

12 hrs.

**CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORTANCE**

**DISCONTENT AMONG CENTRAL GOVERNMENT
EMPLOYEES ON ACCOUNT OF
INADEQUATE GRANT OF DEARNESS
ALLOWANCE.**

Shri S. M. Banerjee (Kanpur): 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 serious discontent among twenty-five lakhs of Central Government employees on account of inadequate grant of dearness allowance.

The Minister of Finance (Shri Sachindra Chaudhuri): Sir, I have a statement to make. It is a 3-page statement. May I place it on the Table of the House?

Some hon. Members: It is an important statement. That may be read.

Mr. Speaker: That might be read then.

Shri Sachindra Chaudhuri: In terms of the Second Pay Commission's recommendation accepted by Government, the rates of dearness allowance admissible to Central Government employees are reviewed whenever the All India Consumers Price Index for Working Class rises by 10 points on an average for 12 months. On this basis the D.A. rates were recently revised from 1st December, 1965 when the average index had crossed 165 points.

The actual increases effected on this occasion are as follows:

From Rs. 33 to Rs. 38, for those drawing pay below Rs. 110 p.m.;

2400 (A) LS—6.

From Rs. 50 to Rs. 58, for those in the pay range of Rs. 110—149;

From Rs. 65 to Rs. 76, for those in the pay range of Rs. 150/-209;

From Rs. 81 to Rs. 93, for those in the pay range of Rs. 210/-399;

From Rs. 90 to Rs. 100, for those in the pay range of Rs. 400—1000, with marginal adjustments upto Rs. 1,100.

The above increases represent roughly 75 per cent neutralisation of the rise in price index from 155 to 165 in respect of the lowest three categories, and 60 per cent for the next higher slab. An ad hoc increase of Rs. 10 was allowed for those in the salary range of Rs. 400—1,000 so that the total dearness allowance admissible to them is limited to Rs. 100 p.m. These percentages do not, however, fully represent the total relief available to the employees, since the general price index does not reflect benefits like house rent allowance, medical benefits, assistance for education of children, city compensatory and other special compensatory allowances which are admissible in addition to dearness allowance.

It is true that the neutralisation allowed is on a slightly lower basis than the percentages which were recommended by the S. K. Das Enquiry Body appointed in 1964. The rates recommended by that Body were, however, related to the index average 145. Moreover, since Shri Das submitted his report, the situation has greatly changed, particularly in the wake of the unfortunate conflict with Pakistan last year. The Second Pay Commission themselves had not suggested any rigid linking of dearness compensation with the price index but had left freedom to Government to determine the quantum of compensation with reference to the circumstances existing at the time of revision, such as the causes of the rise in cost of living, the state

[Shri Sachindra Chaudhuri]

of the economy, and the social and economic consequences of the grant or denial of increase.

The increased dearness allowance allowed from 1st December, 1965 involves an additional burden of about Rs. 25 crores annually, and it must be remembered that, very roughly, every extra rupee per month allowed to Government employees means an additional annual expenditure of nearly Rs. 3 crores, not taking into account the employees of the State Governments, public sector undertakings, municipal bodies etc. As hon. Members are well aware, the country's economy is at present being subjected to exceptional stresses and strains, and the resources position is none too satisfactory. There is imperative need to keep down administrative expenditure and to curb inflationary pressures. Under the compulsions of the Defence and developmental programmes, some hardship has inevitably to be borne by all sections of the community including Government employees. In these circumstances the increases already allowed can hardly be considered inadequate and do not provide a valid ground for discontent among the employees.

Hon. Members must also be aware that there have been protests from State Governments against the periodical revisions of dearness allowance for Central Government employees. When the matter was discussed with some Chief Ministers recently in pursuance of a decision taken last year in the Resources Committee of the National Development Council, they pointed out the repercussions of our decisions on their employees and that their resources position did not permit them to assume the burden of any additional emoluments being given. Further, monetary increases do not mean real relief for the employees as experience shows that this is largely off-set by simultaneous increase in prices of articles of common consumption. Government, have, therefore, decided to examine afresh

the whole question of dearness compensation so that effective ways can be found of making available real benefits for Government employees without putting additional burden on other sections of society. This matter is now receiving attention and I would welcome any suggestions that hon. Members may have to make. There is of course no decision at all to discontinue payment of the dearness allowance now being given.

Shri S. M. Banerjee: From the statement it appears—it has been admitted by the hon. Finance Minister—that the neutralisation recommended by the Das Commission was not accepted or adhered to by the Government. At present whatever neutralisation has been given is only 70 per cent instead of 90 per cent recommended by the Das Commission. I would like to know whether it is a fact that on 12th August, 1965 when the Central Government employees' representative met the late lamented Shri Lal Bahadur Shastri, he gave a definite assurance that the Das Commission's recommendation would be regarded as an award and if so, I would like to know whether the present Prime Minister will respect that word—keep this award or tinker with it or throw it to the winds.

Shri Sachindra Chaudhuri: I am not personally aware of the assurance of the late Prime Minister, but I am prepared to accept what my hon. friend says if he has assured himself that that is the correct position.

Even assuming that it is an award, the question will arise whether it is possible to implement that award or not. I have stated the circumstances in which, despite our best efforts, we have not been able to neutralise to the extent of 90 per cent in the case of certain employees. We will welcome any views that may be given for the purpose of an alternative scheme without in any way taking away the benefits already given; we may sit down together and consider what has been the real benefit to the employees.

I have not been legalistic in this matter. I cannot say whether this award can or cannot be enforced. With all humility, I am trying to be as practical as I can, so that there may be real removal of the trouble that government employees, along with others, suffer. If my friends help me in that, it will probably be more constructive than the question whether this was an award or not. I am not quarrelling on this. If my friend says that he has assured himself that there was an assurance given by the late Prime Minister, certainly I will accept that. Having done that, I should consider whether I am in a position financially to honour that. If I honour that, I will certainly be denying the other institutions, the other persons and the other bodies, whose needs are equal, if not more. The little assistance which, having regard to finances of this country, can be given to them.

Shri S. M. Banerjee: My question was very clear. When there was the mass agitation throughout the country, delegation saw the hon. late Prime Minister Lal Bahadur Shastri and a specific question was put to him whether the Das Commission's recommendations would be treated as an award and he said that it would be treated as an award. Now the arguments advanced by the Finance Minister are two or three, namely, the situation has changed because of Pakistani aggression, secondly the intrusion by the Chief Ministers and then the incursion by the Chamber of Commerce which he has not said. I would like to know why the Central Government employees should suffer and why this award should not be accepted by the present Prime Minister. Today we are going to demonstrate before her bungalow.

Mr. Speaker: Does he want me to join him?

Shri S. M. Banerjee: Let the Prime Minister intervene and give a reply.

Mr. Speaker: If she wants to reply, she can. But the Finance Minister has already explained; he has explained the position; he has not denied that it was an award; he says that he does not know, he is not sure and it may be an award; even then he says that there are certain difficulties which he has tried to explain. Whether they are adequate justification or not is a different thing altogether.

Shri S. M. Banerjee: Can he go back on it?

Shri Ranga (Chittoor): The point arises this way, if it was an award at all. My hon. friend is an eminent lawyer. Has he conceded ever before any court that the executive authority has got the right to tamper with that award and not to implement it but plead their own practical difficulties?

Mr. Speaker: In view of these observations, he has said that he would consider that and see it.

Shri Priya Gupta (Katihar): In view of the fact that the Government of India or rather the ex-Finance Minister, Shri T. T. Krishnamachari, had openly come out with a statement on the floor of this August House that the Government had failed to arrest the spiralling rise in the cost of living, and in view of the recent decision of the Government of India that since during the last five years there has been an increase six times in the dearness allowance, no further dearness allowance could be given to the Central Government employees, and in view of the decision of the Government of India to have some re-thinking about the problem with a view to finding out a fresh solution for supplying things in kind, may I know whether the Government of India have examined and considered and decided about the submission of the All India Railwaymen's Federation for supply of the necessary commodities of life at a subsidised rate through subsidised grainshops, as it obtained in 1949 for the railwaymen, to compensate for the shortfall in

[Shri Priya Gupta]

wage and also for allowing cash in the shape of the dearness allowance to neutralize the balance shortfall without making a discrimination between the class IV, class III, class II and class I staff, since the minimum necessities of life are sold at equal prices for all classes of employees, class IV, class III, class II and class I alike? May I know the reply to this question? (Laughter). It is not, a matter to be laughed at....

Mr. Speaker: I am sorry I had to laugh; the hon. Member should not resent it. I was laughing only at my shortness of memory, because I had lost the thread of what he had said. By the time the hon. Member reached the end of his question, I had lost the beginning and the middle.

Shri Priya Gupta: May I know whether Government have considered the question of having subsidised grainshops.

Mr. Speaker: He has said that already. Now, let us hear the hon. Minister.

Shri Sachindra Chaudhuri: I must confess that with my limited intelligence it has been rather difficult for me to formulate exactly what question was being put to me; it is my fault and nobody else's.

Shri Priya Gupta: If at all my hon. friend wants to understand it, it would be clear.

Shri Sachindra Chaudhuri: I have already confessed that it is my shortcoming and nobody else's. So, why blame me any more on that point? If I have understood the question correctly—my hon. friend may correct me if I am wrong—his question was what we could do about subsidised grainshops. We shall certainly take that into consideration. I have already welcomed suggestions from all Members of this House. If they would be kind enough to meet me or write to me and let me know what

their suggestions are, we shall examine them.

Shri S. M. Banerjee: Why not convene a meeting?

Shri Sachindra Chaudhuri: I cannot convene a meeting of the entire body of this House. I can convene a meeting of a few Members only. If my hon. friend will kindly let me know and tell me, I shall certainly convene a meeting.

Shri Priya Gupta: He had promised to meet the delegates from the All India Railwaymen's Federation....

Mr. Speaker: The hon. Member will be called as a Member to that meeting.

Shri Daji (Indore): The statement of the hon. Finance Minister himself admits that this regardly and beggarly rise actually amounts to a wage cut. If the award of the Das Commission is to be changed unilaterally in this manner, I would like to know whether Government realise the repercussions that it will have on the employees? Would it not have been advisable to place all the reasons why Government want to change the recommendations before another commission headed by a Supreme Court Judge? Let that judge independently judge whether the reasons advanced by Government are valid or not. Let them not abrogate unilaterally the decision of a Supreme Court judge thereby undermining the confidence of the Government employees in the honesty and the *bona fides* of the Government themselves.

Shri Sachindra Chaudhuri: Shorn of all the adjectives, the question is whether this matter should again be referred to a Supreme Court Judge or not. That is a matter which may be considered. But a Supreme Court Judge's findings are not going to provide the immediate relief which might possibly be considered by the employees themselves. Therefore, I have invited the representatives of

the people to tell me if there are any immediate means which we can adopt. So far as reference again is concerned, it may be considered, if that is going to be useful.

Shri A. P. Sharma (Buxar): In his statement, the Finance Minister has raised three pertinent points. First, he said that the Second Pay Commission did not lay down any limit. He should understand that at the time that Commission investigated the matter, they did not visualise the prices rising so high as they are now. Therefore, they did not make a specific recommendation beyond 125 points.

He referred to the S. K. Das Commission. The Government set up that Commission. On the floor of this House, the Government made a commitment that they will accept the recommendations of the Commission. Other friends boycotted the Commission; only the section of workers represented by the INTUC cooperated with the Commission. Government did not accept the recommendations of the Das Commission.

The third point he has raised is that the State Governments are coming in the picture and are influencing the decision of the Central Government because of their difficulties.

May I know what was the justification for Government in going back on their commitment and they change the recommendations unilaterally without consulting the Central Government employees' representatives? I want to know....

Mr. Speaker: That should be enough. He has already put the question.

Shri A. P. Sharma: These are clarifications. Now I am coming to the question.

How long are Government going to be influenced by so many considerations, creating further agitation and discontent among the employees by taking arbitrary decisions?

Shri Sachindra Chaudhuri: My first answer is that the decision is not arbitrary. It has been given every consideration possible. My second answer is that whenever any forces come up, Government as a matter of duty consider those forces and the result of those forces, keeping in view this, that it is also the duty of Government to try to help its employees as far as it is pecuniarily possible, as far as it is physically possible, to do so.

Shri A. P. Sharma: Why not consult the employees before taking a decision?

Shri Priya Gupta: The Central Government has not taken a decision in spite of the fact that prices have risen....

Mr. Speaker: No, no. I cannot allow the hon. Member to put a question again. He should resume his seat.

Shri Priya Gupta: Does the Government want its employees to starve?....

Mr. Speaker: Order, order. He is obstructing the proceedings.

Shri Priya Gupta: I only want to ask....

Mr. Speaker: If he does not resume his seat, I will have to name him. I find this Member always in the habit of obstructing the proceedings....

Shri Priya Gupta: If the Government want its employees to starve, let them say so frankly....

Mr. Speaker: I will name the hon. Member, Shri Priya Gupta.

Shri Priya Gupta: All right. I will go away.

Mr. Speaker: He might kindly leave.

Shri Priya Gupta: Do they want the employees to starve?

Mr. Speaker: He should go out.

Shri Priya Gupta: But still I want to say this: If the Government want their employees to starve, let them say so frankly.

Mr. Speaker: He is persisting in his defiance. He should leave.

Shri Priya Gupta: I am leaving. Thank you very much.

Shri Priya Gupta then left the House.

Shri A. N. Vidyalkar (Hoshiarpur): The Minister has admitted that it was not taken as an award. I want to ask whether non-acceptance of the award on the plea of Government's incapacity to pay does create serious implications. Has he examined the implications of this because under the same plea many of the awards given by courts and tribunals concerning private industrialists, will not be accepted by private industrialists? Will it not be possible for them to take cover under the same plea and not accept those awards?

Shri Sachindra Chaudhuri: As I said, I have not gone into the matter in a legalistic way. If I am asked to consider it as an award, then undoubtedly other questions will arise, but legally speaking, it is not an award. What was said before and in this House just now is this, that the late Prime Minister had agreed to accept it as an award. I said I would proceed from that point, and I had pointed out that even if it is an award, there may be considerations, there may be circumstances which make it impossible for Government to abide by the terms of that award, and I am saying that the circumstances are such, having regard to the conditions in the country, having regard to the difficulties that the Government is facing, that it should review what would be the position, assuming that we do consider the Das Committee's report to be an award. That is exactly what we have done. On top of that, I have said I am prepared to consider

every suggestion that may be made for the purpose of alleviation of the conditions of the employees, provided it is possible to do it within the funds available to Government. Beyond that, what can I assure Members?

12.21 hrs.

PAPERS LAID ON THE TABLE

REPORT OF ENQUIRY ON THE FATAL ACCIDENT IN RAJNAGAR COLLIERY ETC.

The Minister of Labour, Employment and Rehabilitation (Shri Jagjivan Ram): I beg to lay on the Table—

- (i) Report of Enquiry on the fatal accident in Rajnagar Colliery on the 8th November, 1965. [Placed in Library. See No. LT-5436/66].
 - (ii) Report of Enquiry into the Dheri Colliery Disaster, 1965. [Placed in Library. See No. LT-5437/66].
 - (iii) A copy each of the following notifications under sub-section (7) of section 59 of the Mines Act, 1962:—
 - (a) The Coal Mines (Fourth Amendment) Regulations, 1965, published in Notification No. G.S.R. 1789, in Gazette of India dated the 4th December, 1965.
 - (b) The Mines (Second Amendment) Rules, 1965, published in Notification No. G.S.R. 1886, in Gazette of India dated the 25th December, 1965.
- [Placed in Library. See No. LT-5438/66].

NOTIFICATIONS UNDER THE INDIAN TELEGRAPH ACT

The Minister of Parliamentary Affairs and Communications (Shri Satya Narayan Sinha): I beg to lay on the Table a copy each of the