

- (ii) A statement (Hindi and English versions) explaining reasons for not laying simultaneously the Hindi versions of the above Report.

[Placed in Library. See No. LT-11491/76].

- (3) A copy of the Annual Report (Hindi version) of the Indian Institute of Technology, Kharagpur, for the year 1975-76.

[Placed in Library. See No. LT-11492/76].

- (4) A copy of the Annual Report (Hindi and English versions) of the National Institute of Foundry and Forge Technology, Ranchi, for the year 1975-76.

[Placed in Library. See No. LT-11493/76].

- (5) A copy of the Annual Report (Hindi and English versions) of the Salar Jung Museum Board, Hyderabad, for the year 1975-76.

[Placed in Library. See No. LT-11494/76].

- (6) A copy of the Annual Report (Hindi and English versions) of the Indian Museum, Calcutta, for the year 1975-76.

[Placed in Library. See No. LT-11495/76].

- (7) (i) A copy of the Certified Accounts of the Indian Institute of Technology, Delhi, for the year 1974-75 along with the Audit Report thereon, under sub-section (4) of section 23 of the Institutes of Technology Act, 1961.

- (ii) A statement (Hindi and English versions) explaining reasons for not laying simultaneously the Hindi version of the above document.

[Placed in Library. See No. LT-11496/76].

- (8) A copy of the Report (Hindi and English versions) of the Executive Committee of the Trustees of the Victoria Memorial Hall, Calcutta, for the year 1975-76.

[Placed in Library. See No. LT-11497/76].

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE WITHDRAWAL OF FIFTH INSTALLMENT OF DEARNESS ALLOWANCE GRANTED TO GOVERNMENT EMPLOYEES

SHRI S. M. BANERJEE (Kanpur): Sir, 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 withdrawal of fifth instalment of Dearness Allowance resulting in growing discontentment amongst the Central Government and Public Undertaking employees throughout the country.”

✓ THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Mr. Speaker, Sir, The pay structure recommended by the Third Pay Commission was linked to the All India Consumer Price Index level of 200 for Industrial workers (1960=100). The Commission also recommended a scheme for the grant of dearness allowance so as to compensate Central Government employees for the increase in prices when the price index went beyond the level of 200. This scheme was accepted by the Government with some improvement in the rates of dearness allowance. According to the scheme, the employees are to be compensated for every 8 points increase in the 12-monthly average of the index above 200.

In accordance with the above formula, 9 instalments of dearness allow-

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ance were sanctioned to the Central Government employees with effect from 1.5.1973, 1.8.1973, 1.10.1973, 1.1.1974, 1.2.1974, 1.4.1974, 1.6.1974, 1.7.1974 and 1.9.1974, respectively to cover the price rise upto the average index level of 272. The Pay Commission had recommended that when the price level rose above the 12-monthly average of 272 (1960=100) Government should review the position and decide whether the dearness allowance scheme should be extended further or the pay scales themselves should be revised. Accordingly, after the price index had crossed 272, Government discussed with the Staff Side of the National Council (JCM) the question as to how any further rise in price index should be compensated in the case of the Central Government employees. After protracted negotiations with the Staff Side, it was decided to grant 5 additional instalments of dearness allowance to the Central Government employees at the rates recommended by the Third Pay Commission w.e.f. 1.10.1974, 1.11.1974, 1.12.1974, 1.2.1975 and 1.3.1975 respectively. This covered price rise upto the 12-monthly average index level of 312.

In April 1975, the 12-monthly index level crossed 320 points and during the discussions with the Staff Side for the five instalments, it was contended on behalf of the employees that the sixth additional instalment should be paid from 1.5.1975. However, because of financial constraints and the repercussions on state Governments, who were complaining of the Central Government's liberality, the Central Government did not find it possible to grant the sixth instalment of dearness allowance. Meanwhile at the end of January, 1976, the 12-monthly index average dropped below 320 and accordingly the sixth instalment of dearness was no longer payable as from 1.2.1976. When, however, persistent demands were made for the

payment of the 6th instalment of dearness allowance in the Parliament, the Houses were informed that the question of payment of the sixth instalment would be considered in the context of the continuous decline in the price trend and that before a final decision was taken in the matter, the Staff Side would be consulted.

The 12-monthly index average, however, dropped below 312 in April 1976 and below 304 points in June 1976, i.e. the levels at which the last two sanctioned instalments became admissible. Consequently, one instalment of dearness allowance already sanctioned (the 5th additional instalment) became due for withdrawal from 1-5-1976 and another instalment (the 4th additional instalment) from 1-7-1976. However, after discussing the matter with the Staff Side of the JCM, Government decided in October 1976 that the sixth instalment of additional dearness allowance need not be paid and keeping this and other relevant considerations in view, only one instalment of dearness allowance, viz., the fifth instalment need be withdrawn from 1-7-1976. Later, because of numerous representations received from the Staff Associations, M.P.s, and others, it was decided to waive the recovery of the excess payment of dearness allowance which had been made from 1-7-1976 to 30-9-1976 so as to minimise any hardship to the employees.

The withdrawal of the 5th instalment, which should have been made from 1-5-1976, was actually effected from 1-10-1976. Besides, the withdrawal of the 4th instalment of dearness allowance which should have been made from 1-7-1976, has not yet been effected. It will thus be seen that Government have shown utmost consideration in dealing with the dearness allowance payable to the Central Government employees.

✓ SHRI S. M. BANERJEE: This matter was discussed with the officials of the JCM and fortunately, Shri

Subramaniam was also present who presided over it, in the month of September, 1976. The same argument as is contained in the statement, was advanced by the Finance Secretary who was present in the meeting and after hearing both the parties i.e. the staff side and the official side, the hon. Minister has stated and I am quoting from the minutes:

"After further discussion, the Finance Minister informed the staff side that the Government have noted the views expressed by the staff side and would consider them."

What were the views of the staff side? He said that the recommendation of the Pay Commission, as very correctly stated by the hon. Minister, was that as soon as the figure reached 272. Government should take a decision either to continue payment of dearness allowance under the present procedure or to revise the pay structure. We always wanted that the pay structure should be revised but that was not granted on account of economic conditions. The hon. Minister had stated that when the figure reached 320 the staff side were legitimately entitled to another slab of dearness allowance. When the question of the 6th instalment came up, the Government decided after discussion, that the 6th instalment of additional DA need not be paid. When we were told that the figures have gone down to 304, we said: "All right; let this be adjusted. Let the 6th instalment of DA which was due at 320 not be paid." We never could imagine that even after adjustment of the 6th instalment of the DA, Government would withdraw the 5th instalment of DA. The Pay Commission's recommendation was this. In Chapter 55, para 8 of the Third Pay Commission's recommendations, they have said that the adjustment in the DA should be made when the 12-monthly average of the Index (1960=100) changed by 8 points. Dearness allowance for the Central Government employees has been requested on this basis.

But here in this case, Government did not wait even for six months. Prices were coming down. We are also aware. But can the hon. Minister deny to-day that the price level in March 1976 was 286; and in August 1976 it was 298? There had been a rise of 12 points—I am quoting from the Reserve Bank Bulletin and other documents—in these few months, viz. from March 1976 to August 1976. The figures for September-October 1976 are not yet available. I am sure that they have also shown an upward trend. So, this withdrawal of the 6th instalment of the DA was something which we never expected, because we had placed all our cards. We were reasonable enough, when the question of 3 instalments of DA came up, we had a discussion with Shri Jagjivan Ram. The hon. Finance Minister was not present. He was abroad. And we agreed that whatever may be the arrears, let them be deposited in the Provident Fund. When the question of 5 instalments of DA came, the hon. Minister was there and a settlement was effected; and I had to incur the displeasure of many employees. There was a calculated propaganda against us, because we had not signed any agreement. We agreed and said: "All right; you give us the five instalments of DA."

The Pay Commission's DA formula was modified. That formula said that the rate or quantum of DA would be 3 per cent and 2 per cent for Class III and IV employees. It was modified after a sustained campaign by us and after protracted negotiations. It was raised to 4 per cent and 3 per cent in the case of Class III and Class IV employees. Unfortunately this was also reduced to 3.5 per cent and 2.5 per cent and then the five instalments of DA were paid. Even then the Central Government employees did not agitate. The formula which was improved and modified after mutual negotiation, was again modified and brought to the level of the Pay Commission's recommendations, which we hated. And then we lost. It was

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3½ per cent instead of 4 per cent and it was 2½ per cent instead of 3 per cent—for 5 instalments. We, the Central Government employees, waited for 2 years for the DA to be given, i.e. till the conditions improved. I don't blame the hon. Minister. The country was in a difficult position. There is no doubt it. Could we not wait for a few months and see whether the prices came down to 296? If the prices came down to 296, we would have had no case. But the whole difficulty was that it was 304; and it was deducted. Another reason why I am moving this is that there is another statement that it will not stop here; the 4th instalment of DA will also be deducted. You may take advantage of the Emergency, and do it. But let this matter be referred to arbitration. We are prepared to it. We do not want to fight during this Emergency. Let me make it clear that the government employees are not interested in getting dearness allowance. Let the wage structure be revised. Let the wages be revised. Let bi-partite agreement take place. Let bilateral negotiations take place; we are prepared. We are prepared for the revision of the wage structure. We are not interested in getting dearness allowance of five rupees this way or that way, but the present withdrawal of dearness allowance I say is wrong, irregular, illegal and a breach of faith. I say this on the basis of the figures available with me. We have quoted everything before the hon. Minister and before the Finance Secretary and I still say that the whole matter should be referred to arbitration. The hon. Minister says that the question of dearness allowance is arbitrable under the JCM scheme. So, unless the JCM is wound up, the matter is arbitrable. Let this be referred to arbitration, whether we are entitled to dearness allowance, whether the sixth instalment was due or not, whether the withdrawal of the fifth instalment is

legal or not. Let this be decided not by the hon. Minister, not by me, let it be decided by arbitration.

So, I would ask whether it is a fact that the employees reluctantly agreed that the sixth instalment need not be paid provided there was no withdrawal of dearness allowance. I am not an astrologer, but from what I could read from the face of the hon. Minister and his staff, I was under the impression that no deduction would be made, but without calling another meeting of the standing committee, of which I am also a member, the order was suddenly issued to withdraw dearness allowance.

Secondly, is it not a fact that five instalments of dearness allowance which were paid were on the basis of the scaled down formula, and if so, whether the hon. Minister will revise it now and restore the old formula, and pay on that basis what we are entitled to from 1-1-75?

Last, but not the least, let the whole matter be referred to arbitration. Let an impartial person judge whether the withdrawal of the dearness allowance was proper or not. We shall abide by the decision of the arbitrator.

I would like to get specific answers on all these points.

✓ SHRI C. SUBRAMANIAM: I am sorry the hon. Member is creating a problem when there is no problem at all. He talks about large discontent among the Government employees. On the other hand, I am sure the hon. Member is aware that when we granted the five additional instalments of dearness allowance, even though at that time we were still in the grip of inflation and were trying to fight it, I postponed my journey, avoiding attendance of a very important conference, so that I could settle this matter, and then I did settle it, and we gave all five instalments, and

there was general satisfaction that this matter had been settled fairly well. No doubt there was the question of the sixth instalment because the monthly figure had reached more than 320, but that was all discussed. Why do you reopen a question on which settlement has been reached and on which there has been general satisfaction? You want to create dissatisfaction.

✓ SHRI S. M. BANERJEE: It has been created by the Finance Ministry. This is the statement of the Finance Secretary, I have got it.

✓ SHRI C. SUBRAMANIAM: Therefore, I do not want to reopen what has been discussed and settled and has given some satisfaction to the people. We are all interested either as politicians or trade union leaders that there should be something about which we should be fighting. To impress upon the people that we are the real champions of the employees and all the others are against us, this attitude you should give up. I tell you that I have the interests of the Government employees at heart much more than those who are supposed to fight for them. They are not really interested in fighting for their interests, but only in establishing their leadership. This is the only difficulty with which we are faced today. And this will have to be squarely faced one day or the other, and that is why I said in my Budget speech that more than landlordism, this labour-lordism should go.

Therefore, this sixth instalment became due when the prices were going down. We did not want to take a decision to further inject money into the system. In addition to that, all the State Governments were protesting—when we granted five instalments—that they should also be enabled to provide D.A. to their employees, because they were as good as, if not better than, the Central Government employees. Under that

pressure, I said, let us see how the prices were behaving. Fortunately, this figure of 320 remained only for some time. After that, it started coming down. Then I said, "Let us wait and see how the further trend goes."

In December 1975, the 12-monthly average, was 320.92; in January 1976, it came down to 318.58; in February 1976, it was 315.67; in March it was 312.75; in April, it was 309.92; in May it was 306.63; in June, it was 303.76; in July, it was 301.50; and in August 1976, it came down to 229.58. I can tell the hon. Members that the figures of September and October will be less than this figure.

Therefore, in this context, we tried to find out whether the instalments which had already been given should be withdrawn. For that purpose, I had to take into account the sixth instalment which was due which we had not paid. Therefore, the cut should not be made automatically; there should be some time lag so that they could be compensated for the non-payment of the sixth instalment.

The Finance Secretary had a discussion, as it was pointed out by the hon. Member and the question was whether there should be a cut of two instalments or one instalment. Then in a meeting, I said, "I take a neutral attitude." Then there was some discussion between the official side and the side of the representatives of the employees. The officials took an attitude that they were entitled to cut two instalment as from a particular date. Then I took a decision in favour of the employees to cut only one instalment and that too from 1-7-1976. That would mean that we had paid from 1-7-76 to 30-9-76 D.A. for three months. Therefore, this will have to be collected as arrears from the employees as overpayment to them. It was that decision which I gave. After that, there were representations from the Government employees that this overpayment during these three

[Shri C. Subramaniam] months should not be recovered. As a matter of fact, the suggestion was that it could be adjusted later on when they were repaying the second instalment of the impounded D.A. I took a more generous view and said that let us not postpone it. We should give it up once for all. Therefore, it will come into effect from only 1-10-76 and this has given general satisfaction to the Government employees. I wanted to do it expeditiously because there were some complaints that the representatives had not been consulted, when I gave this relief. This is the real difficulty. What is important is not the relief, but somebody should show that he was responsible to get the relief. That is much more important.

✓ SHRI S. M. BANERJEE: We never said:

✓ SHRI C. SUBRAMANIAM: I am not talking about you. Do not put a cap on yourself, which was intended for somebody else. Therefore, to say that we are not taking a liberal attitude with regard to Government employees and therefore, there is some discontentment is not correct. I am not suggesting that there should be some discontentment when there is not.

I would like to point out to the non-Members that in view of the fact that we have cut only one instalment instead of two and we have allowed the other to continue beyond 1-11-76, whatever was payable by way of the sixth instalment for a particular period, because that was payable only for a particular period. This has been more than compensated from 1-11-76. As long as we do not cut the second instalment, this would be an overpayment also. I am not just taking a legalistic attitude, because I know that the prices are behaving in a little erratic way. Therefore, I have not taken a decision yet to cut the second instalment also. So, under the circumstances; as far as the re-

presentation that there is some sort of discontent growing and therefore we should look into it is concerned, I have looked into it and I have taken a most liberal and favourable attitude as far as the employees are concerned and I would like to give an assurance to the House that I will continue to take the same liberal and generous attitude as far as our employees are concerned.

✓ SHRIMATI PARVATHI KRISHNAN: I appreciate very much the Minister's sympathy towards the Central Government employees and I also appreciate his statement that he will continue to consider the matter sympathetically. But what I would like to point out is that this issue of payment of dearness allowance he said it had to be taken into account bearing in mind the steps taken in order to check inflationary pressure—is now coming up for two other reasons also. It is not only a question of whether this instalment or that instalment is due and why it is being held back or not being paid, but there is also a growing feeling in all sections of the employees that today there is something seriously wrong with the CPI (I mean the consumer price index) itself.

The point is that the figures that have been quoted, particularly today which regard to period from June to September, are totally notional as far as we are concerned. The reality of the situation is something quite different. Scarcity and the retail prices that are there are something that are hitting quite hard and are the general talk amongst citizens as a whole. So it is not only a question of the Central Government employees. Therefore, I would have appreciated it if the Minister could also have indicated what is being done about it. This is not something new, we have had price index frauds in the past where there were investigations into the whole thing—in Bombay in Ahmedabad and in West Bengal also

lately—where arrears had to be paid because it was found that the figures had been manipulated.

Therefore, apart from this question of DA which my colleague, Mr. Banerjee, has already dealt with, I would like to know from the Minister what is to be done about this notional consumer price index I would request the Minister to let us know whether it would be possible for him and if so whether he will take up this question of dearness allowance being sent to arbitration—which is something which was discussed and decided upon in principle quite some time back. Whatever reflection is there, it is not that it is being manipulated—I think the Minister should be a little more graceful than that—but it is a reflection on reality.

It is better to face reality—because, on the one hand you say that dearness allowance being paid to the Central Government employees means more money going into the market and it means going back on the steps taken to check inflationary pressures and, on the other hand, bonus shares are being given. Is that money not being pumped into the market and, that too, liberally? Therefore, you have to take into account the over-all situation. And this is where the question comes that if the people have to tighten their belts, why should it be only one section of the people who would have to tighten their belts?

Therefore, I would request the Minister to let us know—all this time that I was speaking, he might have given second thoughts to the question of arbitration—whether he will consider referring this matter to arbitration so that the matter can be sorted out once for all by the process of arbitration; and secondly, whether he could give us an assurance that the whole question of the manner in which the consumer price index is being worked out will be fully investigated by a Committee to be set up, con-

sisting of Members of Parliament who are knowledgeable in this matter. so that the people's fears are allayed and the consumer price index has more connection with reality and the market outside, instead of its being a notional figure.

✓ SHRI C. SUBRAMANIAM: I am glad that the hon. lady Member tried to be more persuasive instead of being aggressive as Shri Banerjee has been.

✓ SHRI INDRAJIT GUPTA (Ali-pore): Let us see, how you respond.

✓ SHRI C. SUBRAMANIAM: The general theme of Shrimati Parvathi Krishnan was that the consumer price index, not the Communist Party of India, needs a second look into it and that we should look into, how it is being done. Rightly or wrongly, all the increases in the dearness allowance that were given were in this basis. At that time, nobody complained, and we also did not say that this was something notional. Therefore, having had all the advantages on the basis of the consumer price index, I do not think, anybody should have any grievance, when it is coming down and say that there is something wrong. We are taking decisions on the same consumer price index.

I myself am not satisfied with regard to the way in which this consumer price index is being calculated. Not only now, but for sometime, I have felt that this requires some improvement with regard to working out this index. I think, the Labour Ministry is at it and they are trying to evolve a formula which would be justifiable under the circumstances existing today, but I do not want to anticipate what it is going to be, because to change a thing is much more difficult and it is easier to go in the same old way rather than make even good changes, as we find always. Even when we make a good change in the Constitution, it will be opposed.

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because it is a change. Therefore, it will have to be a cautious approach. But the Labour Ministry is at it and I hope, something will come out.

As far as the other arguments are concerned, it is a question of stating all the arguments of Shri Banerjee in a more pleasant manner. I want to assure the hon. Member that there is no question of going to arbitration. I would like them to give up that attitude, because we are settling things most amicably, and, therefore, let us not get into an attitude that some third party is required to settle our dispute. I hope, they will give up that attitude.

✓ SHRIMATI PARVATHI KRISHNAN: It is not that when the consumer price index goes up, we were happy. When we say that it should be investigated, equally there is the risk of its coming down. We are basing ourselves on the realities outside.

✓ DR. RANEN SEN (Barasat): Mr Speaker, Sir, after making a long and hard-hitting speech, the hon. Minister, when he was replying to the hon. lady Member, made a very pleasant speech. In spite of that, the point remains that there is a lot of confusion about this consumer price index. It is an undoubted fact that there have been many challenges to the actual method of computation of the consumer price index and it is known to the Minister. On the last occasion also, this point was raised here. In spite of going to the whole question of consumer price index, have the Government thought over two things, namely, one, as is suggested by the Pay Commission itself, as far as I remember, that there should be a thorough wage revision after it reaches a certain point, 272 probably? This is my suggestion. Is the Government prepared to consider this point so that all these quarrels over computation of consumer price index,

and whether the workers are hard-hit or not, are done away with to some extent?

No. 2—At the same time, has not the Government claimed—and to a certain extent, it is also a justified claim—that the economy has reached a certain point which is not very bad, though not very good according to us, and there is an abundance of consumer goods? So, my second point is: whether the government is prepared to consider setting up of cheap shops to supply essential commodities to government employees, extending it to the employees of public sector undertakings and ultimately to all workers and wage-earners. I want to know whether government is prepared to consider this question in view of so much of foodgrains in our stocks, so much of groundnut being produced by this country and there being so much of oil seeds.

These are the two points to which I would like the Minister to reply.

✓ SHRI C. SUBRAMANIAM: The first point made by the hon. Member is to have a general wage revision. I do not know whether this is an appropriate time to launch upon a wage revision which will have wide-ranging repercussions not only on the central government employees but naturally immediately it will have its repercussions on the state government employees and local board employees and it would not stop there and it will have repercussions in the industrial sector also. We are just now trying to stabilise our economy and to have stabilised prices and, therefore, at this stage to go and launch upon a wage revision, in my view, will be a foolish venture. Anyhow I do not think the time has come to think in terms of a general wage revision. But when the appropriate time comes—it is not as if we are wedded to this once for all—and when there is a better stability in the economy, certainly this matter can be looked into and at that time, the much-talked off

national wage policy can be kept in mind because it is not merely deciding what a government employee should get as there are distortions even within the government economy itself, between the public sector undertakings and the central government employees and then there is the difference between the state government employees and the central government employees. All that will be a very comprehensive exercise which, I submit with all humility, this is not the time to undertake.

With regard to the consumer goods, he made a very relevant point. What is important is that the prices of consumer goods should be contained and stabilised. This is the policy which we are adopting to-day. Not merely the central government employees—we seem to think that the central government employees only live in this country and nobody else—(Interruptions) but it is a question of all consumers, particularly, the poorer sections, the lower middle class, etc. Therefore, we are trying to evolve a policy. While it is necessary to contain the prices, there is a case for giving more importance to holding the price line of consumer goods. It is here that we have taken into account the most essential commodities like cereals, then, to a certain extent, pulses, edible oils, sugar, domestic fuel and the common man's consumer cloth, what is called, the standard cloth. In this we are drawing up a plan. After all why does the price increase? Whenever there is a psychology of scarcity, even though there is no real scarcity, immediately the prices go up, particularly, in these articles. That is why we are trying to draw up a plan so much with regard to these 5 or 6 commodities and we hope to balance the demand and supply mostly from indigenous production but if indigenous production is not adequate, to have adequate imports also. Fortunately, our foreign exchange position is a little bit satisfactory. Therefore, we can afford to import some of these consumer goods

also. So, a plan is being drawn up and, as a matter of fact, for the last three days, we had detailed discussions in various forums for this purpose and I think what we are now planning will bring about a certain stability with regard to consumer goods. I would request the hon. Members to wait and see how this plan works. But I have some confidence that we are moving in the right direction and we are likely to stabilise the prices of consumer goods.

✓ SHRI INDRAJIT GUPTA: Let me also try to be non-aggressive....

✓ SHRI C. SUBRAMANIAM: I am glad there is a general response.

✓ SHRI INDRAJIT GUTPA: I do not think my colleague Dr. Ranen Sen was suggesting that only Central Government employees live in this country. But, of course, the hon. Minister has to pay DA only to the central government employees and not to others. That is the whole point. Therefore, his suggestion is that if a scheme of subsidised foodgrains or supply of essential commodities at fixed price made to the Central Government employees, it would be of advantage to the hon. Minister because the dearness allowance commitment that he has would go down. That is the whole point. What is the use of making a joke like that, 'that he thinks that only Central Government employees are living in the country. There are other people also.' You are not paying dearness allowance to other people. You are paying it only to the Central Government employees.

The whole idea behind this dearness allowance is that if it is not upto 100 per cent, but at least upto a varying degree, according to different wage and salary slabs the rise in the cost of living should be neutralised from 75 per cent, in some cases upto 90 or 95 per cent by giving them additional dearness allowance above a certain point in the cost of living

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index, the idea being, that if that is not done, the real wage of the employee actually goes down.

During the prolonged period when 5 slabs of dearness allowance had become due but were withheld before the matter was settled, the real wages of these employees had considerably deteriorated. They suffered because of that and it must be remembered also that when additional dearness allowance was sanctioned, five or six slabs or whatever it was, half of that was being impounded already. The workers are not getting it in cash. It is being impounded and deposited in the compulsory deposit account. To that extent from the actual amount of purchasing capacity in cash which is accruing to the worker, the individual employee, the amount has been reduced, considerably.

The hon. Minister has told us many a time that the whole philosophy behind this is to restrict the injection of money supply into the economy because that is the basic motivation for inflation. Shrimati Krishnan made this point just now. That is the only one question I would like to ask.

A whole package of measures was introduced by the Government, not so long ago, to curb unnecessary expansion of money supply. One of those was the compulsory deposit scheme. Government, from time to time, takes these *ad hoc* measures—to withhold certain instalments or to pay them partly or to persuade the employees to deposit in the provident fund account—so that cash money supply should not increase. By and large the employees are co-operating. The working class as a whole is co-operating. The scheme has been extended for another year. It has already been provided that next year when the time comes for repayment, the repayment will not be in cash. It will be deposited in the provident

fund account. Nobody can blame the workers, or the Central Government employees on this account. I do not want to make a counter give like that. But what about other places from which money supply is increasing and which will ultimately and inevitably generate inflation and again put the cost of living index up and again give rise to payment of additional slabs of D.A. and again there will have to be some kind of confrontation or meeting or something like that? Is it desirable?

One of the items in the package was 'restriction of dividends of companies'. That was removed later. Another item was restriction on the unlimited issue of bonus shares. That was withdrawn later. Certainly, if in place of one share I get two shares if I am a shareholder, when the dividend becomes payable, naturally more money will be given to me in cash by the company as dividend. That restriction was withdrawn. Thirdly, there is a credit squeeze so-called with the Reserve Bank and the national banks—supposed to be the sentinals of it.

I may just quote one thing which has appeared in the press two days ago:

"There had been a spectacular rise in bank credit to the commercial sector between the end of March and October 1, 1976 by Rs. 1062 crores which was more than three times the rise of Rs. 313 crores in the corresponding period last year.

Till recently the monetary authorities could claim that the rise in bank credit had been largely on account of advances to finance food procurement. However, in the last two weeks of September bank credit for purposes other than food procurement rose by Rs. 119 crores while food procurement credit declined by Rs. 20 crores.

Even taking the financial year till October 1, the expansion in non-food bank credit had been Rs. 471 crores which is nearly 80 per cent higher than the expansion of Rs. 262 crores in the corresponding period of the 1975-76 financial year."

It is obvious that these people grabbed a substantial amount of credit which they could not have done without the collusion of Reserve Bank and nationalised banking authorities. These are the fountainheads of inflation, whereby money supply is being pumped into the economy and inflation is taking place. Only the question of restricting wages and impounding the DA is being given lot of publicity and we are being accused of being labourlords and all sorts of things, but what is it that is going on here? Hon. Members on both sides of the House have suggested that there should be a full-dress discussion on the rising trend in prices. But Government is reluctant to discuss that. We can't have this discussion and this full-dress debate in relation to the DA question which in turn depends upon the cost of living index. If you want to restrict money supply, do it at all places, do it all round, why should the employees and workers alone be made to suffer this cut and impounding whereas the commercial sector people, the merchants and industrialists are being allowed unlimited credit in this way which goes on increasing by leaps and bounds? We are losing one of the most important gains of the early period of emergency for which even countries abroad have praised India for its performance. If this trend is allowed to continue it would be a dangerous situation for the country. Therefore I would request him to clarify this question.

✓ SHRI C. SUBRAMANIAM: As a matter of fact the discussion has gone much beyond what has been said in the Calling Attention Notice, but it is

a very important matter which has been raised and I do not want to shirk the responsibility of answering the points which have been raised by the hon. Member. First of all I would like to echo his sentiments with regard to the cooperation of the working class which we have been getting. This cooperation had been excellent and continues to be excellent. My only anxiety is, while it continues to be excellent, there are some people who are aggrieved about this, and we should not allow any scope for the mischievous elements to play politics with regard to this question of the employees and industrial workers. That is our anxiety today. And I am sure in this respect we will have the full cooperation of hon. Member Shri Indrajit Gupta and his group. This would be my first observation regarding the point made about the cooperation of the working class.

Regarding impounding of DA, it is not being taken away by the Government. We give the attractive rate of interest of 12-1/2 per cent on the impounded D.A. The question is whether our employees and workers should go on spending as much as they earn or whether they should have some sort of saving habit. It has become a national philosophy that we shall not be consuming more than what we are producing. On the other hand, we shall have to consume less. This is the most important thing and this has become our national philosophy.

That is why my last budget was saving oriented rather than tax-oriented. This will have to be stretched further. If it is impounded it is to his own benefit that it will accumulate and will be available to him and, particularly, if it goes to the Provident Fund then he can draw the same at the time of emergency. Therefore, this should be encouraged rather than something considered to be imposed on him. This should be realised by those who speak on behalf of the

[Shri C. Subramaniam]

workers and the government employees.

Sir, the next point made by the hon. Member was that the Government has responsibility to pay dearness allowance to government employees. I agree. But, Sir, all of us have a joint responsibility for the people as a whole. Who pays dearness allowance to the agricultural labourers who are getting only Rs. 4 to Rs. 5 per day? Who pays the dearness allowance to the unemployed. We will have to look into the whole picture rather than just say you are responsible to pay to your employees dearness allowance. Our responsibility extends to the entire people. I have to take a decision in the context of the national situation rather than a particular section of the people. This is what the Prime Minister has been emphasising. Let us not take sectoral view but a national view.

Sir, the other point raised by the hon. Member is very pertinent. It is with regard to credit discipline. The hon. Member quoted some figures. They are very alarming figures but they are real figures. We are very much concerned about the same. We are meeting soon after this to discuss this question. It is not as if we are discussing it for the first time. I take meetings every two to three months with regard to the money supply. In spite of that I do agree that something has gone wrong. We shall identify as to where and how it has gone wrong and who is responsible for the same. I want to assure the House that we will take adequate measures for the purpose of seeing that the overall money supply is contained within certain limits because it is the overall money supply and availability which determines the demand and supply position either for price increase or for price decrease.

With regard to the question of bonus share, Sir, the whole implication is not being understood. We have removed the dividend restriction mainly because we want equity formation which was being impeded earlier. It is for the purpose of equity formation and for the purpose of new investment—we may be wrong in our judgement—that we removed the dividend restriction. Once we remove the dividend restriction what does the bonus share mean? It means that out of the profits they have to pay whether they pay one bonus share or two bonus shares. When there is no restriction on dividend and when you make it a bonus share what is kept as a general reserve you convert it into equity. So, the equity base of that concern gets strengthened. Simply issuing bonus shares does not increase the profit as whatever they are paid they are taxed on that. It is not as if they pay corporate tax on the profit earned by the Corporation. When it goes as dividend to the individual that is added to this income and on that he is called upon to pay income tax. If it has to be further looked into certainly the Budget is coming and we shall make a further exercise and find out as to whether there are any loopholes or not.

✓ SHRI INDRAJIT GUPTA: What are your bank executives doing?

✓ SHRI C. SUBRAMANIAM: Of course, there is something wrong. We are looking into it.

✓ MR. SPEAKER: Since you said that just after this you are going to consider the question of increased money supply, instead of a periodical consideration, quarterly or half yearly, when the thing has gone wrong, would you have a quicker, monthly, review of this. So that the situation is kept under control constantly?

✓ **SHRI C. SUBRAMANIAM:** Thank you. I shall try to continuously monitor and see that these distortions do not take place.

✓ **श्री रामावतार सास्त्री (पटना) :** अध्यक्ष जी, सरकार का दावा है कि 12 महीनों में उपभोक्ता मूल्य सूचकांक 312 से 364 हो गया है, यानी 8 पौइंट की कमी हो गई। इसीलिये केन्द्रीय सरकारी कर्मचारियों और सरकारी कारखानों में काम करने वाले कर्मचारियों को जो इतिरिक्त 5 वां महंगाई भना मिलता था उसे यह नहीं देना चाहते हैं। सवाल इतना ही है, और इन का कहना स्पष्ट रूप से है कि चीजों की कीमत में कमी प्रायी है। हम कह रहे हैं कि चीजों की कीमत में काफ़ी वृद्धि हुई है। मुझे भालूम नहीं कि मंत्री जी की श्रीमती जी बाजार में सनान खरीदने जाती हैं कि नहीं, मेरी श्रीमती तो जाती हैं, इसलिये मैं जानता हूँ कि मेरे घर की हालत क्या है। आपके घर में कोई न कोई तो सामान खरीदने जाता होगा क्या कभी उससे पूछा कि चीजों की क्या कीमत है, या केवल शिमला ब्यूरो का जो सूचकांक है उसी की माला आप जप रहे हैं? हर घर में लोग जानते हैं कि कीमतें बढ़ गई हैं। कोई भी हमारे देश का शहर, देहात ऐसा नहीं है जहाँ बढ़ी हुई कीमत का असर नहीं है।

अध्यक्ष जी, मैं अपने सूत्रे की बात बताता हूँ, 5 जुलाई के "इंडियन नेशन" में एक लम्बा चौड़ा डिस्पैच निकला। उन के संवाददाता ने पटना शहर की मंडियों में घूम कर के लिखा जिस की मैं तीन लाइनें पढ़ कर सुनाना चाहता हूँ क्योंकि बहुत लम्बा डिस्पैच है :

"There has been a steep rise in the prices of almost all foodgrains including vegetable oil during the past two weeks in the capital's wholesale as well as retail markets".

और उन्होंने ने दूर चीज की कीमत कैसे बढ़ी उसका भी व्योरा दिया है। उस समय हजारीबाग, नालंदा जिले में कीमतें बढ़ गईं और अब तो तमाम जिलों में कीमतें बढ़ गई हैं। नहीं तो सरकार बतावे कि कौन जिला है जहाँ कीमत नहीं बढ़ी? तो कीमतें बढ़ रही हैं और आपका शिमला ब्यूरो कहता है कि कीमतें घट रही हैं। तो आखिर कोई एजेंन्सी तो होगी जो ठीक से पता लगाये। मुझे तो शक ही रहा है कि इन का शिमला ब्यूरो मजदूर और जनता विरोधी है और लगता है कि उस में मुनाफ़ाखोरों के लोग घुसे हैं जो गलत आंकड़े बना कर देते हैं। तमाम जगह कीमतें बढ़ रही हैं। अगर आपका कहना है कि नहीं बढ़ रही हैं तो मैं जानना चाहता हूँ कि क्या इसका पता लगाने के लिये आप कोई व्यवस्था करेंगे? हमें खुद अपनी सर्विसेज औफ़र करते हैं चलिये दिल्ली के बाजार में और देखिये कि किसी भी चीज की कीमत पहले जैसी है या नहीं, या बढ़ी है, इस की जांच कर लीजिये। मैं चुनौती देता हूँ आप अपने किसी आदमी को भेजें, आपके स्वयं मजदूर संघ, आई० एन० टी० यू० सी० के लोग काम करते हैं क्या उन का यह कहना नहीं है कि कीमतें बढ़ी हैं? तो कीमतें सब जगह बढ़ रही हैं। अध्यक्ष जी आप के यहाँ भी सामान आता होगा।

✓ **श्री विभूति मिश्र (मोतीहारी) :** किसान की पैदा की हुई चीजों के दाम गिर गये हैं, जैसे मक्का, जौ, धान आदि के दाम गिर गये हैं, यह सही है या गलत है? किसान बेचारा मर रहा है लेकिन उसकी तरफ़ किसी का ध्यान नहीं है। अभी वह सवाल नहीं है। यह सही है कि उनको भी सही कीमत मिले और उनके उत्पादन के लिये जिन-जिस चीज की जरूरत है वह सब उनही मस्ती मिले, हम सब भी यही कहते हैं लेकिन वह बहुत अभी

[श्री विभूति मिश्र]

जैरे-गौर नहीं है। उन्होंने यह भी कहा कि ये लोग सरकारी कर्मचारियों की बातें ही करते हैं, देहातों की गरीबों की बात नहीं करते हैं। हम उनकी भी बातें करते हैं, 20 सालों के अधिक से आप गद्दी पर बैठे हुए हैं, मैं जानना चाहता हूँ कि आपने उनके लिये क्या किया :

12 hrs.

सरकारी कर्मचारियों में क्या बेकार लोग नहीं है ! उनको जो पैसे देते हैं, वह उनसे छीन लेने का सरकार को कोई हक नहीं है। मैं मंत्री महोदय से जानना चाहता हूँ कि क्या वे बाजार में चलकर कीमतों का पता लगाने को तैयार है ! दूसरे, वह कहते हैं कि दाम गिर रहे हैं, हम और सरकारी कर्मचारी कहते हैं कि दाम बढ़ रहे हैं, तो क्या फिर वे कर्मचारियों के साथ बैठकर इस सिलसिले में राय-मशविरा करने को तैयार हैं। तीसरे, आप राज्य सरकारों की बात झट से पेश कर देते हैं, मैं जानना चाहता हूँ कि राज्य सरकारें जो बातें कहती हैं क्या वह सारी बातें सही कहती हैं। इसका पता लगाने की आपने कोशिश की है या नहीं ? हर राज्य में कीमतें बढ़ रही हैं और वहाँ के सरकारी कर्मचारियों को भी उन्हें मंहगाई भत्ता देना पड़ेगा, मुकरने से काम नहीं होगा। आप इस बात का पता लगाइये कि कहां-कहां लूणहोल है, कौन खा रहा है। जब आपने संविधान में समाजवाद का सिद्धान्त स्वीकार कर लिया है तो फिर पूँजीवाद की बात क्यों होती है ? मंत्री महोदय कृपया बतायें कि कीमतों का ठीक से पता

लगाने के लिये क्या वह कोई एजेन्सी मुकरंर करना चाहते हैं, या सरकारी कर्मचारियों से वार्ता करने को तैयार हैं या नहीं या सरकारी कर्मचारियों को कन्फेडेंशन में जाना होंगा ! मंत्री महोदय यह न समझें कि एमरजेंसी लगी हुई है, कर्मचारी लड़ेंगे नहीं। मेरा कहना यह है कि अगर जरूरत पड़ेगी तो कर्मचारी मजबूती से आपसे लड़ेंगे। मेरा निवेदन है कि आप उनके साथ बैठकर समझौता कीजिये।

✓ SHRI C. SUBRAMANIAM: As usual, the hon. member has emitted more heat than any fresh light on the issue. The only thing is, he has spoken in Hindi and unfortunately I cannot speak in the same language. The only new point he emphasised was—not that it was not made by others—he quoted some article that prices of food-grains had gone up during the last two weeks. I do not know which last two weeks he was referring to.

✓ SHRI RAMAVATAR SHASTRI: This is about July.

✓ SHRI C. SUBRAMANIAM: Now the kharif season has begun and as a matter of fact, prices have started falling down. It is the anxiety of the kisan to see that he gets a fair price for his foodgrains, which is a very legitimate claim. There also the government is intervening by way of support price operation. As far as foodgrains are concerned, apart from the general market, there are fairprice shops where the quota has been increased from 8 kg per person to 10 kg. In addition, they are entitled to get 2 kg more till we countermand this order. That means, 12 kg per person are made available in all the cities and industrial areas particularly. Therefore, whatever might be the market conditions, wherever we operate these fairprice shops, there is no question of foodgrain prices going up. If he imagines that foodgrain prices are on the increase, he is very much mistaken about it.

that there were some sort of distortions with regard to the edible oil and that also, we are trying to regulate now. Fortunately again, the groundnut have started arriving in most parts of the country and, therefore, oil prices have stabilised. But it is not the question of seasonal stabilisation but it is the question of stabilisation throughout the year. For this we are having a plan of building up buffer stock by indigenous procurement and also by imports so that it will be possible for us to intervene in the market when the prices show an upward trend.

So far as sugar prices are concerned, they are controlled now. The market prices were increased to 335 and we have fixed that rate as the market rate and we have immediately brought down the excise duty so that the prices at which the factories have agreed to sell would not go up. Therefore, to say that the Government is not conscious of these factors is, I am afraid, shutting one's eyes to the realities and to various actions which Government are taking and are planning to take. This is one of the crucial strategies for our future. I would like to assure the hon. Members that we would like to consolidate the success that we have already achieved on the price front. There is no question of going back from this. In this matter, we have enough co-operation from the workers, but I would like to have the cooperation of the hon. Members also.

12.07 hrs.

**PUBLIC ACCOUNTS COMMITTEE
TWO HUNDRED AND THIRTY FIRST AND
TWO HUNDRED AND THIRTY-EIGHTH
REPORTS**

**SHRI PRIYA RANJAN DAS
MUNSI (Calcutta—South):** I beg to

present the following Reports of the Public Accounts Committee:—

- (1) Two Hundred and thirty-first report on paragraph 11 of the report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Defence Services) relating to Procurement of Oil
- (2) Two hundred and thirty-eighth Report on Action Taken by Government on the recommendation contained in their Two Hundred and eleventh Report on 'Estate Duty' relating to the Department of Revenue and Banking.

12.08 hrs.

**COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES**

FIFTY-NINTH REPORT

SHRI NIHAR LASKAR (Karimganj): I beg to present the Fifty-ninth Report (Hindi and English versions) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Home Affairs—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in Irwin Hospital and Department of Family Planning and Health Services, Delhi Administration.

12.09 hrs.

**COMMITTEE ON SUBORDINATE
LEGISLATION
TWENTIETH REPORT**

SHRI ANNASAHAB GOTKHIÑDE (Sangli): I beg to present the Twentieth Report of the Committee on Subordinate Legislation.