stated, previously a worker used to become entitled to get gratuity after completing one year service. Now, this period of one year has been changed into five years. There was a provision to pay gratuity to a worker who has completed 240 days of service in a year. But now this period of service has been increased to five years. It has been stated that many owners assume different names and do all sorts of wrong things. It is a fact and there is no doubt about it. Last time also when you had brought an amendment we had submitted that this period of five years is too long. This should be reduced to one year. If you are convinced, do it in the present Bill and other Bill may be brought forward for the purpose.

I want to tell you by way of an example that there are so many textile mills and other factories where they employ substitute workers who are never given work on permanent basis. These substitutes do not get work for 240 days in a year. Even if some worker has put in 240 days of service in a year he would get gratuity only after 5 years. Therefore, a provision be made so that those workers who have worked for a period of 240 days in a year must get gratuity. This will benefit both the substitute workers as well as the permanent workers.

One more suggestion has been made by the hon. Member from Bhopal that instead of 15 days, one month's salary should be paid by way of gratuity. Even in the case of compensation you have provided for one month instead of 15 days. If you do it in the case of gratuity also, it will be a great help to the worker in his old age. At present,

there is a limit of Rs. 50,000 for gratuity. But in no case anybody gets more than Rs. 30,000 or Rs. 35,000. If you agree to my above proposal, a worker will be able to come up to the limit of Rs. 50,000 it will benefit all workers.

You have mentioned about machinery in the financial memorandum and about Industrial relations you have said that a Assistant Labour Commissioner (Central) will be empowered for registration. He will work for registration of deposits for the trust proposed to be created for gratuity deposits. You know how efficient is your labour department. Crores of rupees of provident fund have not been deposited yet. People have not been issued even receipts therefor. No action has been taken against persons who have not deposited it. Again you are giving more powers to the Assistant Labour Commissioner. How will he solve all these problems of gratuity and how will he register the deposits? If you want to give benefit to big capitalists, then that is a different matter. You provide for some good machinery to attend to their problems. Then only the workers will be benefited. It is very necessary to set up such a machinery.

I want to congratulate you for making a good provision for insurance in this Bill. But there is also a lacuna in it. A worker who is not able to go in for insurance, will have to take the permission of the commissioner for registration. You know that employers do not deposit the provident fund amounts of the workers and use that amount elsewhere. You could not take any action in this regard. They also gobble up the depreciation fund and all other funds and after that declare the industry sick. You have made a new provision in it—

[English]

“(3) For the purpose of effectively implementing the provision of this section, every employer shall within such time as may be prescribed get his establishment

registered with the controlling authority in the prescribed manner and no employer shall be registered under the provisions of this section unless he has taken an insurance referred to in sub-section (1) or has established an approved gratuity fund referred to in sub-section (2).”

[Translation]

Labour Commissioner is not able to take any action against big capitalists. You have given a free hand to those capitalists by making such a provision. You have not punished anyone according to the provision of this Bill. Not a single prosecution has been launched against the capitalists by the labour department. Hence this amendment is not proper, it is not in the interest of the worker. Capitalist has been given a free hand in regard to the registration of the trust fund. But no definite provision has been made for the deposit of the trust fund and payment of gratuity to the workers. Therefore, hon'ble Minister should withdraw this provision of trust fund. There must be compulsory insurance so that when the worker retires, he gets his gratuity from the insurance fund immediately. This provision of trust fund will not help the worker in any way. In this context I want to submit that:

[English]

“(6) whoever contravenes the provisions of sub-section (5) shall be punishable with fine which may extend to ten thousand rupees and in the case of a continuing offence with a further fine which may extend to one thousand rupees for each day during which the offence continues.”

[Translation]

You have provided that whoever contravenes these provisions shall be

[Shri Girdhari Lal Vyas,

punishable with imprisonment for 30 months and fine which will be ten thousand rupees. But upto now no employer has been punished and no action has been taken against anyone. Last time when I asked a specific question in this regard, the hon'ble Minister had replied that there is no such provision for non-payment of provident fund and that we cannot prosecute anyone in this regard. There is a clear provision in the Indian Penal Code in this regard. I request you to take strong action against the capitalists and the workers would be paid their dues. There is another provision. You have said about the interest:

[*English*]

"Provided that no such interest shall be payable if the delay in the payment is due to the fault of the employee and the employer has obtained permission in writing from the controlling authority for the delayed payment on this ground."

[*Translation*]

This provision is also not in the interest of the workers. The capitalists use all the means to harass the workers. Regarding interest you have said that if the delay in the payment is due to the fault of the employee and the employer has obtained permission in this regard no interest is payable. This provision may be withdrawn and the period of service for becoming entitled to get gratuity may be reduced to one year.

The proviso to institute a trust fund must be deleted. You have the provision of providing insurance cover to companies having more than 500 employees. What is the harm if this facility is extended to companies having only 10 employees? It will boost insurance a great deal and provide safety to the labourers. Employers

happen to be very clever and can do all sorts of mischiefs. The provision for interest will go against the interests of the workers. With these words, I support this Bill and conclude.

[*English*]

SHRI SHARAD DIGHE (Bombay North Central): I rise to support the Payment of Gratuity (Amendment) Bill 1987 which is before the House, particularly the two improvements which are being made in the Gratuity Bill, namely the coverage of the Act for the wages upto Rs. 2,500 and the compulsory insurance of an employer's liability to pay gratuity or alternatively to set up a gratuity fund, these two improvements are welcome. They were due for a long time, but several amendments which are required for a long time are not touched by this amending Bill. The Government has been promising, in fact, since 1985, to bring some amendments to the Gratuity Bill; they are also not covered by this amending Bill. For example, I find that as far back as 13th May, 1985, in *The Hindustan Times*, it was reported that the government was considering a proposal to extend payment of Gratuity Act to all establishments irrespective of the number of workmen they employed, and the Act was likely to be amended to extend the gratuity benefit to all employees irrespective of their period of employment. This was the statement made by the then Labour Minister. In this Bill, I do not see that amendment coming even still. Therefore, my submission is that it should have been done; but if it has not been done now, at least, as early as possible, all the workers should be covered, all the establishments, irrespective of the number of employees they employ should be covered by this.

I would support many of my colleagues who have put this view that even the minimum service of five years is not necessary to qualify for the gratuity, as far as this Act is concerned.

And, as I said, this suggestion that they

would cover all the establishments irrespective of the number of employees was announced as far back as May 1985 and I do not see that amendment in this Bill.

Similarly, the Government has been promising and there is demand also, that more harsh punishment should be given to those employers who fail to pay gratuity. Here it is only provided that for delayed payment simple interest will be paid. But, as many of my colleagues have said, this is no punishment at all. You are allowing an employer to use that fund for his industry by paying some simple interest. That is beneficial to him. That is no punishment at all.

And here also, I will point out that it was reported in the *Economic Times*, as far back as on 3rd June 1985, at Calcutta, that the then Labour Minister had said on the 2nd June, 1985:

"In order to compel managements to make statutory payments like Provident Fund, ESI and gratuity regularly, the Union Government proposed to make some strict penal provisions in the law.

Disclosing this here today, Mr. T. Anjaiah, Union Labour Minister, said, the proposed amendments would be made as 'harsh' as possible so that this long standing 'guilt' on the national conscience was completely wiped out.

He disclosed the amendment would contain deterrent penal clauses providing for denial of bank and institutional finances, fresh licences and other facilities usually given to the Corporate sector."

Mr. Deputy-Speaker, in this Bill also that harsh punishment provision is not there. To deny them institutional finance, to deny them their licences and to deny them other facilities given to the corporate sector, it is

harsh. If that was the attitude of the then Labour Minister on 3rd June 1985, I would like to know from the Government why that step is not taken while bringing this amending bill before this House. And, I would urge upon the Government to honour that commitment and bring such an amendment as early as possible.

Now, in this Bill also a very obnoxious amendment is made as far as the ceiling is concerned. The original ceiling was 20 months wages. The Government wants to substitute it by Rs. 50,000/-. Now this amendment goes not only against their own suggestion, not only against the Supreme Court judgement, but it will also against the present provisions of the Bill also. Sir, what is provided here? It is provided that the qualifying salary for this is now Rs. 2,500/-. Not only that; but it says that "such higher amount as the Central Government may, having regard to the general level of wages, by notification, specify" be substituted. So, it is contemplated that "two thousand five hundred or a higher amount" will be qualifying wages. So, from time to time the Government is also going to change this figure according to the general level of wages. So, if that is so notified, if it is increased from 2,500 then this sum of Rs. 50,000 will be a ridiculous sum because there is no provision that will also be increased correspondingly along with the general level of wages.

13.00 hrs.

I will point out that the Indian National Trade Union Congress has calculated that at the rates which are suggested in the amending Bill for 20 months salary it comes to Rs. 57,692; according to the formula given. According to the formula contemplated in this amending Bill the highest limit or the ceiling would come to Rs. 57,692/-.

Now, why the Government has changed to fifty thousand? It is a retrograde step as far as the labour is concerned. With one hand, they raised the qualifying amount. Now, the ceiling is only fifty thousand. Therefore, I submit that this is not only

[Shri Sharad Dighe]

against the Bill, but goes against the Supreme Court judgement, which says that 26 days should be calculated and accordingly ceiling should be fixed. Therefore from the provisions of this Bill, this ceiling is not correct and the Labour Minister, I think, has not applied his mind properly and I say that he has relied merely on the bureaucrats in fixing the ceiling, and the lobby of the employers has succeeded in getting this amendment as far as this Bill is concerned.

I will just make my last suggestion within two minutes.

Such beneficial legislation takes a lot of time. Even though the amendment was suggested by the Supreme Court in 1980 in the Judgement of Digvijay Woollen Mills Ltd., it is reported in the Labour Law Journal Vol. II—Page 252, we took so many years to arrive at 26 days formula. Apart from this, the Supreme Court has also made observations in the subsequent days that the Government should not take such a long time to make necessary amendments as far as the beneficial legislation of retirement benefits are concerned:

In another case—Jeewanlal Ltd.; it is reported in the Labour Law Journal, Vol. II, 1984 Page 464—it is suggested by the Supreme Court in the last para as under:

"In retrospect, we wish to impress upon the Government that whenever such doubt or difficulty is expressed by the High Courts, the application of provisions of social security measures, viz. retiral benefits, gratuity, provident Fund and pension, and the like—they must always introduce legislation to cure the difficulties rather than wait for judicial interpretation by the highest court. We may also add that the Government may consider the desirability of

setting up a National Labour Commission, (and this is my suggestion also) which may be entrusted not only with the task of making periodical review of such social welfare legislations from time to time, but also to suggest radical reforms of the law relating to Industrial Relations which must be brought in tune with the changing needs of the society..."

I would urge upon the Government that this suggestion should be accepted. Otherwise, such labour beneficial legislation lags behind. Now, here also we see that this Bill was introduced in Rajya Sabha on 18th March 1987. Still we are discussing this. This is getting the last priority. Whenever we have some time, we are intervening with this and trying to get on with this. The labour beneficial legislation should get the most priority and this Labour Commission should be set up so that it will be attended to as early as possible.

With these words, I conclude.

13.04 hrs.

*The Lok sabha adjourned for Lunch till
Fourteen of the Clock.*

*The Lok Sabha re-assembled after
Lunch at Fourteen of the Clock*

[MR. SPEAKER in the Chair]

MOTION RE: APPOINTMENT OF A JOINT COMMITTEE TO ENQUIRE INTO THE ISSUES ARISING FROM THE REPORT OF SWEDISH NATIONAL AUDIT BUREAU ON THE BOFORS CONTRACT—Contd.

[English]

THE PRIME MINISTER (SHRI RAJIV GANDHI): Mr. Speaker, Sir, with your permission, I would like to make a brief intervention.