

COMMITTEE ON GOVERNMENT  
ASSURANCES

## FIFTH REPORT

SHRI JAGANNATH RAO (Berhampur): I beg to present the Fifth Report (Hindi and English versions) of the Committee on Government Assurances.

PROF. K. K. TEWARI: Sir, the Home Minister is prepared to make a statement.

MR. SPEAKER: I have not asked him. I have got nothing to do with it. For me it is closed.

अब इसमें मेरा कुछ नहीं है।

(*Interruptions*)

12.15 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE  
Reported order of Government reducing retirement age of LIC employees from 60 year to 58 years.

SHRI SOMNATH CHATTERJEE (Jadavpur): I call the attention of the Minister of Finance to the following matter of urgent public importance and I request that he may make a statement thereon:

'The reported order of the Government reducing the retirement age of the employees of Life Insurance Corporation of India from 60 years to 58 years.'

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARI): Mr. Speaker, Sir, the Government Policy in the matter of the age of retirement is well-defined. The age of retirement of employees is 58 years except for special categories like Defence personnel and scientists. In line with the policy, in 1976, Government decided that the age of retirement in financial institutions should also be 58 years. This decision has been implemented for officers especially those who have been recruited after nationalisation. The practice, however, differs in respect of other categories of

employees due to various agreements entered into by the managements with their Class III and IV employees.

2. As far as the Insurance Industry is concerned, the age of retirement of officers recruited after nationalisation is 58 years, both in the Life Insurance Corporation of India and in the General Insurance Corporation of India. In the General Insurance Corporation of India the age of retirement of new entrants for other categories, viz., Class III and IV, was made 58 years in 1980. It had not been possible to take similar action in respect of employees of the Life Insurance Corporation of India because of protracted litigation. This anomaly has since been removed and Government has notified rules prescribing the retirement age of 58 years for Class III and IV employees of the Life Insurance Corporation of India, vide Government Notification No. 96(E) dated the 22nd February, 1983 (Copy annexed)—[Placed in Library. See No. LT-6032/83].

12.17 hrs.

MR. DEPUTY SPEAKER *in the Chair.*

SHRI SOMNATH CHATTERJEE: As we had expected, the Government has made a statement which shows their hostility towards labour. The decision of the Government is another manifestation of its anti-labour attitude and its hostility towards LIC employees and its major trade union, namely, the All India Insurance Employees' Association.

It is necessary to trace in brief outline the history during the recent past of the calculated attempts made by the Central Government and the LIC Management to deprive the employees of LIC of their rights. A settlement was lawfully entered into by the LIC management with its employees, with the concurrence of the Central Government by means of collective bargaining. In 1974 this solemn agreement was entered into between the LIC and the All India Insurance Employees' Association and other Associations.

That was a package deal, dealing with terms and conditions of service, age of retirement, pay scales, payment of bonus.

etc. As has been found by the Supreme Court also, it was a package deal entered into by the L.I.C. and the Central Government.

That was the period when, if I remember right, Mr. Y. B. Chavan was the Finance Minister and Mr. Raghunatha Reddy, the Labour Minister.

The Central Government, at that level, approved of the settlement. If I am not mistaken, they expressed their great happiness that an agreement had been arrived at between the L.I.C. employees and the L.I.C. itself through the intervention of the Government.

Even before its three year term was over in 1977, attempts were made since the promulgation of emergency to scuttle this settlement and to take away from the employees their right of getting bonus dearness allowance and other facilities.

If I may remind the House, in 1976, a law was passed which was called as 'LIC (Modification of Settlement) Act.'

In one of the blackest days of our country, a solemn agreement was sought to be nullified by passing a law called the Life Insurance Corporation (Modification of Settlement) Act, 1976 whereby two provisions of the settlement were deleted. One provision of the Clause in the Agreement, which was entered into order the Industrial Disputes Act, was sought to be deleted, by which payment of bonus which was agreed at the rate of 15 per cent was removed. Against that, the employees went to Court and in 1978, after the Emergency was over, the matter came up before the Court and the Supreme Court, in the judgement delivered by seven Judges of the Supreme Court, unanimously struck down the law called the Life Insurance Corporation (Modification of Settlement) Act, 1976 and it was declared as *ultra vires* of the Constitution of India.

Sir, with your permission I would like to read out certain portions of the judgement of the Supreme Court because the matter is important and it may not be looked into in isolation or forgetting the

recent past history. The Supreme Court Judge Justice Bhagwati, who delivered the leading judgement, had described the 1976 Act in these words:—

"This unusual piece of legislation was enacted by Parliament during the emergency at a time when there could hardly be any effective debate or discussion and it sought to render ineffective a solemn and deliberate Settlement arrived at between the Life Insurance Corporation and four different associations of its employees for payment of cash bonus. It is necessary, in order to appreciate the various contentions arising in the writ petitions to recapitulate briefly the facts leading up to the enactment of the Life Insurance Corporation (Modification of Settlement) Act, 1976. ."

So, it was criticised in that manner by the Supreme Court and Justice Bhagwati also held that this agreement had been arrived at after considerable negotiations between the L. I. C. employees and the L. I. C. and the judgement says—

"The Life Insurance Corporation carried on negotiations with these association between July 1973 and January 1974 at which there was free and frank exchange of views in regard to various matters including the obligation of the Life Insurance Corporation to the Policy-holders and the community and ultimately these negotiations culminated in a Settlement dated January 24, 1974 between the Life Insurance Corporation and these associations."

So, that was important and its approval by the Central Government was also noted by the Supreme Court. Then an attempt was made to scuttle the provision regarding bonus by issuing departmental Circulars which was resisted by the All India Insurance Employees Association and its protest has also been noted by the Supreme Court in its judgement. I will only go through the portions which are strictly relevant for our purpose. Here it is also necessary to quote the observations of the Chief Justice Beg. Mr. Beg was the Chief Justice then. He referred to the Directive Principles. Although Directive Principles

[Shri Somnath Chatterjee]

are not enforceable as such, he observed as follows:—

"They have the life and froge of fundamentals. The best way in which they can be, without being directly enforced, given vitality and effect in Courts of law is to use them criteria of reasonableness, and, therefore, of validity, as we have been doing. That if progress towards goals found in Articles in 39 and 43 are desired, there should not be any curtailment of wage rates arbitrarily without disclosing any valid reason for it as is the case here. It is quite reasonable, in my opinion, to submit that the measure which seeks to deprive workers of the benefits of a settlement arrived at and assented to by the Central Government, under the provisions of the Industrial Disputes Act, should not be set at naught by an Act designed to defeat a particular settlement."

That was the observation of the Chief Justice of India.

Justice Bhagwati delivered the majority judgement, that attempt failed during the Emergency by a Statute to take away the right to bonus, then, Sir, we succeeded in the Supreme Court. I had the great privilege of appearing for the employees.

Then, by issuance of notifications and orders, the second attempt was made. The employees had to go again upto the Supreme Court, they were forced to go. There also, the Supreme Court, by a majority judgement, delivered by Justice Krishna Iyer, expressly held that those attempts to nullify the settlement were not permitted in law and those notifications and circulars were quashed by the Supreme Court, and it was held that although the three year period of the agreement from the year 1974 to 1977 expired, the terms and conditions of the agreement still continued to be valid as part of the contract of service. They became engrafted in the terms and conditions of services and they could not be altered without a proper and valid legislation, or industrial award or arbitration. The Supreme Court observed in its judgement:

"Once the earlier contract is extinguished and fresh conditions of services are created by the award in a settlement, the inevitable consequence is that even though the period of operation and the span of life binding force expired on the notice to terminate the contract being given, the said contract continues to govern the relationship between the parties until a new agreement by a settlement of statutory contract by force of award takes place."

I am placing this before the House to emphasise that the agreement solemnly entered into; it had the approval of the Central Government at the highest level of the Finance Minister, and then an attempt has been made to scuttle that agreement.

Again in 1981, they passed an Ordinance which was converted into a statute, and in 1982 the Supreme Court said that now under the new Act of 1981, they could change the terms and conditions of services in respect of bonus. That was the Nachane case. The earlier cases were of Pathak and Manchanda case, and of G K Bahadur and Chandershekhar Bose. In Nachane's case, the Supreme Court ultimately gave permission to them to change the condition regarding bonus.

Then, the other onslaught has started again. Now, the age of retirement has been altered. I will come to that, but before that that it is essential to assert what has been the role and contribution of the employees of LIC for the development and improvement of the LIC as a whole. I have got with me the report of the Chairman, L. I. C. for the year 1981-82. I have got the other figures also. I will take the liberty of this House to place a few facts, which would make things clear. In 1955, the total new business was Rs. 260 crores; in 1974-75 when the agreement was entered into, it became Rs. 4895 crores. And from 1974-75 to 1980-81, it has gone to Rs. 10,197 crores. So far as the number of policies in force is concerned, it has gone up from 48 lakhs in 1955 to 236.57 crores in 1981-82. Life fund which was Rs. 3033 crores in 1974-75, when the settlement was entered, is now Rs. 7562 crores. I do not know whether the Minister wants to take the credit.

that he himself got it done, or for the officers alone. Net addition to insurance fund, which was Rs. 702 crores in 1979-80 has become Rs. 922 crores in 1981-82.

And you will see, the other figures are very important. During these 27 years the new business has increased by 34 times; life fund has increased by 18 times; the total income has increased by 13 times. This is the achievement of the Corporation. Now, Sir, what is the ratio of expenses for salaries and Allowances to total income? In 1974-75 the expenses for Salaries and Allowances to the total income were 13.48 per cent. It came down to 10.02, 9.20, 8.95. Now, it is 6.2 per cent. Therefore, expenditure on account of the employees is going down. It has come down by more than half since 1974-75. Kindly see the total number of Class III and Class IV employees. In 1974-75 their number was 46,130. In 1981-82, it has come down to 45,502. Now, due to whose service or effort have these results been achieved? This has to be answered. I would like to know whether the Government think that this type of development and expansion has been possible without the willing cooperation and dedicated service of the employees or not? I would also like to know whether they claim that the Government carried out some magic and made this achievement? Sir, the latest Report of the Chairman says:

"The most significant achievement is in the field of claims settlement. We have brought down the ratio of outstanding claims to claims payable to 14.35 per cent from the previous year's figure to 18.49 per cent, which compares favourably with the best in the Western countries."

Sir, the LIC employees are abused right and left every day as if no work is being done. Sir, this is the Chairman's own admission that the position of claims settlement is much better than the best in the Western countries. Sir, the Chairman's Report has also said:

"These are the noteworthy achievements. What is important is that these results have been produced with utmost economy. This is reflected in bringing down our renewal expense ratio to 11.75 per cent from the previous year's figure

of 12.62 per cent, which is the lowest in the history of the Corporation and well below the statutory limit of 15 per cent. The overall expense ratio has also gone down to 23.37 per cent from the previous year's figure of 24.24 per cent and is now comparable with that noted in many of the West-known Insurance companies in the West and Japan. The renewal expense ratio is not taken note of in these countries."

Sir, the premium income has exceeded Rs. 1,000 crore mark for the first time reaching a record of Rs. 1,092.90 crores. The Life Fund has risen to Rs. 7,562.61 crores—a 13.87 per cent increase. These are the achievements and we are very happy and proud of these.

Sir, yesterday we got the Public Enterprises Survey from the Government of India—Bureau of Public Enterprises, 1981-82, Volume I, where they have given the figures of Life Insurance Corporation's Achievements etc. Sir, I am not giving further details, but I cannot resist reading one paragraph of it, which is extremely important. It says:

"Ratio of expense on Management to Premium income: The Commission to agents was 8.01 in 1980-81. It has gone down to 7.8 per cent.

Salaries and other benefits to all Employees: In 1980-81, it was 13.55 per cent. It has come down to 12.81 per cent."

Sir, the overall ratio has come down; renewal expense ratio has come down. And you will also see, Sir, the claims settlement has achieved a unique record.

Now, larger number of claims are being settled than even presented during a particular year. The backlog is being cleared. Outstanding have come down from 1.72 lakhs in 1980-81 to 1.51 lakhs in 1981-82. This is what the Chairman himself has noted.

So, this is the contribution of the employees. What is the attitude of the Government? Kindly see the statement itself. It says that the Government's policy about retirement is well-defined. We would like to know when this policy was evolved.

AN. HON. MEMBER. During emergency.

**SHRI SOMNATH CHATTERJEE:** In evolving this policy, did Government take note of the solemn agreement with the employees of one of the biggest public undertakings in India. To preserve that settlement, the employees had to fight hard; and they succeeded twice before the supreme Court. Supreme Court upheld the legality of this agreement and emphasised that the Directive Principles of States Policy as contained in the Constitution of India necessitated that without any discussion, without any valid reason Government of India LIC should not change these rules, regulations and terms and conditions of service.

This is the only crime they have committed. A settlement had been arrived at. I would like to know from the hon. Minister when this policy was evolved. Now they say: so far as the LIC employees are concerned, we could not implement this policy, which was implemented so far as officers were concerned, due to various protracted litigations. Now, who forced the employees to go to court? You enter into a solemn agreement. You change arbitrarily one clause or the other; you do not take the employees into confidence, you do not enter into a dialogue with them. They are treated as if they do not exist, as if the entire glory of LIC's development is attributed, during the Emergency, to the Ministers or some hand-picked officers. And the Supreme Court rejected Government's attempts repeatedly.

Next, they have made it 58 years, so far as officers are concerned, and they call it an anomaly. It is the most objectionable part of the statement. Even the Ministers have given up thinking on these lines. Whatever is written out by the officers is being read out and trotted out here. What is the anomaly? The anomaly was that you entered into a solemn agreement that the retirement age would be 60 years; you change it arbitrarily without discussion. And you say that what you have subsequently decided should be the proper retirement age. So, the earlier agreed age of retirement is an anomaly. This is the attitude; that is why I say this nothing but an anti-labour and anti-employee attitude.

There is no discussion. The employees are treated as if they are the enemies of the society. They are giving as much of their blood and sweat as any others, for the development of this country, and for the development of LIC. And I read those figures, only to emphasise the contribution made by the officers and by the employees, particularly Class III and IV employees, for the great achievement and great progress of the LIC, which compares very favourably with even the records of the Western countries where supposedly they have got a sophisticated method of functioning, with all the machines etc.

The result is that they are saying: this retirement age will apply only to those employees who will be appointed on or after the commencement of these rules. For 45,000 employees, the retirement age is 60. Now you start evolving a new class of employees who will have a different retirement age, in the same organisation. So far as the existing employees are concerned, Government has not got the courage to reduce their age of retirement. That is the impression that we have. But we find that for persons appointed on or after the date of commencement of these rules which is 22nd or 24th February, there will be a separate age of retirement. How do you expect a proper and integrated functioning, when a set of employees will have to work under different conditions of service, under different retirement age?

Suddenly, suppose you decide to reduce the age of the judges. On the same bench, there are judges who retire at the age of 65 in the Supreme Court while others retire at the age of 60 or 62. Is this the way to keep the morale of an organisation? Is this the way to integrate or bring about fusion in the activities of the employees in any organisation? Therefore, our charge is that this is nothing but a calculated attack on the LIC employees, because they have been courageously, lawfully and successfully challenging the attacks on their terms and conditions of service, on the settlement arrived at by the government; and that is why they are trying to victimise the employees, creating dissension among them which we resist.

I would like to ask the hon. Minister whether the government held any discussion with any of these employees' Organisations, particularly the majority organisations represented by All India Insurance Employees Association and other associations. We don't want anybody to be left out. Was there any discussion at any point of time held; if not, why not? Are you not by this changing one of the agreed terms and conditions of service, namely, 60 years for retirement? Now you are changing it with regard to subsequent recruits, but you are definitely changing the terms because the agreement is to apply to subsequent appointees also. For subsequent appointees, this agreement is not being made applicable. You did not discuss with them and you create different classes of employees doing identical, similar jobs. Is this the policy of the government? We are aware that they call themselves to be friends of the working class. But starting from NSA, ESMA and what not, there have been a series of attacks going on against the workers and this is another. Apparently, this seems to be removing an anomaly, but what is apparent is not the real state of affair. If we dig up the surface, we will find the ugly face of the anti-labour attitude by which this government wishes to govern. I also ask the Minister to tell us whether, until proper discussion is held and the workers' views are obtained, they will keep this circular or regulation in abeyance, if not cancel it.

**SHRI JANARDHANA POOJARY:** I have got the highest regard for Shri Somnath Chatterjee, who is one of the eminent lawyers of the country also. At the same time, I may bring to the notice of the House that I should not be irrelevant; I should confine myself to the subject-matter of the calling attention. The subject-matter of the calling attention is reducing of the retirement age from 60 years to 58 years.

So far as performance of the LIC is concerned, the hon. member has gone to the extent of giving some of the statistics. If at all any discussion is to be held, I don't say that the performance of the LIC is bad; but, if at all, a discussion is to be held, we can have the discussion; we can discuss the matter about the efficiency of the LIC employees and also the management.

Now coming to the point about the reduction of the age to 58 years, so far as the existing employees are concerned, we have not touched them. So far as future entrants to the LIC are concerned, we have stated that their age will be 58 years. There is no legal issue involved in this matter.

**SHRI SATYASADHAN CHAKRABORTY** (Calcutta South): You cannot make their age 58; you should say, retirement age.

**SHRI JANARDHANA POOJARY:** Retirement age. I am sorry if I missed that word.

Sir, my submission would be that so far as future entrants are concerned, they can enter the LIC with an open mind and open eyes. They have got the full knowledge that so far as their retirement age is concerned in the Life Insurance Corporation in future it would be 58. Now, how has this decision been taken? In 1976 the Cabinet that is, the Government had taken the decision. In pursuance of that decision, we are implementing now. What had happened in 1977? My hon. friend referred to the year 1977 and the period between the years 1974 and 1977. During that period there was an agreement. So, we could only alter after the expiry of the period of that settlement which was existing. We were able to enter into negotiations with the employees union. For the information of the House, I may also submit that there is no recognised union in the Life Insurance Corporation of India. In spite of that fact we entered into negotiations with them. The negotiations took place on 21.8.1978, 22.8.1978, 19.3.1979, 6.9.1979, 7.4.1980 and 8.4.1980. But all these negotiations failed. We were not able to succeed. So, ultimately in pursuance of the judgment of the Supreme Court only, we have come up with legislation before Parliament in 1981. This very House discussed the legislation in detail and after the LIC employees went to the Supreme Court. In the Supreme Court also all these points were discussed in detail and the Supreme Court upheld the validity of this Act. And, after the validity of the Act was upheld, we have come forward with certain rules and one of the rules that has been brought

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forward is about the ceiling so far as bonus is concerned.

**SHRI SOMNATH CHATTERJEE:** In that case that was the only thing discussed.

**SHRI JANARDHANA POOJARY:** Not only that. It included the point about a ceiling on D. A. also. What had happened in the Supreme Court? The Supreme Court upheld the rules also. Government succeeded in that petition also and for your information, only after that we have brought out this piece of subordinate legislation, to remove the distortions.

Now, how has the hon. Member objected to the word 'anomaly'? I do not know he objected. But at least, there was a distortion. So far as the LIC officers of class I and II were concerned, the retirement age was 58. The retirement age in the General Insurance Corporation is 58. So far as the General Insurance Corporation is concerned, for even Class III and Class IV employees the retirement age is 58. It is being challenged in the Supreme Court. That case is pending decision. And, so far as this piece of subordinate legislation is concerned, it has come into force from the date of the notification, that is, 22-2-1983, and it is applicable only to future entrants. So, my submission would be that so far as the existing employees are concerned, they do not have any cause of action. They are not at all affected. So, I do not know as a Member of Parliament, how the hon. Member has raised this issue in Parliament. So far as the existing employees are concerned, I do not think that there is any cause of action for them. They are not at all affected.

**SHRI SUNIL MAITRA** (Calcutta North-East): Who told you?

**SHRI JANARDHANA POOJARY:** You are one of the Members in the Calling Attention. At that time I will tell you.

**SHRI SATYASADHAN CHAKRABORTY:** This is advance notice.

**SHRI JANARDHANA POOJARY:** The hon. Member, Shri Somnath Chatterjee,

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reducing retire-  
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has raised another pertinent question regarding the salary. I do not want to compare their salary with their counterparts in the Government. Even after putting in 25 to 30 years of service. What is the salary a Class III employee gets either in the P&T or in the Railways? I do not want to mention all that.

**SHRI SUNIL MAITRA:** Why do you not compare it with the Reserve Bank or the Central Bank of India?

**MR. DEPUTY-SPEAKER:** He has not dealt with any individual case. He says that the salary bill has come down.

**SHRI SOMNATH CHATTERJEE:** I have read out from your report.

**SHRI JANARDHANA POOJARY:** If the basic pay of a class III employee in the LIC is Rs. 920, he gets Rs. 2042 as DA.

**SHRI SUNIL MAITRA:** Who gets Rs. 920/-?

**SHRI JANARDHANA POOJARY:** Class III employees.

**SHRI SUNIL MAITRA:** There 585 is the ceiling.

**SHRI JANARDHANA POOJARY:** Is not the Superintendent of LIC a Class III employee?

**SHRI SOMNATH CHATTERJEE:** This needs clarification. I did not raise the question of salary scale here. In spite of their contribution in the development of the economy, the expense ratio has gone down. He is trying to project that the so-called high-wage islanders are getting special benefits. This is not a charity which the Government is giving to them. But this is as a result of the solemn agreement which the Management has entered into with the employees.

He is giving these figures without telling that only a handful of the people get this.

**SHRI JANARDHANA POOJARY:** An attempt has been made to malign the Government that the Government is not interested in the welfare of the employees.

Further it is said that the cost of the administration has come down. I am bringing to the notice of the House only one example. What was the total amount that a Class III employee of the LIC got, whose basic pay is Rs. 920/-? He got Rs. 3460/- What is the salary of the Joint Secretary in the Government of India? The Joint Secretary got Rs. 3200/- whereas a Class III employee in LIC gets Rs. 3460/- (*Interruptions*) That is why, in the beginning, I made it clear that I do not want to touch other points. If you want to hold a discussion on the efficiency of the LIC, I am prepared for that.

He has clearly stated about the performance of Class III and Class IV employees. I do not say that they are not performing their duties. But who is responsible for getting business of having more LIC policies? It is primarily the Development Officers and agents. They are the persons who are in the field. These employees are sitting inside the office. I do not say that they do not do any work. Their contribution is also there. At the same time, we cannot forget these categories of employees also.

**SHRI SATYASADHAN CHAKRA-BORTY:** Remember everyone and increase the salary of everyone.

**SHRI JANARDHANA POOJARY:** We must remember that they are in the organised sector. Some of the opposition party members have been raising a hue and cry both inside and outside the House that in this country there are 30 crores people who are living below the poverty line... (*Interruptions*) I have heard it. According to their own statement, those people are not getting more than Rs. 60/- (*Interruptions*)

**SHRI SATYASADHAN CHAKRA-BORTY:** The hon. Minister is guilty of a wrong figure; it is not 30 million but 300 million.... (*Interruptions*)

**SHRI RASHEED MASOOD (Saharanpur):** rose—

**MR. DEPUTY-SPEAKER:** No, I will not allow you. He is replying to the Calling Attention. It is not a general discussion.

The other members whose names appear in the list can put questions, not you. I am sorry I cannot allow you to intervene. I will take care of the House. You need not do my duty.

**SHRI JANARDHANA POOJARY:** According to their own statements, even during the discussion of the general budget, the hon. Members of the opposition have gone to the extent of saying that in this country there are 31 crores of people who are living below the poverty line and it is on record that they are not getting more than Rs. 60 or 65, because they are in the unorganised sector.

Now what is it that the Government have done? Because of the strict measures taken by the Government, we are able to introduce efficiency. We are only requesting the employees of the LIC to work from 10 AM to 5 PM without wasting time. Are Government not expected to say that for the sake of the poor people of the country they should work? That is the only point we want to make.

**SHRI SOMNATH CHATTERJEE:** It is victimisation.

**SHRI JANARDHANA POOJARY:** It is not victimisation. We have not victimised anybody... (*Interruptions*)

**MR. DEPUTY-SPEAKER:** You should concentrate on why you have reduced it from 60 to 58. The other side should concentrate on why it should not be reduced from 60 to 58. The Government side should give justification for reducing it. But so many extraneous things are being discussed. This is not a general discussion on the budget, to deal with the efficient functioning of the employees and so on. You stick to the point.

**SHRI JANARDHANA POOJARY:** It is the policy of the Government that the reasonable retirement age is 58.

**SHRI SOMNATH CHATTERJEE:** Except for the Ministers.

**SHRI JANARDHANA POOJARY:** This is the accepted policy of the Cabinet and we want to implement it. It is to

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pursuance of the Cabinet decision that we have implemented this measure for the future. As I stated earlier, we have not done any injustice to the existing employees, because this is only for the future entrants. So, there will be no cause of action for employees, as happened in the case of Andhra Pradesh . . . (Interruptions)

MR. DEPUTY-SPEAKER: No, I will not permit it. This is not a general discussion.

SHRI JANARDHANA POOJARY: This is the accepted policy of the Government, which we want to implement.

MR. DEPUTY-SPEAKER: Shri Sunil Maitra.

SHRI RAMAVATAR SHASTRI (Patna): Sir, what about lunch?

MR. DEPUTY-SPEAKER: The House stands adjourned to meet at 2 P.M.

13 hrs.

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

*The Lok Sabha re-assembled after Lunch at three minutes past Fourteen of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair].

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE—  
CONTD. Reported order of Government reducing retirement age of LIC employees from 60 years to 58 years—*Covid.*

MR. DEPUTY-SPEAKER: Now, Shri Sunil Maitra is to speak. Mr. Maitra, your colleague has already taken more time and sufficient background also has been created, and therefore, you put only questions.

SHRI SUNIL MAITRA: Not the background that I wanted to give.

MR. DEPUTY-SPEAKER: Is your background different?

SHRI SUNIL MAITRA: Yes.

MR. DEPUTY-SPEAKER: As a former employee?

SHRI SUNIL MAITRA: Yes, as a former employee.

Thank you, Mr. Deputy-Speaker. It would have been better had the Finance Minister himself been present here because on the issues under discussion today, we have already started a dialogue with Mr. Pranab Mukherjee in the month of July last year, I myself being one of the office-bearers of the biggest employees' union of the Life Insurance Corporation of India, and Prof. Madhu Dandavate also being an office bearer of another LIC employees' union. Five unions including the INTUC union had met Mr. Pranab Mukherjee in the month of July and started a dialogue.

I wish that Shri Mukherjee would have been present here to throw some light on the particular action that his Ministry has taken.

Coming to the point, I only want to make submission—

1. The Minister stated here that . . .

MR. DEPUTY-SPEAKER: Mr. Daga . . .

SHRI SATYASADHAN CHAKRABORTY: Shri Daga is holding his Parliament there.

SHRI MOOL CHAND DAGA (Pali): We want to understand your problem.

SHRI SUNIL MAITRA: The Minister stated that the basic salary of the Superintendent was Rs. 920. His total salary comes to Rs. 3421/- or something like that which he said. Firstly, he should know that out of the total 46000 Class III and Class IV employees of the Life Insurance Corporation, the number of Superintendents is barely a little more than 300. He should also further know that in the Life Insurance Corporation of India the ceiling on salary is Rs. 2750/- . Notwithstanding the fact that on calculation even if a Class

III employee is entitled to more than Rs. 2750/-, he will not get more than Rs. 2750/-. That is the ceiling already imposed on the salary of the Life Insurance Corporation of India.

**MR. DEPUTY-SPEAKER:** Hereafter, you will not give more salary than what is mentioned by you.

**SHRI SUNIL MAITRA:** The Joint Secretary of the Government of India is drawing Rs. 3000/-. My proposal to him would be—let the Joint Secretary and the Superintendents of the Life Insurance Corporation of India exchange places. The Superintendents of the Life Insurance would be very much happy to be the Joint Secretary of the Government of India. I am giving the offer. Let him except it.

It is not a question of legality or illegality. But was it justified morally to alter the retirement age of the Life Insurance Corporation employees? Legally they are entitled to what they have done. In the year 1981 in the month of January, Life Insurance Corporation Amendment Ordinance was promulgated. It came in the form of Bill in the month of February, 1981 in regard to the terms and conditions of service governing bonus and dearness allowance. In the course of the debate on that Bill from our side including myself, we repeatedly tried to make out one point—that through this Bill the Government was arrogating to itself the sweeping powers which put the Life Insurance Corporation employees beyond the pale of the Industrial Disputes Act. They destroyed each single element of autonomy of the Life Insurance Corporation. The Government acquired the powers and attacked bonus and D.A. We expressed our apprehension that the Government would be attacking the rest of the terms and conditions of service of the Life Insurance Corporation employees which were beneficial to them. When we had made out these points, Shri Venkataraman, the then Finance Minister, made out certain points—what were the ground on which such powers were acquired.

In the Explanatory Note submitted to the Lok Sabha, it was specifically mentioned that only in relation to the terms

and conditions of services of the L.I.C. employees governing bonus and dearness allowance, the Government was acquiring the power. Then, in the course of the debate, Shri Venkataraman had stated (it was at the introduction stage of the Bill):

"We are dealing with questions which are the subject-matter of the ordinance, namely, D.A. and Bonus. I have brought bonus on the same level as with all other employees. I have brought D.A. rate on the level of the highest paid D.A., namely, the Banks. I wonder what harm I have done to the L.I.C. employees..."

In the text of the Bill, through which they acquired the power to change the terms and conditions, they said, it was to effect the changes relating to D.A. and Bonus only.

However, while replying to the debate, Mr. Venkataraman has stated:

"...To say that Government have done something which has taken away the right of collective bargaining is to indulge in exaggeration out of proportion to what has happened..."

Government have taken powers to notify the ceiling rate of dearness allowance and the application of the bonus law to them. Therefore, to infer from this that the collective bargaining right has been taken away and there is an attack on the entire working class, there is a battle, war cry raised against it and all that, is to whip up an emotion which is not warranted by the circumstances."

I can go on quoting paragraph after paragraph to establish one single point that Mr. Venkataraman had informed the House that the only purpose of acquiring such sweeping powers by the Government was to rationalise (in his words) the dearness allowance and bonus to the employees of L.I.C.

Even when the Attorney-General of India was arguing the case before the Supreme Court, he said so. These are the points which the Attorney General had said on behalf of the Life Insurance Corporation of India and on behalf of the Union of India:

[Shri Sunil Maitra]

"Section 2 does not repeal the Industrial Dispute Act. It merely determines that the Rules made shall prevail in case of conflict in respect of a particular matter namely, 'bonus' and 'dearness allowance'."

Now, in flagrant violation of all these assurances given by Shri Venkataraman on the floor of the House that the powers the Government have acquired is only to apply on the matters relating to bonus and dearness allowance, the same powers have been used to attack the employees of the Life Insurance Corporation in the matter of retirement age. Now, it is being argued that it is not going to affect the existing employees and it is going to affect only the employees who join on or after February, 1983. If today you can use this power to reduce the retirement age of an employee from 60 years to 58 years, would you not apply the same powers in reducing the pay scale of the employees and in reducing the allowances of the employees later on?

MR. DEPUTY SPEAKER: Why do you pre-suppose these things?

SHRI SUNIL MAITRA: Pre-supposing has been made incumbent by them. It is a flagrant violation of the assurances given by no less a person than Shri Venkataraman himself that such powers would not be used for anything except in the case of dearness allowance and bonus, because the powers have actually been used.

MR. DEPUTY-SPEAKER: How can Mr. Poojary give an assurance to you?

SHRI SUNIL MAITRA: It is Mr. Poojary's business to honour the assurances given by Mr. Venkataraman. Government is a continuing process. He should honour all the assurances. If with every change of a Minister the policy also changes and the assurances carry no value whatsoever, then it is not a Government worth its salt, worth its name. Then, this Government should go.

Thirdly, the trade unions of this country had made a complaint to the International Labour Organisation and the

ILO had asked the Government of India whether the right of collective bargaining of the Life Insurance Corporation employees was being attacked. The Government of India gave some reply. In the final communication of the ILO, this is what has been mentioned. It is Case No. 1100. The Committee's conclusion, that is, the ILO's conclusion is this—I quote: quote:

"The Committee notes the Government's reply to the allegation that it arbitrarily modifies collective agreements in the public sector, in particular the fact that the Supreme Court has upheld such amendments when made in the legislative context. In this connection, the Committee has stated in the past that a legal provision which could be applied so as to call into question the provisions laid down in collective agreements or to prevent the workers from negotiating such conditions as they wish in future collective agreements would, if so applied, infringe the right of the workers concerned to bargain collectively through their trade unions. The Committee would accordingly draw this principle to the Government's attention in the hope that it will find it possible not to resort to such action in the future."

This was the comment of the International Labour Organisation so far as the LIC employees agreement entered into on 24th January, 1974 and which was the end product of collective bargaining was concerned. In flagrant violation of the commitment given by the Government of India to the ILO, the latest notification reducing the age of LIC employees has come.

Again, on 28th January, 1983, there was to be an all-India strike of all public sector employees. On 15th January, 1983, the Finance Minister called all the Central trade unions in order to persuade them to put off the strike and he agreed to certain basic things so far as the trade unions' demands were concerned. In the course of that discussion, the Central trade unions also raised the question of LIC employees. After the question was raised, this is what the Finance Minister had stated. I am quoting from a letter

written by the Centre of Indian Trade Unions to the Finance Minister. I quote:

"When we pointed out the various issues involved and affecting the employees, you were good enough to inform us that for various reasons, mainly paucity of time, you could not initiate the further follow-up action on the discussion that you had with the representatives of the Class III and Class IV employees at your office at New Delhi on July 6, 1982. You also informed us that you would like to pursue the matter further and call the Unions to further discussion at your early convenience."

When Mr. Poojary says this date and that date, I say, after that also there was a discussion between the Finance Minister and ourselves precisely on 6th July, 1982 in the room of the Finance Minister in Parliament House. After that, Mr. Pranab Mukherjee unequivocally told us that because he was pre-occupied with certain other business of the Government, he asked us to wait a little bit and then he said that he would pick up the thread of discussions and start negotiations. When this was the context that employees were expecting negotiations and when the Minister of Finance himself had told us—I was present there, and Prof. Dandavate was also present there—that the discussions would start, then comes a bolt from the blue.

Immediately the Government reduced the retirement age from 60 to 58 years.

I am asking you and also the Deputy Finance Minister. Is it fair? Is it in keeping with the assurances given by the Finance Minister himself, both by Mr. Venkataraman on the floor of the House, and by Mr. Pranab Mukherjee, when he talked to us?

Therefore, my question is in view of these assurances given earlier by Mr. Venkataraman and then on 6th July by Mr. Mukherjee, will the Government of India rescind the Order for reducing the retirement age from 60 to 58 years and start negotiations with all the unions?

I would request Shri Poojary to go through the debate which was held on the floor of the House in the month of

February-March, 1981. In the course of the debate, Mr. Venkataraman repeatedly told me that "I have offered you the Reserve Bank of India dearness allowance structure." I repeatedly challenged Mr. Venkataraman that "You have been wrongly briefed. Whoever may be briefing you is not briefing you correctly." Therefore, again I take up this question. Again and again you are saying that LIC employees are getting more. In what aspects are they getting more? Is it in dearness allowance? In what aspect are they getting more? Is it in terms of retirement age? Is it your purpose—be very forthright—to make the salaries of LIC employees belonging to other financial institutions of public sector, uniform? If that be the case, let us take up the thread of Mr. Venkataraman's assertions. Are you prepared to give the LIC employees, Reserve Bank grade structure? On behalf of 46,000 LIC employees, I am telling you that "we are prepared to accept it. Are you going to give?". Piece-meal, there is no point in saying that "You are getting more. Therefore, we are reducing it. In dearness allowance, you are getting more. Therefore, we are reducing it." What about medical assistance, city compensatory allowance and house rent allowance? LIC employees get 10 per cent of basic salary as house rent allowance, subject to a maximum of Rs. 40/-. How much does an LIC employee get as city compensatory allowance? Rs. 20/-. In a city like Bombay, Delhi and Calcutta, it is Rs. 20/-. It is fixed. How much medical assistance do they get? Rs. 100/- for one year. All right. If you want to make the salaries uniform, make it uniform. Give us Reserve Bank grade. We accept it. I worked in the Life Insurance industry for 34 years. LIC was born on September, 1956. I came to the LIC industry in the year, 1945. Between 1945 and 1956, I worked on Rs. 40-45 and Rs. 50/- a month.

MR. DEPUTY-SPEAKER: When did you leave LIC?

SHRI SUNIL MAITRA: I left it in October, 1979, and contested the election and straight from the chair of a Clerk, I am occupying the chair of a parliamentarian here and I am proud of this fact.

[Shri Sunil Maitra]

LIC was born on 1st September, 1956. You should know and the persons who are advising you also should know, that LIC employees were working in places which record a temperature of 118 degrees and 120 degrees in Durgapur and Andhra Pradesh at the height of summer in tin-sheds where there were no facilities for toilets also. This is the way LIC has been brought up, this huge institution, of which we are proud of today, and which today you are policing, going from office to office, chastising the employees, deriding the employees, denigrating the employees, abusing the employees, vilifying the employees; you are resorting to every means to vilify the image of the employees in the eyes of the public. I would, therefore, request you to desist from it.

My final question is this. Will you please take up the thread where the Finance Minister, Shri Pranab Mukherjee, had left it on 6th July, 1982, and start the negotiations with all the Unions, including your Union, the INTUC, so that a peaceful solution of the issues confronting the LIC employees are found and an amicable settlement arrived at?

**MR. DEPUTY-SPEAKER:** If the Minister wants to restrict it, he can restrict it to the extent of this Call-Attention—reducing the age of retirement from 60 to 58 years?

**SHRI JANARDHANA POOJARY:** I have given a detailed reply to hon. Member Shri Somnath Chatterjee. Hon. Member Shri Sunil Maitra who was an LIC employee was a little bit emotional....

**MR. DEPUTY-SPEAKER:** Naturally.

**SHRI JANARDHANA POOJARY:** I am very glad, today I heard the opposition Parties praising the employees of LIC and the performance of LIC. In other words, I can say they are offering bouquets to the Government of India for better management. I had not seen earlier the Opposition Parties eulogizing the performance of the Government....

**SHRI SUNIL MAITRA:** We have fathered it. You are not the father of

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reducing retire-  
employees (CA)

300

LIC. We fathered it and we bore the child. Now the child is a youthful figure.

(Interruptions)

**SHRI JANARDHANA POOJARY:** I do not claim to be the father of any institution. My submission would be like this. It will not be proper if I do not answer one attack made on me, and that was about my surprise visits to the financial institutions. It has been stated inside Parliament and even outside the Parliament and even editorials have appeared in the papers; immediately after taking charge of this portfolio, I went through the paper clippings and also the debate, the speeches of eminent Parliamentarians of this House, and when I saw that there were a lot of complaints against the performance of the employees, I thought it was my duty to verify whether the complaints were true or not; so, I paid surprise visits. It is a general complaint, as you have been hearing, that the Ministers are not applying their minds, the Ministers are not working, the Ministers are busy with some other affairs. Taking into consideration all these things, I thought it was the duty of the Minister to pay surprise visits to verify the complaints made by the part and parcel of the society; I thought, if I did not do that, I would be failing in my duty; that is why I paid surprise visits. I need not go into the details of that. You may not believe it; I recorded a statement; it is not my statement, it is a statement of the people who are in charge of the institution. I have got all the statements. I knew that I would be challenged. I was challenged by hon. Member Shri Sunil Maitra. Fully knowing that it is my duty to get substantial evidence, I got all the substantial evidence and if it is required, I am prepared to place it before the House — what had happened and what is happening in these public institutions. And I do not want to go into detail. I might mention that during the peak hours in the financial institutions the employees are putting both the legs on the table and smoking — not for one or two minutes....

**SHRI SUNIL MAITRA:** Sir, I take very strong exception to it. This is not a fact. He is conjuring up things which

are not in existence. He is vilifying the employees....

(Interruptions)

MR. DEPUTY-SPEAKER: Can he not express a point of view?

SHRI AMAL DATTA (Diamond Harbour): On a point of order, Sir....

MR. DEPUTY-SPEAKER: There is no point of order in call attention. Where is the point of order coming here? You can also put forth your point if you do not agree with that. This is a call attention going on. I will not allow any interruption. I am not allowing.... There is no point of order. You can reply to him when you get your chance..

(Interruptions)

MR. DEPUTY-SPEAKER: No, no I will not allow. No point of order in call attention. What is the infringement of the rules by the Minister?

SHRI SATYASADHAN CHAKRA-BORTY: It is a point of logic.

MR. DEPUTY-SPEAKER: I am not permitting anybody to interrupt the Minister. All these things will not go on record. You please reply. You are replying to Mr Maitra. Only the Minister's reply will be recorded....

(Interruptions)

MR. DEPUTY-SPEAKER: No, no. You can put forth your view when you get the chance. Your name is there. That is why in call attention if we adhere to the rules....(Interruptions) Please listen. Please adhere to the rules....(Interruptions)

I will go to the next subject if you do not allow the proceedings to go on. I may make it clear that it has already taken 1-1/2 hours. If you do not permit the Minister to reply, I will go to the next subject....

(Interruptions)

MR. DEPUTY-SPEAKER: Don't record anything. You please reply. Don't record

the interruptions. You record the reply only.

SHRI JANARDHANA POOJARY: Sir, I am meeting their point....

(Interruptions)

MR. DEPUTY-SPEAKER: Mr Sunil Maitra has raised certain issues and he is replying and Mr Sunil Maitra also, I remember, mentioned that the Minister was going from one office to another and was doing this thing or that thing. Something he referred to and it is there in the proceedings. It is the responsibility of the Minister and the Government to reply to Mr Sunil Maitra. When it is replied to, if he cannot tolerate it, how we conduct the proceedings of the House?

(Interruptions)

MR. DEPUTY-SPEAKER: There is no point of order.

Mr Datta, about call attention, shall I read the rule?....(Interruptions) "No debate is permitted on such a statement at the time it is made." That is call attention. Each Member is expected to get only 3 minutes. I am not permitting you....(Interruptions) I have asked him to reply. I am not permitting any one of you. I will permit Prof. Rup Chand Pal and Shri Amal Datta....

(Interruptions)

Only your reply will go on record. Do not record anything other than what Minister says.

(Interruptions) \*\*

MR. DEPUTY-SPEAKER: What rule has been infringed by the Minister, Mr Amal Datta?

SHRI AMAL DATTA: Sir, the Minister is abusing his position and that of the forum of this House in order to make certain statements about the workers working in a particular Government organisation under his disciplinary control where he has not given any particular charge-sheet. By making this statement here he is naturally influencing their career prospects in future.

**MR. DEPUTY-SPEAKER:** There is no point of order. He has not particularised anybody in his statement and when the Minister has made some statement he takes full responsibility for that statement. Why are you worried? There should be freedom of speech. If you cannot tolerate the views expressed from this side. How will they tolerate the views expressed from that side. Mr. Datta, this is going to come in the record. Why are you worried? All these things would not arise if the hon. Members stick to the Rule that each one of them takes only three minutes to put his questions. Mr. Maitra has raised certain points and the Government has to reply to that. If Mr Maitra had not mentioned that the Minister was going from this office to that office then the Minister would also not have touched this aspect. Certain points are raised other than the Calling Attention motion and, as such, the Government has to reply and when the Government replies then you have to tolerate it. Now, the Minister will reply.

**SHRI JANARDHANA POOJARY:** Sir, my submission to the House is that a responsible Union president of one of the financial institutions has challenged and also today charged on the Floor of the House that I paid surprise visits and I went to this place and that place and he accused me by saying that I have made some wild allegations. That is the charge which has been levelled against me. Is it not my duty to answer that?

**MR. DEPUTY-SPEAKER:** I have said that. Even from that side, if any charge is made, they have the right to reply. Please go on.

**SHRI JANARDHANA POOJARY:** I have stated what I have seen in some of the financial institutions. I have not stated that the performance of the entire bulk of the employees is like that. There are some people who are holding the entire administration to ransom. Is it not the duty of the Government to rectify it? Or, are we to remain as mere silent spectators? So, in that respect we have taken certain measures. As I have stated, the cost of administration, that is, expense ratio has come down.

**MR. DEPUTY-SPEAKER:** In any democratic institution the political head is there only to look after these things. What you have done or what you have not done cannot be questioned here. As a political head you have discharged your responsibility to the public.

(Interruptions)

**MR. DEPUTY-SPEAKER:** You will also have to do like that when you come to this side.

Let the hon. Minister continue.

**SHRI JANARDHANA POOJARY :** Sir, as I have stated, if the Government had been tinkering with the service condition of the employees, they would have come with retrospective effect. But they have not come with retrospective effect. There has been no vindictiveness at all. No existing employee is touched. Only the future entrants are touched. As I have stated earlier, this is the policy adopted now by the Centre. This policy had been evolved earlier. In the year 1976, the Cabinet took a decision; but, before that, in 1962 this policy was evolved. We have implemented that decision of the Cabinet. We have not harmed anybody. No hardship is caused to the existing employees. I don't know where there is cause of action on the part of the employees. We only wanted to remove the distortion. That is what we have done; that is why we have come up with this Subordinate Legislation.

**MR. DEPUTY-SPEAKER:** Now, Prof Rup Chand Pal, Only question.

**PROF RUPCHAND PAL (Hoogly):** I will not take much time.

In the statement the hon. Minister said:

"The Government policy in the matter of the age of retirement is well defined".

Well, let us take it at its face value. At least there is one sphere where the Government has one well-defined policy.

Then, towards the end, the statement says:

"It had not been possible to take similar action in respect of employe-

of the LIC because of protracted litigation."

Now, Sir, the background has been described by my colleagues

Mr. Somnath Chatterjee and Shri Sunil Maitra. So, I will not go on to it in detail.

Then towards the end the statement says:

"This anomaly has since been removed and Government has notified rules prescribing the retirement age of 58 years for Class III and Class IV employees of the LIC."

Sir, if we look at any sphere of the Government administration there is anomaly. If we look at the sphere of the wage structure, may I know whether Government has got any national wage policy? No. You might remember that a few months ago in Bangalore, the public sector employees were waging a struggle to have parity with another public sector undertaking. For a long period, lakhs of workers went on agitating. Government did not heed to their request. Government has no National wage policy. Now he says:

"Here is an attempt to remove the anomaly." May I ask him one question? Does he not belong to the same Government which moves under collective responsibility, Cabinet responsibility; and in the same Cabinet is there not a Minister known as Mr. R. Venkataraman? Is it not true? Will you not agree with me that the present Defence Minister who was the Finance Minister at that time had given an assurance on the floor of the House? One hon. Minister is giving the assurance and another Minister is defying that. The hon. Speaker is making one observation and the next morning the hon. Minister is defying that. This is a very serious question. The question of credibility of the Government is doubted. An assurance was given when you were seeking powers. Then the Government, after taking those powers, specifically notified the ceiling rate of the Dearness Allowance and bonus only and nothing else. These sweeping powers were assumed at that time for

this purpose only. Suppose one man is given leave to attend the funeral ceremony of his relation and if he uses that opportunity to kill another person, would you like to call it moral? Will you call it proper and legal? Here the Government is taking the opportunity of using those powers against the employees. Is there any credibility? Will they believe you, particularly in such an atmosphere? There are long-standing demands.

Only a few days back, the hon. Finance Minister had said that he was looking into those demands. He said he was prepared to sit and discuss with them. But you are polluting the whole atmosphere and you are polluting the credial relations and deteriorating the Industrial relations in respect of the LIC employees. The Government has not considered the just and long-standing demands of the LIC employees. These demands could have been discussed with them and the Government could have explained to them their difficulty and could have brought about some sort of unanimity as regards retirement age. But the cordial atmosphere is disturbed now. You could have sought the opinion of the representatives of the LIC employees. They have been rendering an immense service to the Corporation. With their cooperation the Corporation has grown today to this stature. But on the floor of the House you are maligning them. Is it pro-labour policy? You are amending one labour legislation after another to subject the labour, the working class in order to put them in bondage. The whole exercise of the Government today is just to bring the labour fully under their control. The All India Radio employees are agitating for their just demand, but you had applied ISMA against them instead of fulfilling their demands. In the case of the employees of the Food Corporation of India, who were agitating for some of their demands to be met, instead of listening to them you applied ISMA. So, your capability is questioned. Therefore, my honest appeal would be: will the Government reconsider its decision and rescind the order and keep it in abeyance until further negotiations with the representatives of the LIC employees are over? This is my specific question.

**SHRI JANARDHANA POOJARY:** In my earlier reply, I have stated that the discussions were held with the Management and also there was a discussion between Management and the employees. Not only that. Even Mr. Sunil Maitra had rebutted the argument of hon. Member, Mr. Somnath Chatterjee, by saying that they had discussion with the Finance Minister also. So, the point is very clear that there was a discussion.

**MR. DEPUTY-SPEAKER:** I think that the discussion was not over. That is what you said, Mr. Sunil Maitra.

**SHRI SUNIL MAITRA:** It just started only at that time.

**SHRI JANARDHANA POOJARY:** The discussion started in 1978.

**SHRI SUNIL MAITRA:** But you failed to reach any amicable settlement with the LIC employees' representatives. Then we sat with the Finance Minister, Shri Pranab Mukherjee. He picked up the thread of the negotiations, but then, he said that because of other pre-occupations, he could not continue the discussion. He said, after a few months, he would call us and start the negotiations. That is the stage at which the matter stands.

**SHRI JANARDHANA POOJARY:** This measure has been taken by the Government. That obviously means that it has the approval of the concerned Minister; it is an action taken by the Government of India.

The discussions had started in 1978, and since then these had been going on; I have given the dates also. This went up to 1980, and afterwards in the year 1983 we have come up with this measure. Before that we also came up with the measures regarding ceiling on D.A. and bonus. That was also discussed. In what context, the hon. Minister for Finance gave the statement. I have not gone through the full debate of that. I do not know in what context, and what arguments were made in the Supreme Court.

The point is that this measure has been taken in order to control the administration costs. The experts say that the administration costs should be reduced to 15 per cent, now it is 24 per cent. This is one of the measures to control the administration cost. We have now come up with this measure and there is no question of entering into any discussions after this measure.

**SHRI SUNIL MAITRA:** What he has said is not a fact.

**SHRI AMAL DATTA (Diamond Harbour):** Mr. Deputy-Speaker, Sir, the Minister has given a statement in which he has started by saying that this is the policy of the Government that the age of retirement should be 58. How can the retirement age be a matter of policy? First, you decide and determine your policy and it is on the basis of that policy that you come to a certain conclusion. But the Minister has failed to understand what is a policy and what is the conclusion of that policy.

In any case, there is no uniform policy in the Government also in this matter. The age of retirement in respect of the Government servants was 55 during the British days, and now it has been made 58 years. The Britishers also had some kind of an idea of the working efficiency of a person, and they determined the age of 55 years as the right age. The Government of India obviously differed from that and raised it to 58 years. It was because the longevity of life has gone up in India as also in other countries. In fact, it has gone up more in other countries, and that is why in the western countries, today the age of retirement is 65 years for men; for women it is a little less; it is optional and they can take the full retirement benefits at the age of 63-64 years. The main considerations are, to what extent and for how long a person can go on working efficiently.

So far as the Government employees are concerned, this particular age of retirement, that is 58 years, was determined by the Government in the early 50s immediately after independence, but since

then 30 years have gone and a lot of changes have taken place.

MR. DEPUTY-SPEAKER: The respective Pay Commissions appointed by the Government of India decide about the retirement age by themselves. That is one of the questions before them.

SHRI AMAL DATTA: The Government has no uniform policy in respect of this. Therefore, the Minister should not have brought in any question of the Government having a policy.

In his own statement, the Minister has admitted that so far as the officers are concerned, one retirement age is being followed in respect of them since nationalisation, but in the case of Class III and Class IV categories of employees, another retirement age has been followed. It is also an admitted fact that by virtue of the agreement between the Union and the LIC authorities, the retirement age had been fixed at 60. This is now being sought to be curtailed to 58 unilaterally, when a discussion was going on with the Finance Minister, who is the highest authority in this regard. I am sorry that in spite of the fact that the discussion was being carried on with the Finance Minister and when it was for some reason or the other postponed, this unilateral action has been taken by the Government. They have seen it fit to take this action for an organisation whose employees are—as Comrade Maitra has said—46,000.

Now, Sir, Shri Poojary has made a point that this is not going to take away the rights of the workers, who are working there now. And whoever comes, will come with eyes open. Sir, this point is not relevant in the context of India where there is only one Life Insurance Corporation. It is not like America, where there are 25 Life Insurance Corporations and the persons joining the institutions with different retirement age will come with eyes open. In India, there is no such choice. You

have got the monopoly of life insurance. Once an opportunity is opened, people have to rush to it. So, you have to see it in the background of that economic situation, where there is really no choice. So, what you are doing is going to affect the workers, who are joining it today, who may have been selected already, who may have passed the examination for selection, who are waiting, who are not able to be accommodated because the post are not vacant. Those workers have been affected.

Secondly, you have said that you are not discriminating. But, Sir, you are discriminating in all spheres. Take, for instance, the age of retirement of the Judges. Because I happened to be a lawyer, I bring that in. In the case of the Judges, the Supreme Court Judge works until he is 65; the High Court Judge works upto 62; the District High Court Judge works upto 58. Who has determined this? Sir, has the Pay Commission determined this or as a Judicial department determined this? Does efficiency vary from district court to High Court and Supreme Court? And if the efficiency does not vary, then what was the necessity of this difference? Sir, such differences in efficiency cannot happen. So, there is no policy. You have got into certain arbitrary things and now you are saying that those institutions where the retirement age does not conform to the arbitrary things is an anomaly. That is not an anomaly. Anomaly is what you have yourself created. Therefore, I ask the Hon. Minister whether he is going to rescind this particular Notification and start the discussion which was being done under the aegis of the Finance Minister, so that an amicable settlement with such a big financial institution in which the stake of millions of Indians is linked, is arrived at. These workers are not strangers, alienated from the Government and by doing so the Government will not lose its credibility vis-a-vis workers, vis-a-vis the entire population.

SHRI JANARDHANA POOJARY : Sir, in the interest of the people of this country, including that of the Policy Holders and the employees, the Government has taken a decision. Sir, I have replied in detail.

[Shri Janardhana Poojary]

My Hon. friend is a lawyer, I also happened to be a lawyer and I know how to rebut the arguments of the Hon. Member. And if there is an insinuation, I also know to insinuate others. But my submission is like this. If he refuses to understand the reply, nobody can help it. And if this is the way of presenting himself before the House, I do not have to say anything. Thank you very much.

MR. DEPUTY-SPEAKER: Fortunately both of them are lawyers and the insinuation is very much common to them.

15 hrs.

SHRI SUDHIR GIRI (Contd): Since we achieved our freedom in 1947, Government has been proclaiming a policy that disputes concerning the working class people will be settled through negotiations. But now we find in the very instant case that it has unilaterally declared the age of retirement of LIC employees.

THE MINISTER OF PARLIAMENTARY AFFAIRS, SPORTS AND WORKS AND HOUSING (SHRI BUTA SINGH): Is he speaking on the Railway Budget, Sir?

MR. DEPUTY-SPEAKER: No; on the Calling Attention. Mr. Giri is the last speaker on it. I have allowed him as a special case. Mr. Giri, put the question straight.

SHRI SUDHIR GIRI: Before putting the question, I am making certain submissions.

MR. DEPUTY-SPEAKER: A very good foundation, with concrete and cement, has already been laid by Mr. Somnath Chatterjee and others. All of you belong to the same party.

SHRI SUDHIR GIRI: In view of this background, is the Government ready to come to a settlement through negotiations, by sitting with the different unions together and talking to them? My specific question is this, and I want a specific answer.

SHRI JANARDHANA POOJARY: So far as this issue is concerned, this is a settled one, and there is nothing for discussion.

15.02 hrs.

#### MATTERS UNDER RULE 377

MR. DEPUTY-SPEAKER: Now matters under rule 377. Shri Virdhi Chander Jain.

#### (i) EXPLOITATION OF LIGNITE DEPOSITS IN RAJASTHAN.

SHRI VIRDHI CHANDER JAIN (Barmer): There is a huge store of lignite in Rajasthan, especially in Kapurdi (Barmer district) and Marta Road (Nagaur district). The Rajasthan Government, through its Mines and Geology Directorate, has completed the preliminary investigation of lignite deposits in these two selected blocks.

The results achieved so far are very encouraging, and it is expected that detailed investigations will be carried out by the Mineral Exploration Corporation in an area of 9 Sq. Kms. in Merta and 6 Sq. Kms. in Kapurdi. It has been estimated that these investigations would provide about 30 to 35 million tonnes of reserves in each of these areas. The quality of lignite available in these areas compares favourably with that of Nayveli. The Kapuri area should be taken first, as it is reported that it is more promising.

The Central Mineral Exploration Corporation is requested to take up the work of detailed exploration and the Department of coal of the Government of India is requested to provide necessary funds to the Mineral Exploration Corporation for this purpose.

As lignite is to be used mainly for power generation, the Department of Economic Affairs and Energy are also requested to consider a long-term collaboration programme with the appropriate foreign organization, not only for the exploration, but also for setting up thermal plants in the area.