

[English]

MR. DEPUTY-SPEAKER: Please hear me. You have made the rules that whenever an honourable Minister were to make a statement, no further clarifications can be sought. It is that you have made the rules.

(Interruptions)

[Translation]

SHRI RAJENDRA AGNIHOTRI (Jhansi): We had demanded a statement...*(Interruptions)*

[English]

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal): Sir, the Minister was wanting to reply after he made the statement and he was getting up. It was because of your direction, he sat down. Just because we are a disciplined party, should we always suffer? When you ruled that after the statement, no questions will be asked, we sat down. Now, what was happening for the last few hours? *(Interruptions)*

How does it become a national security issue. *(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS SHRI RAJESH PILOT: It was not national security. It was the Delhi Police which gave security, on his request, after assessment.

[Translation]

SHRI MADAN LAL KHURANA: How did you recommend for a wrong person like him.

SHRI RAJESH PILOT: Security has been provided to Harshad Mehta for some administrative reasons, so that facts can be found.

SHRI MADAN LAL KHURANA: This should be investigated...*(Interruptions)*...How a letter was given to that person and whether he was sent to a foreign country or not.

19.28 hrs.

HALF-AN-HOUR DISCUSSION

Treating of a Portion of Dearness Allowance as Basic Pay

[Translation]

DR. LAL BAHADUR RAWAL (Hathras): Mr. Deputy Speaker, Sir, I am to you for allowing me to speak on Half-an Hour discussion regarding treating of a portion of dearness allowance as basic pay. Some of my colleagues had put up an Unstarred Question on 30th July, 1993 regarding merger of dearness allowance with basic pay but the reply of Hon'ble Minister to that question was a routine one. He put off the question by saying that it was under consideration. This question had been raised time and again but everytime the Government put it off and did not resolve it. There are around 35 lakh employees working in the Central Government Offices and the number of State Government employees is several times more. They all have their own wage problems. And as a result of non-redressal of their problems there is great resentment among them.

They have decided to go on an indefinite strike from next month. The Central Government is not taking any interest in the redressal of their problems. No satisfactory answer is being given to them. This matter has been raised several times in the House but kept lying pending by merely saying that it is under consideration. If the staff of essential services will go on indefinite strike it would disrupt people's life in the country. Railway Board, Income tax department, Audit and Telecom departments etc. come under essential services. The wage problems of these employees should be solved at the earliest. Otherwise, these employees will go on an indefinite strike. Their National Joint Action Committee has decided to fix the date for starting indefinite strike at its meeting Schedule to be held on 8th of September.

Mr. Deputy Speaker, Sir, the demands of Central Government employees and State Government employees have been a long-standing one which have been supported by me and the leaders of my party. Their demands are definitely justified. The interim relief provided to them as a result of a constant increase in the prices is not given as per rules. The Joint Consultative Machinery, known as J.C.M. had

[Dr. Lal Bahadur Rawal]

suggested that the employees should be given at least 20 percent interim relief till the 5th Pay Commission submits its report. But this suggestion has not been considered because the meeting of J.C.M. has not been convened. Though the Finance secretary had given an assurance in November 1992 that a meeting of J.C.M. would be held in April, 1993 and it would consider wage problems. I would like to make a submission to the Hon'ble Minister and ask him as to why its meeting has not been convened though four months have elapsed. The Government does not seem to sympathise with its employees and is putting off this matter deliberately.

One of the demands of the Central employees is relating to transport allowance. Its limit is very less. A demand to increase it has been frequently made but the government has not taken any action. The demand relating to grant of bonus is about the bonus-limit which is Rs. 2500 at present in which dearness allowance is also added. I would like to know that how many persons are benefitted by this and how many employees get bonus. In view of the constant increase in the prices the bonus limit should be Rs. 5,000/- and it should not have dearness allowance added to it. So far as the Government data is concerned the rate of inflation has declined to 5.8 per cent from 17 percent. But in actuality the price of even a single product has not come down.

The main issue is about inflation I have raised it. The main objective of providing dearness allowance is to compensate the rise in prices. The employees do not get immediate relief. The state Government employees are also affected by it. The instalments of dearness allowance are deposited for an indefinite period in the provident fund accounts of the employees and they are not able to make use of it as and when they need. Though income tax is also charged on the deposits made. If this is the way to deposit the amount given in the name of dearness allowance, then, the claim to compensate the price-rise is mere eye-wash. I had raised a related question under Rule 377 in the last Session also but only an evasive answer had been given. It does not help anybody.

It does not seem right to charge income tax on dearness allowance. The salaried class has to pay income tax. Crores of rupees of income tax is outstanding against 15-20 film celebrities of the country. The Government does not have the capability to recover the outstanding

amount of tax from them. Not only against film celebrities, but tax is outstanding against several industrialists also. The Government is helpless before them too. There is a lot of resentment amongst the Central Government employees. If the D.A. exceeds 50 percent, then, 50 percent is to be merged with the basic pay but now D.A. has gone upto 98 percent though at present it is 92 percent. The next instalment of D.A. i.e. 6 percent, was to be implemented with effect from first of July, but it is yet to be done. The workers who get Rs. 3500 as salary are getting affected by it. I would like to ask the hon'ble Minister as to why 50 percent of the D.A. has not been merged with the basic pay as per rules. The Government has maintained several times that the matter relating to merger of D. A. is under consideration of the Government. As I have already said that the Finance Secretary had given an assurance in November, 1992. I want a specific answer that after the merger of the D.A. with the basic pay, how the instalment of next D.A. will be fixed?

MR. Deputy Speaker, Sir, I have put before you the main demands of the Central Government employees. These should be given a serious consideration. The Fourth Pay Commission was set up in 1983 and its recommendations were to be implemented in 1986 which were duly implemented. So far as I can remember, it had been agreed upon that a new Pay Commission would be set up in every 10 years and pay would be fixed accordingly. But after the lapse of 10 years the 5th Pay Commission is yet to be set up. My demand is that the Fifth Pay Commission be set up at the earliest. I would also like to demand that the report of the commission should be implemented with effect from the date the commission was set up. It should also be ensured that the report of the Commission should be submitted within one year.

The Fourth Pay Commission had recommended that the Government should make a review after appointing a permanent wage body to ensure that the fixation of pay of the Central Government employees can be done within 3-4 years but it has not been done. So far as the other organisations are concerned. The wages of their employees are revised after 3-4 years. I would like to know why the revision of the wages of the Central Government employees takes longer time. The Government should give it a serious thought.

Mr. Deputy Speaker, Sir I would like to draw your attention to the decision taken by the committee on Austerity measures constituted in the auspices of National Development Council. It comprised four Chief Ministers, one Union Minister and a Member of the Planning Commission. They decided in their recommendations that further increase in the Dearness Allowance should be stopped and the idea of giving bonus should also done away with to cut down the administrative expenditure. The Government employees have reacted strongly to this recommendation. I would like to request the Government, through you, not to implement such decisions or recommendations. They should try to check inflation instead. If the inflation is checked only then they should implement the said recommendation. I am glad that the Finance Minister has ruled out any possibility of restricting dearness allowance and stopping bonus. The people are being affected by inflation and the brunt of it is being faced by the salaried class, be it a Central Government employee or a State Government employee. It is ironical that the Government treats the problems of Centre and States differently. My submission is that dual policies should not be adopted while considering. The wage demands of the Central Government and State Government employees should not be considered separately.

Mr. Deputy Speaker, Sir, the Government is particularly interested in implementing austerity measures. Several celebrities are linked with security scam and bomb-blasts. This shows the extent to which a common man has become mad after the rat race of consumerism and extravagance. The dual policies of the Government have become so obvious that it looks ridiculous to think of austerity. The people occupying high posts in the Government or people belonging to high classes should come forward and set an example to create a perfect society. It is wrong and a misdeed to try to check inflation and deficit by suspending dearness allowance given to compensate inflation.

Mr. Deputy Speaker, Sir, the Central Government employees are greatly distressed due to such wage disparities and the state of indecision. They are worried that the number of Central Government and State Government employee is proposed to be reduced by 10 per cent under the 8th Five Year Plan. I think the resentment is going to increase amongst the Central Government employees by the

statement made by Shri Pranab Mukherjee on 5th of April at the meeting of National Development Council. I urge the Government to reconsider their decision. Hon'ble Pranab Mukherjee also said at the meeting that an additional amount of Rs. 40 thousand crores would be required to be spent during the 8th Five Year Plan if the time bound increase in the dearness allowance was not checked.

Mr. Deputy Speaker, Sir, most of the employees are going to be adversely affected by implementing this decision. I urge the Government to reconsider their decision. I request the Government again to honestly solve all the complaints relating to wage disparities. I would like to warn that the whole of administration can be adversely affected by the proposed indefinite strike of the Central Government employees. In view of that the Government should not put it off and should take a concrete decision and put an end to the resentment of the employees. I believe if the Government accepts their basic demands it will increase their efficiency, otherwise their disturbed state of mind will affect them adversely.

[English]

SHRI SUDHIR GIRI (Contai): Mr. Deputy Speaker, Sir, we all know that the D.A. is linked with the cost of living. The cost of living depends on the Government's expenditure, the Government's financial and other fiscal policies. It is a fact that because of the Government's wrong policy, the wage bill of the Government is increasing; and for that purpose, the employee cannot be held responsible. It is the Government itself which has caused the prices to increase gallopingly.

Because of the wrong deeds on the part of the Government, the employees should not suffer. And therefore, in order to compensate the increase in the living cost of the employees, the dearness allowance are increased. Take for example, if before five years the basic pay is fixed, then the value of that basic pay definitely undergoes certain changes; and in terms of money it comes down after five years. So, the same basic pay fixed up five years ago cannot be sufficient for the living of the employees after five years. So, taking this as the basis, the dearness allowance, which is compensated by increase in different instalments of D.A. should be merged with the basic pay so that the fluctuations in prices, is stability, in living cost may

[Sh. Sudhir Giri]

be compensated. By this, the retirement benefit also will help the retired employee; because just think if an employee retires tomorrow, then if the dearness allowance is not merged with the basic pay, then his share of the retirement benefit will be less than what would have been if the dearness allowance is merged with the basic pay.

MR. DEPUTY-SPEAKER: We have to stick to the timings.

SHRI SUDHIR GIRI: It will be finished in half an hour.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): He says that you would be so cooperative that the House will finish it in half an hour.

SHRI SUDHIR GIRI: It is also a fact that the employees' efficiency, ability etc. depend on their cost of living or standard living. Government is a model employer, it sets an example, which should be followed by other employers like factories and other organisations.

Fourth Pay Commission was appointed 10 years back and its recommendations were given to the Government. The agreement of pay and allowances expired in 1986. Since then no pay agreement has been entered into with the Government. I think, the Fifth Pay Commission should be appointed immediately.

MR. DEPUTY-SPEAKER: There are hon. Members who want to put the same thing.

SHRI SUDHIR GIRI: Let me put it, I have formed the background and I shall put the questions.

MR. DEPUTY-SPEAKER: Other members have also formed the background. The time with us is only half an hour.

SHRI SUDHIR GIRI: I would like to know whether the Government is prepared to appoint the fifth Pay Commission if so, when; whether the Government is prepared to merge 50 per cent of the DA with the basic pay, if so when; thirdly, it was promised by the Prime Minister that part of the DA would be merged with the basic pay, but it has not yet been honoured; and lastly, whether some compensation would be given to the employees for the cause of delay in appointing the Fifth Pay Commission.

SHRI V. DHANANJAYA KUMAR (Mangalore): Hon. Deputy Speaker Sir, the Fourth Pay Commission, as we all know, was appointed as far back as in September 1983. The first report pertaining to the structure of emoluments, allowances, conditions of services employees of the Central Government, Union Territories and members of All India Services, including the personal belonging to armed forces was submitted by the Fourth Pay Commission in June 1986. Today we are on a limited point regarding merger of a portion of dearness allowance with the basic pay.

Strictly, it may not be a merger. For certain purposes a portion of the Dearness Allowance was to be considered as 'Dearness Pay', a new word coined by the Fourth Pay Commission and it made a recommendation that once the Dearness Allowance crosses the mark of 50 per cent, then the first 50 per cent of the Dearness Allowance should be treated as Dearness Pay for certain purposes.

The main point made out by the Fourth Pay Commission was this Dearness Pay will be reckoned for the purpose of payment of further D.A., that is, beyond 50 per cent. If the Dearness Allowance was to be paid at 51 per cent, then the Dearness Allowance will be paid not only on the basic pay but also on the Dearness Pay of 50 per cent of the Dearness Allowance which is considered as Dearness Pay. In fact, we know the Dearness Allowance has reached a stage of 92 per cent.

SHRI NIRMAL KANTI CHATTERJEE: That will be on a revised basis once again and therefore there will be no substantial improvement.

SHRI V. DHANANJAYA KUMAR: We are at a stage where even this recommendation is not accepted. Dearness Allowance was to be paid on the basic pay as well as on the Dearness Pay and then for the purpose of leave encashment benefit for the purpose of gratuity and also for the purpose of pension benefit.

The other important aspect is, this Dearness Pay is considered as increased basic pay for the purpose of getting the benefit of the higher category of government accommodation.

Almost ten years have been completed. The Fifth Pay Commission is to be appointed. Now as submitted by my friend, the concerned employees are very much

agitated and after having waited for long, made a declaration that they were going on an indefinite strike from next month onwards, paralysing the whole Government and other Government undertakings. One can envisage the situation when the Armed Forces would be affected.

I would like to remind the hon. Minister that as per the assurance given to this august House by way of the reply given to Unstarred Question No. 965, on a demand raised by the Staff Side of the National Council of JCM the question of treating a portion of Dearness Allowance as Dearness Pay for certain purposes was under the consideration of the Government. How long would the Government consider this, how far has the Government already considered it and when is the Government going to take a definite decision on this? Will the Government rise at least now, wake up to the situation and avert the threatened strike? The matter is very very important.

MR. DEPUTY SPEAKER: I spoke so much regarding your cooperation. Now it is put to test.

SHRI V. DHANANJAYA KUMAR: I will conclude. I am asking only two more questions.

If and when the Government decides that this recommendations of the Fourth Pay Commission for treating 50 per cent of Dearness Allowance as Dearness Pay is to be accepted, will it be with retrospective effect from the date of the recommendation and what happens to the people who have retired during this period from 1986 to 1993? Whenever the Government decides to implement this recommendation, will the people who have already retired also get this benefit.

Then one more point that is agitating the minds of the employees is pertaining to the employees who are working as Private Secretaries. The Private Secretaries working in the Presidential Secretaries as well as in the Secretariat attached to the Office of the Prime Minister are paid a Special Allowance of Rs. 400. There has been a judgement, which says that this benefit should be extended to all other employees working in the same capacity in other Government of India offices. I would like to know whether the Government of India will take a decision on this judgement or not.

Sir, today we have got many problems in the country. We know how this Government is functioning. This Government is not able to take any decision. [Interruptions] Then, you may please decide and make an announcement right now. Sir, the hon. Finance Minister is present here.. [Interruptions]

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY (DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT) AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Deputy-Speaker, Sir, he is incapable of putting precise questions and he is now trying to blame us....[Interruptions]

SHRI V. DHANANJAYA KUMAR: This is the difficulty with this Government. The Ministers do not understand the problems. They do not want to face the people. They do not want to take any decision....[Interruptions] If you want to put the country into further chaos, then it is upto you. I would earnestly request you to take a decision, come to your good senses and avoid the threatened strike.

[Translation]

SHRI BHOGENDRA JHA (Madhubani): Mr. Deputy Speaker, Sir, as per the claims of the Government, the trend of rise in prices has gone downward. It create confusion among the people that there is decline in inflation. But as a matter of fact the prices have not been come down in the market. The price rise is on the increase despite claims of the Government. It is a matter of every day month and year affair for those who earn money.

The Congress had made an assurance in the last elections that it will bring down prices within 100 days. But I think that now the hon. Minister of Finance will not dare say that the prices of consumer goods have been reduced. If the prices are not reduced, the rate of dearness allowance will continue to increase and naturally the Government will merge it in the pay scale. It may also be clarified that when and to what extent it will be merged so that the employees may think over in the regard.

I would like to say a new thing which perhaps employees do not want to say and my colleagues have also not asked for it. But I think

[Sh. Bhogendra Jha]

it in the interest of the country as well as the employees. Does the Government want that the production in the country should increase and not the inflation? After retirement, the employees of the Government of India, particularly security personnel are provided some facilities after a great difficulty. Will the Government like to pay double-tripple the amount deposited by an employee in the form of gratuity fund, dearness allowance or a part of dearness allowance so that they may initiate planned production. It will increase the production in the country and inflation will not go up. In this manner, they will become a small traders after retirement. They will neither sit idle nor will there be any need to run after any politician. On the other hand the employees of the Government of India will be able to contribute a lot in the production in the country.

20.00 hrs.

The Government should adopt encouraging policies for the retired employees. If we pass through difficult times and we get double, triple of money deposited by us during our service period, at the time of retirement, we can set-up productive industry, because an employee, after his retirement, will not go to work in the fields. He will do some such work which suits to retired employees. He can work for increasing production. It can transform the country. For example, the refugees who came from Pakistan were in a very pathetic condition, but now they are millionaires. They increased their wealth and also of the country. The Minister of Finance is inviting foreign capitalists and opening doors for them. The employees of Government of India are capable of doing all sorts of work after their retirement. They work with their rich experience of life. If they could announce the amount of their accumulated provident fund and dearness allowances, they were going to receive after the retirement, it will prove beneficial to the country. The country will march ahead, because it is a huge army of experienced and skilled persons. They increase not only the vote bank but also the production. It would be more appropriate if the Minister of Finance throws some light on this point.

The Minister of Finance should hold discussions with employee's unions. The people want cash payment. I consider it against the interest of the country. Whatever decision the Government may take, it should be taken quickly so that people may not resort to strike. An appropriate policy should be adopted in this regard.

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, you should first extend the time by 15 minutes.

[English]

SHRI RANGARAJAN KUMARAMANGALAM: Sir, I think we can extend the time by fifteen minutes.

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, the Central employees have their own problems and difficulties. Keeping that in view the Fourth Pay Commission had made certain recommendations. These recommendations were regarding their pay scales and provident fund. What is the hitch in implementing those recommendations even after 10 years. Today the situation is that the employees are getting 92 per cent dearness allowance. If the instalment of D.A. to be paid on 6th July is included, it will become 98 per cent. As per the recommendations of the Pay Commission, 50 per cent of D.A. should be merged with basic pay. What is wrong in it if the dearness allowance is paid on it? The Government is violating the recommendations made by the Pay Commission.

The tenure of the Fourth Pay Commission is over. Ten years have passed. By when the Government is going to set up the Fifth Pay Commission. What process is going on? The Government was to convene the meeting of the Joint Consultative Committee (J.C.M.) on the 6th April. When are you going to convene it in near future?

The instalments of dearness allowances are deposited in the Provident Fund. Income tax is charged on those whose basic pay is above Rs. 3,500. As regards charging of income tax there is no prescribed period of 2-3 or 4 years. One has to pay the income tax on the deposited money. On the one hand, the money lies with the Government and on the other hand one has to pay the income tax on that very amount. It should not be taken. What the hon. Minister is going to say in this regard.

Employees Unions have expressed one more apprehension. In the near future, the Government is going to reduce the number of employees under the new economic reforms. They are going to cut the number of employees by ten per cent. The Government is not going to provide new employment opportunities. The Government may please clarify these points.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Deputy Speaker, Sir, our Government cherishes close and cordial relations with its employees. There is the established machinery for discussing all these issues and I am sure all these issues will be discussed in the appropriate fora where they have to be discussed. However, I would like to point out that while it is the sincere desire of the Government to do everything within its means to tackle the problems faced by its employees as a result of rising prices, the problems of the Government employees cannot be looked upon in isolation. There is such a thing as the overall state of the economy, the state of the finances—not only of the Central Government but also of the State Governments. For example, a demand has been made for merger of 51 per cent of dearness allowance with the basic pay. Without going into its merits, I would like to share with the House that it means an extra amount of Rs. 800 crore per annum for the Central Government. Taking into account the number of employees that are there with the State Government, the State Governments' expenditure per annum on this account alone will have to go up to Rs. 1,600 crore. If you look at the finances of the Central Government, may be the Central Government is little better, but it is not, I think, in such a comfortable position that we can absorb this Rs. 800 crore of additional expenditure without a cut in the development plan.

So, I think, the House would give us a guidance when the House says all these demands should be conceded and I think it is obligatory on hon. members to suggest that where do we get the money. As I see, we face a cruel dilemma. I do appreciate the problems that our employees face. On the other hand, we have the option that if we accept this demand, we have to cut some of the anti-poverty programme or development plan of the country at the Centre at least, by Rs. 800 crore. What is now, a pattern has got established that the State Governments, by and large, follow the pattern of Central pay and dearness allowance, and the State Governments will have to find another Rs. 1,600 crore per annum on this merger of 51 per cent of dearness allowance with the basic pay.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): What is the consequence?.....
...(Interruptions).

SHRI MANMOHAN SINGH: Where is this Rs. 1,600 crore going to come?

SHRI NIRMAL KANTI CHATTERJEE: Please explain the consequence.

SHRI MANMOHAN SINGH: I said the additional expenditure will be Rs. 1,600 crore on this aspect of merger of 51 per cent of dearness allowance with the basic pay.

SHRI NIRMAL KANTI CHATTERJEE: Excuse me. I am unable to understand it completely. On the question of.....

SHRI RANGARAJAN KUMARAMANGALAM: Sir, the hon. Minister has not yielded. Shri Chatterjee, should at least, request the hon. Minister.

SHRI NIRMAL KANTI CHATTERJEE: He is prepared to yield. I will just ask one or two questions.

SHRI MANMOHAN SINGH: I do not think I have the statistics now. I could send you the statistics later.

SHRI NIRMAL KANTI CHATTERJEE: I am not on the question of statistics. I am pinpointing a question. Please answer it.....(Interruptions).

MR. DEPUTY-SPEAKER: Shri Nirmal Kanti Chatterjee, the rule is that those persons who have intimated the hon. Speaker only are entitled to participate in this and not others.

SHRI NIRMAL KANTI CHATTERJEE: It is true. But the Minister has yielded.

SHRI MANMOHAN SINGH: It is under duress.

SHRI NIRMAL KANTI CHATTERJEE: Sir, in the mean time I could have finished my question. The question is very simple. You are already paying the dearness allowance. Therefore, there is no additional burden. You now merging it to the extent you are paying the D.A. What follows from the merger is if there is a P.F. contribution that would be added from the side of the Government. In the pension also, they periodically announce dearness benefit to the pensioners also.

[Sh. Nirmal Kanti Chatterjee]

There is no additional benefit there. I am surprised, therefore, when you calculate, I do not know how, that the burden would be Rs. 800 crores additionally on the Centre and Rs. 1600 crores on the States. I am absolutely taken aback by his statement. That is what for I am seeking a clarification.

SHRI PAWAN KUMAR BANSAL (Chandigarh): There is no additional liability.

SHRI NIRMAL KANTI CHATTERJEE: There is a very small additional liability.

SHRI MANMOHAN SINGH: I respectfully differ, I do not have all the details, I can supply these to the hon. member. I think I am saying that the additional burden, and I stand by what I have said, on the Central Governments would be Rs. 800 crores per annum and roughly for the State Governments there will be an increased expenditure of Rs. 1600 crores, and therefore, given the state of finances of the centre and the States, I think there is no other alternative but to cut the development plans and then you have to compare the consequences of a cut in development programmes, its consequences for employment, its consequences for the anti-poverty programmes. I would like the House to reflect on all these issues.

Sir, a question has been asked whether the Government are going to appoint a Pay Commission. The last Pay Commission reported in 1986. In the past Pay Commissions have been appointed at an interval of roughly 13 years and therefore, the answer is that as of now the Government are not thinking of appointing a Pay Commission.

I have already answered this question about the merger of pay. Therefore, the question that when it will be done, retrospective or prospective, I am not in a position to say because even on basic decisions we face this dilemma as would we like to help the Government employees. Much as I appreciate the economic hardships they are facing, there is a cruel dilemma that our Government faces as to how we are going to find the needed extra resources at whose cost. I think this is the dilemma we face, we would like the House to help us to resolve this dilemma. I do agree with Shri Jha that when we say that the rate of inflation has come down, that does not mean and we have never said that the prices are falling.

Prices are still rising though the rate of increase has decelerated, and I would say that there are very few countries in the world where prices have come down in the absolute sense of the term. [Interruptions]. And therefore, if you look at the developing world, I think our performance on the price front today, I can say with full confidence, is better than most developing countries. Now, these days, for example, the Chinese growth rate has been mentioned, but today Chinese prices are rising roughly at the rate of about 20 per cent. So we do not have to, I think, compare countries, they have their problems, but despite all the handicaps, what we have done in the area of control of inflation, I think there is universal recognition that India has, I think, a very positive record in the control of inflation.

Now, I would like to conclude by saying that as I began that our Government is committed to find cooperative solutions through established machinery for all the problems that have to be tackled in the area of pay and related matters. This is not a matter in which we can take hasty decisions, we have to consult sometimes State Governments. Last year, for example, several members of the National Development Council criticised the Central Government for giving an additional instalment of DA and they said, this has imposed extra burden and I do agree with those honourable Chief Ministers because we have State Governments who are faced with serious difficulties, as some of them had to borrow even from private entities. So, if we have to take an integrated view of the national economy, the needs of our country as a whole, I would respectfully urge that this is a matter in which we can take hasty decisions. The Government will carefully reflect on the views that have been expressed.

As I said, there is an established machinery. In the Joint Consultative Council, employees are represented and the Government is also represented. We will share with them our worries, our anxieties, our anxieties about the health of the economy, the consequences for the rest of the economy and the consequences for the developmental activities. I feel confident that the patriotic employees, as they are, they had, in the past, shown their patriotism—will appreciate the serious economic crisis facing our country and we hope to carry them with us.

SHRI V. DHANANJAYA KUMAR: Mr. Deputy Speaker, Sir, when the hon. Minister stated that the developmental works will be

affected it sounds very well. He says the developmental activities will be affected and the poverty alleviation programmes also will be affected. But, I would like to remind the hon. Minister that it is the very same set of Government employees who will have to help in implementing all these development programmes and poverty alleviation programmes. If they do not cooperate, these programmes cannot be implemented. When the Fourth Pay Commission report was accepted by the Government, why was it not thought of by the Government that there would be so much of burden on the Government?

SHRI RANGARAJAN KUMARAMANGALAM : Mr. Deputy Speaker, Sir, after the Minister's reply, this cannot go on record.

MR. DEPUTY-SPEAKER : Now, the House stands adjourned to re-assemble tomorrow, the 28th August, 1993, at 11.00 a.m.

20.16 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, August 28, 1993/Bhadra 6, 1915 (Saka)