

ORAL ANSWERS TO QUESTIONS

[English]

Reduction in Consumer Price Index for Industrial Workers

*595. DR. DATTA SAMANT: Will the Minister of LABOUR be pleased to state:

(a) whether the industrial workers from Bombay and Maharashtra held strong agita-

tions and demonstrations against sudden reduction in the Consumer Price Index for industrial workers after introduction of the 1982 series; and

(b) the details of complaints made by these trade unions to Union Government regarding the reduction in dearness allowance in spite of the rise in prices?

THE MINISTER OF LABOUR (SHRI BINDESHWARI DUBEY): (a) and (b). A statement is given below:-

STATEMENT

Representations have been received from some workers organisations pointing out the decline in the Consumer Price Index (base 1982=100) for industrial workers in respect of Bombay centre for the month of December 1988, as compared to November 1988. The trade unions have pointed out that this has resulted in the reduction of DA paid in respect of rise in the prices. A month to month comparison in levels of CPI is not a satisfactory method of tracking variations in an Index. It would be more meaningful to assess variations on a longer period than one month, say on a quarterly basis, or on a longer period, say an annual period. It is well known in India that there are seasonal factors which significantly affect prices of items like foodgrains, vegetables, edible oils, sugar etc. It is equally well known that in the post-harvest season, and especially after the kharif season, prices generally tend to be stable or lower than in preceding quarters. Taking the October-December quarter, the average variation in this quarter from year to year for the last five years, the position is as below:-

Variation in CPI, October-December Quarter

Month	1984	1985 (variation over previous Year)	1986 (Variation over previous Year)	1987 (Variation over previous Year)	1988 (Variation over previous Year)
1	2	3	4	5	6
October	615	647 (32)	709 (62)	787 (78)	173(886)* (99)
November	618	654 (36)	726 (72)	798 (72)	174(891)* (93)
December	612	658 (46)	728 (70)	802 (74)	169(865)* (63)
Average of the quarter	615	653 (38)	721 (68)	796 (75)	172(881) (85)

Figures in brackets denote variations, month to month/quarter to quarter.

* Indices estimated on base 1960 from 1982 series with the help of linking factor of 5.12 of Bombay centre.

It would be seen from this table that the average variations in the October-December 1988 quarter compares well with the variations of the same quarter in previous years.

At Bombay, in October-December 1988 quarter, the variations in the months of October and November have been comparatively higher in relation to previous years. This may partly account for the relatively large decline observed in the month of December 1988, as compared to November 1988. However, this has to be seen in relation to how the CPI (base 1982=100) has behaved in other centres in December 1988, as compared to November 1988. This reveals that in 53 centres out of 70 center covered in the 1982 series, there have been decreases at 10 centres by 1 point ; by 2 points at 12 centres; by 3 points at 18 centres; by 4 points at 9 centres; by 5 points at 3 centres; and by 6 points at one centre. In other centres in Maharashtra also, e.g. Sholapur, Nagpur there were comparable decreases in the index of December 1988, as compared to November 1988, i.e. by 4 points respectively. If the October 1988 and February 1989 index figures is taken, the relative movement in the Maharashtra centres are as follows:-

Bombay	(-) 3
Sholapur	(-)1
Nagpur	(-)2
Pune	(+) 3
Nasik	(+) 3

The price collection procedure adopted for certain major groups in the index is as follows:-

(a) Rice and Wheat:

For both rice and wheat the availability from Fair Price Shops (FPS) system, and the prices in the FPS are taken. For rice, in addition, the prices of two varieties in the

market, one a superior quality (basmati) and the other a medium quality are ascertained. The prices of ricke that figures in the index is worked out following a 3 stage procedure, i.e. average of the open market prices, and the average of the FPS variety prices and combining these two in the ratio of the availability from the FPS and the balance requirement of consumption from the open market. As for wheat, only one quality is taken for price collection on the same principle as that of rice, i.e. availability from the FPS system and the balance from the open market. The final price appearing in the index is a weighted average of the two prices i.e fair price and market price.

The prices are taken from 13 markets and from at least 2 shops in each market.

(b) Edible Oils:

For edible oils, the availability of Palmolene from FPS system is taken, and if the availability falls short of the requirement, the balance is distributed over the other edible oils like Groundnut oil, Coconut oil, etc.

(c) Clothing:

For items of clothing, the prices of cotton sarees and dhotis, cotton shirting, synthetic trouser cloth, synthetic sarees, etc., are taken from shops of leading mills, e.g. Shriram Mills, Khatau, Bombay Dyeing Mafatlal, Morarji Gokuldas, NTC, Phoenix Binny Tata. It is not correct that only one mills prices are taken

(d) Sugar:

In respect of sugar, since FPS supplies both levy and imported sugar, quantities actually made available for these varieties are taken, at the price sold in FPS and if this falls short of requirement, the balance is taken at market price.

(e) Pulses:

Pulses are not supplied through FPS system. Open market prices only are taken.

DR. DATTA SAMANT: Sir, Government is very intelligent in replying to this question. You are about 6' 2" tall.

MR. SPEAKER: No. I am 6' 3" tall.

DR. DATTA SAMANT: But, Sir, this Government has bought a new foot-rule from the black-market which is 13". So you will lose height by 5" if they measure you with this foot-rule. The same thing has been done in the new 1982 series for calculating the dearness allowance for a few crores of industrial workers, shop establishment workers and the minimum wage workers. A new series has been introduced without properly consulting the trade unions. As per this I have made calculation if you introduce old and new series in 1985 All India Index will be down by 20 points; Kanpur by 14 points; Bombay by 2.6 points and Hyderabad by 23.10 points. In the new series you have taken from 171 to 226 items and the new items added are; Dry fruits, cashew nuts, country liquor beer, refined liquor refined cloth of Bombay Dyeing. Mafatlal and Khatau, Radio and Television, etc. Such types of items are added for composition of the dearness allowance. In Bombay the workers get only Rs. 900 and still you have added these things. They have added the cost of metro-deposit in the electric bills so that the variation of electric bill will not go up. In the cities like Bombay the accommodation expenses have gone down in 1982 compared to 1960 because they say the standard rent is implemented. Nobody can get the house at standard rent in Bombay. In 1962 and 1982 the number of workers, households and the market measured are the same. This shows how inadequate it is. In the children education the expenses on the notebooks and the transport are not shown in this composition. I say that this composition of the new index is so absurd and, as such, I appeal to the Government that while introducing this 1982 series all those loopholes should be corrected and new series should be properly studied and introduced because a few crores of workers are involved. I would like to know whether Government is going to do that or not?

[Translation]

SHRI BINDESHWARI DUBEY: Mr. Speaker, Sir, the new series based on the year 1981-82 had a wider coverage and it was introduced after wide consultations. Prior to it a study was undertaken in 1970-71. Later on the representatives of the Central Trade Union said that the coverage under the series taking 60 as the base was very limited and it should be extended and more items should be covered. Then Shri Neelkanth Rath committee was constituted, which included representatives of all the index users and the employees. This committee recommended that price connection mechanism should also be improved and its coverage should be made wider and it should be introduced after due consultation. After that new study was made, first in 3 sectors and then in 7 sectors taking 1982 as the base. The study was initially carried out in mining, plantation and factories and later on it was extended to seven sectors viz. factories, mining, plantation, railways, electricity, transport, dock and port workers. Similarly, the number of centres were increased from 50 to 70 and the number of families under study were increased from 21.23 thousand to 35 thousand. Similarly the items included in the basket were also increased. The discussed the items included in the basket. Representatives of some workers had questioned the taking into account the prices of coarse variety of cloth and grains supplied through P.S. in case of series based on 1960 and suggested that the weighted average should be taken because these were not available in the market when people wanted to buy them. Similarly we take into account the price of coarse cloth because multiplying factor has to be calculated. During the course of study this matter was discussed. It was also submitted that a new study should be undertaken in place of the old one. Rath Committee had asked us to extend the coverage. Government made elaborate study and increased its coverage. As regards consultation. A meeting was held at the Central level in 1987 in which representatives of all the Central Trade Union Organisations were invited. Thereafter

people wanted further discussion. Then regional level meetings were held and this took 6 to 12 months. Then a national workshop was organised. After that a meeting was held under my chairmanship in October, 1988, in which the point of dispute related to ... (Interruptions)

MR. SPEAKER: Please tell me one thing, who suggested serving of liquor?

SHRI BINDESHWARI DUBEY: Mr. Speaker, Sir, I would like to say one thing that then the workers said that the common variety of rice available in the market was not consumed on all the days by them and they purchased sometimes Basmati rice as well, so it should also be included. To avoid multiplying factor going down, it was demanded that all varieties of goods used by the poor, not just the coarse and cheap varieties should be taken into account. I have been one of them and therefore, I know all these things. Keeping in view all these things, conferences were held at regional levels to discuss the recommendations made by the Rath Committee. Two meetings were held at the central level. Taking into consideration all these things, a decision was taken to change the series and it in no way affected the Consumer Price Index. As regards the point raised by the hon. Member about Bombay, let me make it clear that consumer price index did register a change in the month of December and there was a sharp fall in the prices of foodgrains and related items. The Consumer Price Index is based on consumer goods. When prices of goods went down, Consumer Price Index also dropped in the month of December, than it increased by one point in January and it remained stable in February. Therefore, I feel no change is called for.

[English]

DR. DATTA SAMANT: Sir, this is a very serious problem. The hon. Minister has talked about Bombay. In Bombay, in the month of December and January, the DA received by the industrial workers is less by Rs. 30 to Rs. 150 per month. There is a

sudden fall. The workers in Bombay have lost about Rs. 50 crores because of this sudden fall and this money goes to the big industrialists. This is an advantage for the black marketeers. The prices in the ration shops are not taken for calculation though the prices in the ration shops went up by 20 paise.

Basmati is only for computation. I have the record with me. These figures show the fall in prices from November, 1988 to December, 1988. Basmati price has fallen from Rs. 8.51 to Rs. 8.12 wheat price has fallen from 3.27 to 3.08 gram dal price has fallen from 13.51 to 12.22. sugar price has fallen from 8.47 to 7.58; Bombay Dyeing saree has fallen from 135.77 to 100.81; and synthetic Bombay Dyeing has fallen from 181 to 153.85. Synthetic shirting from Rs. 33.00 to Rs. 20.91. Then they claim that the prices of groundnut oil, tomato, milk, potato, cauliflower, coconut etc. have come down. According to them, there is a sudden fall in prices of 21 items. The cinema tickets have also gone down by Re.1 Such is the extent of manipulation. We have lost about Rs. 50 crores and the same has gone to the industrialists and the mill-owners. There were a number of demonstrations by all parties against this. It appears that the Government has been misinformed to save the industrialists and the big mill owners.

This is going to affect all the country. I would like to know, whether what has been done in Bombay in December, 1988 will be reconsidered by the Government and the Government will study the whole system afresh. Till the required corrections are made, the 1960 series should be continued.

[Translation]

SHRI BINDESHWARI DUBEY: Mr. Speaker, Sir, this is not the case with Bombay alone. The price of commodities and Consumer *printer* Index in all the Metropolitan Centres registered a decline in the month of December and the main reason therefor, as already stated by me, was good monsoon. Anticipating good Kharif crop, the trad-

ers released in the market the stock piled up by them. They started this exercise in November and the prices foodgrains, edible oils and other consumer goods came down in the month of December resulting in fall in the consumer price index not only in Bombay but also in Delhi, Calcutta, Kanpur and other places. Since it went up by one point in January, the question of manipulation in Bombay does not arise. After all price collectors will also be affected and then the State Government employees are also involved in collecting the prices and the officers of labour bureau reconcile and scrutinise the figures. Therefore, it is not proper to say that prices were brought down in Bombay through manipulation.

[English]

DR. DATTA SAMANT: A few crores of workers are suffering monetarily as their DA has been reduced. In protest, I walk out.

Dr. Datta Samant then left the House

(Interruptions)

[Translation]

MR. SPEAKER: He is staying a walk-out. He is free to do so.

[English]

SHRI C. MADHAV REDDI: The rationale given in the statement for changing the series and introducing the 1982 series is not very convincing to anybody. The Government has no wage policy even after forty-two years of independence. At least, you can have a policy for dearness allowance. It is very clear from various records that after the introduction of the new series, the dearness allowance in Bombay has been reduced ranging from Rs. 45 to Rs. 50. I would like to know whether the Government would reconsider the 1982 series. This is an yardstick and that should never be changed. Even if it is wrong, you continue that so that there is continuity. If you include several items which had not been included earlier, it upsets the

whole thing. Has it come to the notice of the Government that workers of several organisations have threatened to go on general strike on this issue.

[Translation]

SHRI BINDESHWARI DUBEY: Mr. Speaker, Sir I do not think that there is any thing in this to cause resentment amongst the workers. The concept of variable dearness allowance is based on the market prices. Variable dearness allowance will increase as and when the prices increase, as the consumer price index goes up with it. If the market prices go down, it will bring down the consumer price index and will affect variable dearness allowance accordingly. The market prices fell in the month of December, consequently the consumer price index, as also the variable dearness allowance, came down. This is a natural corollary, there is absolutely no cause for resentment. If it increases, they are satisfied but there is no guarantee that it will go on increasing. The rise or fall depends upon the trend of prices. How does the question of national wage policy arise in it? The wages and dearness allowance are totally different issues. The concept of variable dearness allowance is based on the principle of granting protection of wages against fluctuation in market prices. That is why it has been provided.

[English]

SHRI BASUDEB ACHARIA: Sir, the apprehension that this new series of Price Index would seriously hit the working class was expressed by all national trade unions. It has become true now. While deciding about this series the Government of India neither consulted the trade unions or listened to their advice and nor the unanimous recommendations of Rath Committee were considered. The Government of India violated the unanimous recommendations of the Rath Committee and also violated the norms of the International Labour Organisation.

So, may I know from the Minister whether the Government of India will fully honour the norms of ILO, which has recommended for consultation with the trade unions before deciding on a new series of price index and also whether the unanimous recommendations of the Rath Committee will be implemented? In view of this will the Government of India review and restore what was there in the previous series of price index?

SHRI BINDESHWARI DUBEY: Sir, the ILO recommendation is that the Family Living Studies, i.e. the studies for income and expenditure of industrial workers would be made at least once in 10 years. The Rath Committee recommended that it should be made every five years. We have not violated the norms of the ILO. We have also not violated the norms fixed by the Rath Committee. We had wide range of consultations with the Central Trade Unions. I myself held a meeting where all the important representatives of the Central Trade Union Organisations were present and on the basis of the consensus this series has been introduced.

SHRIBASUDEB ACHARIA: There was no consensus. They are protesting against it.

SHRI BINDESHWARI DUBEY: Yes, there was a consensus.

Reservation in Allotment of Government Accommodation for SC/ST Employees

*596. **SHRI R. P. SUMAN:** Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) the criteria under which reservation of Scheduled Caste and Scheduled Tribe employees in allotment of Government quarters has been fixed at ten per cent in Type 'A' and 'B' and at five per cent in Types 'C' and 'D'.

(b) whether Government propose to

raise the percentage of reservation SCs and STs in all the types of quarters;

(c) if so, the details thereof; and

(d) if not, the reasons thereof?

THE MINISTER OF URBAN DEVELOPMENT (SHRIMATI MOHSINA KIDWAI): (a) Reservation in the matter of allotment of Government accommodation of Scheduled Caste and Scheduled Tribe employees has been prescribed on the basis of the percentage of satisfaction in the different types of accommodation being allotted.

(b) to (d). At present 10% of the clear vacancies in Type A and B and 5% of the clear vacancies in Type C and D are allotted to Scheduled Caste and Scheduled Tribe employees in the ratio of 2:1 respectively. Moreover, the SC and ST employees are also entitled for allotment of accommodation as per their date of priority. Since the interests of the SC and ST employees are adequately protected, Government does not consider it necessary to raise the percentage of reservation.

[Translation]

SHRI R.P. SUMAN: Mr. Speaker, Sir, the hon. Minister has stated in her reply to Part (a) of the question that the reservation for Scheduled Caste and Scheduled Tribe employees in allotment of Government quarters has been prescribed on the basis of the percentage of satisfaction in the different types of accommodation being allotted. I could not understand as to what is implied by the term satisfaction here. When the constitution provides for 15 per cent reservation for Scheduled Castes and 7.5 per cent for the Scheduled Tribes, why is it so that in the matter of allotment of Government accommodation, the reservation for the Scheduled Caste and Scheduled Tribe employees has been fixed at 10 per cent in Type 'A' and Type 'B' categories and 5 per cent in type 'C' and Type 'D' categories? I cannot understand the purport here. What is the reason behind such disparity? As your