

12.47 hrs.

STATEMENT REGARDING INDO-
PAKISTAN CANAL WATER DIS-
PUTE

The Deputy Minister of Irrigation and Power (Shri Hathi): In my statement of 16th November, 1959 I brought to the notice of the House that considerable progress had been made, during the discussions in London in August-September 1959, in the working out of certain Heads of Agreement. I also informed the House that the discussions has been resumed in Washington in October, 1959 and that the Heads of Agreement formulated in London and certain other Heads of Agreement which had been worked out in Washington would be elaborated into the text of an international Water Treaty.

The first draft of the Indus Water Treaty has now been received. The text, however, is incomplete. Many of the annexures to the Treaty, including the annexure containing phased withdrawals of water by India during the transition period, have not yet been received. The draft treaty is under examination, but our comments cannot be finalised until we have before us not only the draft text but also its annexures. As the draft text of the treaty has been treated as a 'secret' document by the Bank, I am not free to disclose its contents at this stage. I may, however, tell the House that the talks have been proceeding satisfactorily and that there are reasonable prospects of an agreed settlement being reached in the near future.

12.48 hrs.

PLANTATIONS LABOUR (AMEND-
MENT) BILL*

The Minister of Labour and Employment and Planning (Shri Nanda): Sir, I beg to move for leave to introduce a

Bill further to amend the Plantations Labour Act, 1951.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Plantations Labour Act, 1951."

The motion was adopted.

Shri Nanda: Sir, I introduce the Bill.

12.49 hrs.

MOTION RE: REPORT OF PAY
COMMISSION—Contd.

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Narayanankutty Menon on the 17th December, 1959, namely:—

"That this House takes note of the Report of the Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, Government Resolutions thereon and the statement made by the Finance Minister in the House on the 30th November, 1959."

The Minister of Finance (Shri Morarji Desai): Sir, I must apologise for not being able to be present throughout the debate that took place on the decisions of Government on the Pay Commission's recommendations. But I have carefully gone through the debate and I have acquainted myself with what has been said in criticism as well as in favour. It may not be possible for me to refer to all the points that have been made in this connection. But I hope to deal with the important points that were raised in this debate.

The one point that was made at the outset was that the Pay Commission has ignored the recommendations of the 15th Indian Labour Conference and

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[Shri Morarji Desai]

Government have also repudiated their commitment to the policy of minimum wage accepted by the Labour Conference. In the first instance, as I have pointed out even before, the recommendations of the Labour Conference have not so far been accepted by Government. They cannot, therefore, be binding on Government.

Shri Rajendra Singh (Chapra): What is the purpose?

Mr. Speaker: Let the hon. Minister go on.

Shri Morarji Desai: They have not been formally considered by Government at all at any stage and unless Government takes decisions on them, they cannot be binding on Government. But, let us consider the different points raised in this connection too. The one point raised was that the recommendation made for minimum food requirements calculated on the basis of Dr. Aykroyd's formula has been given up. That formula was for 2700 calories. After that, it has been said by another research doctor that this is too much and 2300 calories would be the formula. But that is not what is taken. What is taken is even more than that. May I say, from my own personal experience that I have been doing with 1200 to 1400 calories for many years past. These calories are very misleading when they are taken in this manner. And yet one has to go by some basis. The Pay Commission gave very careful consideration to all these factors and came to the conclusion to which they have come. It is not that we are expected to accept all the recommendations of any expert which come in this matter without consideration of all other relevant factors. Even that formula of 2700 calories mentioned several items which are not available to the people in this country. It is strange, what is not available in the economy of the country is also to be considered as a basis of the minimum wage. It

seems to be a very unreasonable expectation on the part of some people. It cannot, therefore, be accepted in that form. But, then to consider that Rs. 125 should be the minimum wage in this country—and that is a recommendation—and, therefore, it should be considered—that was also the demand—let us see whether we can consider this in this country. Taking the average per capita income in this country between Rs. 246 and Rs. 291, a family's income would come to about Rs. 1166 per annum, that is, about Rs. 97 per man. That is per capita average income in this country. The minimum wage cannot go beyond this in any case. And even then, the whole national income cannot be consumed if we are to advance at all. The national income has also to be utilised for investment and if that is considered, then it will be seen that even Rs. 97, which comes according to this per capita income, cannot even be the minimum wage.

And then, Sir, we have also to consider the income of 200 millions of people in this country as against these 2 millions of Government servants, who are concerned in this Pay Commission's Report. A very large number of those 200 millions of people draw much less than even the amount which was drawn by Government servants before the revision made by the Pay Commission. Now, are we going to concede that Government servant should be in a privileged class? I have no quarrel about what is required ideally. I cannot say that this is a satisfactory wage for anybody. Even Rs. 200 may not be enough, considering our ideas at the present day about living conditions and other things. But, are we able to provide this to the majority of the people in this country? We are going to provide for them in the future as we develop, as we strengthen our economy. That is what we want to do. But, are we by that time going to do only one thing, that we go on increasing the remunerations only of Government servants, so that the whole income of

taxation, whatever comes to Government, is absorbed only in that? Would that be a fair proposition for this House to consider? Some may consider also, but I do not think that that would be a fair proposition at all and I would not think that it would be right for Government servants also to think on those lines. They are public servants, we are all public servants, and we have got also to consider the claims of the people on us; and not that because the Government is run by us, the administration is run by us, therefore, we should absorb the major part of the income and let whatever may happen to other people, happen. That would not be a proper attitude for public servants in this connection. Therefore, I would appeal to them to see that they do not raise such questions irrespective of the conditions obtaining in this country. And considering all this, a minimum wage of Rs. 80, as fixed on the Report of the Pay Commission, is not only fully justified, but I would say, it is even a little liberal if considered alongside the conditions obtaining in this country. We are not considering all this in a vacuum. We are not considering this in connection with living standards obtaining in other countries. We have got to consider this in connection with living standards obtaining generally in this country.

Shri U. C. Patnalk (Ganjam): May we know, Sir, how the calculation of 76 nP was arrived at?

Mr. Speaker: Let the hon. Minister go on. If they are not convinced all these two or three days, they are not going to be convinced in half an hour.

Shri Morarji Desai: I should certainly be very happy to discuss with my hon. friends if they want to discuss anything with me at leisure, whenever they want to do so. But this is hardly the time, occasion and hour when I can be cross-examined on this point here. If I am expected to finish my reply in a reasonable time, I do not think I should be expected to do so.

Shri Rajendra Singh: Your reply should be reasonable enough.

Mr. Speaker: I have to decide whether it is reasonable or not.

Shri Morarji Desai: The minimum remuneration of Rs. 80 recommended by the Pay Commission with the consumer price index at 116 represents full neutralisation on the basis of Rs. 55 accepted on the recommendation of the Verdachari Commission, 1947, when the cost of living index was 285 (base 1939) which corresponds to the consumer price index 80 (base 1949). Therefore, even from that point of view, it will be seen that the Pay Commission has been very liberal in this matter and has given the greatest consideration to these people.

Shri Prabhat Kar (Hooghly): The Verdachari Commission said, the amount was on the poverty line.

Shri Morarji Desai: Well, we are on the poverty line in this country. That cannot be helped. I cannot change that. If I am trying to change it, my hon. friends do not want me to do that. They want the whole income to be consumed only in this, so that there can be no change in the general poverty of the people. And that is what I am saying. My hon. Members ought to be siding with me rather than siding with other people for political interests. These are only political interests which are governing them. Otherwise, I do not think they would have said otherwise.

Shri Rajendra Singh: He is imputing motives.

13 hrs.

Shri Morarji Desai: There is no question of motives. It is a fact. There is no question of attributing motives in this matter. Let my hon. friend deny that it is not so. I will accept his word. Without denying it, why should they say it is not a fact? If they deny, I accept it. I have no objection to that.

[Shri Morarji Desai]

As I said, there was full justification for the Commission to reduce the content and calorific requirements laid down in the Aykroyd diet formula, as I explained before.

Mr. Speaker: What is the calorific value in England? Possibly they have proceeded on that basis.

Shri Morarji Desai: That has also been considered. But I do not think it is more there. But in colder countries, they always give more and not so in a country like India. Therefore that will not apply here.

Shri S. M. Banerjee (Kanpur): Here everything is groundnut.

Mr. Speaker: Has he taken note of the sunshine and sun-rays?

Shri Narayanankutty Menon (Mukandapuram): They had worked out a formula for a tropical country like India. Everything is taken into consideration.

Shri Morarji Desai: The Pay Commission has very carefully considered all these questions and has also described all these points, and I would refer hon. Members to them. That is all.

Then, it has been said that they have departed from the principle of automatic adjustment of dearness allowance with cost of living index which was prescribed by the Varadachari Commission and followed by labour tribunals, and that has not been properly done. How can this be regulated with the living index, all the while? If we are able to do that for all people in this country, for all fixed wage-earners, I would certainly say that we should do so; but have we got the capacity to do so? If we have not got the capacity to do so, Government servants ought to suffer with other people in the country. On the contrary, I would expect that we ought to suffer more than the other people, but we are not

doing that. Instead of that, we are claiming something else, a different kind of treatment. They want us to create a privileged class which I think will not be in the interests of the Government servants themselves. I am afraid it will not be in the interests of the administration itself. They would not be able to serve the people they have to serve, and therefore this sort of special treatment ought not to be demanded.

Then the question was that the basis of classifying towns for the purpose of compensatory and house rent allowances was not satisfactory. It was suggested that towns with populations exceeding 15 lakhs like Madras, Delhi and Kanpur should be classified as A. Only Bombay and Calcutta have been classified as A for specific reasons. As is well known to everybody these two cities stand apart from all other cities. Other cities with a population above five lakhs and not exceeding 15 lakhs have been considered as B. Cities with a population between 1 and 5 lakhs have been considered as C. After the 1961 census will be the time to consider what decision should be taken in these matters. It would not be realistic to take any decision in these matters which is different from the *status quo* at present. Therefore, I would appeal to my hon. friends to see that they are patient in this matter and wait till the 1961 census.

Shri Tangamani (Madurai): Even the 1961 census will not help Delhi, Madras and Kanpur; because 15 lakhs is not the criterion.

Shri Morarji Desai: It was not on that criterion. Bombay and Calcutta have been considered quite special and therefore they have been put in Class A. Other cities cannot be put on the same line. But if any reconsideration is required, it may be possible only after the 1961 census. It cannot be made now.

Shri Tangamani: The 1961 census will not help Madras and Delhi because in the recommendation itself there is no mention about including the other cities as A. That is the point.

Shri Rajendra Singh: The point was.....

Mr. Speaker: The point is clear. Hon. Members cannot be cross-examining like this. They have had their say. The hon. Minister understands as much as the hon. Members. He has got his own explanation.

Shri Rajendra Singh: The very principle was contended.

Mr. Speaker: Will hon. Members go on putting questions unless they see that the hon. Minister yields and says, "Yes; I am agreeing to this"? I cannot understand this interruption. Hon. Members have their own points of view. The hon. Minister has his point of view. All hon. Members have been allowed to express their points of view. If there are some reasonable doubts, one or two questions may be put, but if hon. Members are not satisfied unless the hon. Minister yields to their suggestions, I do not know how long we can go on. The hon. Minister should have his own reasons. I would not allow any more interruptions like this.

Shri Morarji Desai: I have not claimed that I will be able to satisfy all the critics or all the claims. But what I am trying to do is to submit my views—rather, they are not my views, but the Government's views—in this matter. I was trying to make an appeal to my hon. friends to be more realistic and reasonable and to consider the country's conditions first rather than the separate interest as are being considered by them. That is all that I am trying to say, but if they think that I must satisfy them on every point it is not possible for me to do so. When even facts are read differently, when they are presented differently, how am I going to satisfy them? But I must make an attempt certainly to put the proper view as held by Government in this

matter and the view which has been arrived at after very careful consideration not only of the Pay Commission's report but also of all the representations of all those associations and the views of several people. That is how Government have come to the conclusion and that is all that I have got to submit in this connection.

Then it has been said that there is no justification for the disparity in the salaries of Central Government employees and the State Government employees and that the Central Government should give financial assistance to the State Governments for bringing the salaries of State employees to the level of those of the Central Government employees. This is not peculiar to this country that there is disparity between the salaries of State Government servants and the Central Government servants. Even in the richest country like the USA there is a wide difference between the salaries of State Governments and the Federal Government. I find that the difference in salary levels is rather tremendous; it is even more than what it is here.

In the United States of America, while the minimum salary of a federal employee belonging to the classified service is \$2,690, in many States it is much lower, as for example, \$1,056 in Alabama, \$1,524 in Missouri, \$1,500, in Indiana and \$1,680 in Wisconsin. It will thus be seen that there is a large difference. Even in Canada they have made no attempt to bring them together. These are prosperous countries. We are not prosperous in any way and yet we say that we must have parity in all this. If we can bring parity we would certainly like to do so. We want to do so. That is what we want to achieve in this country. But can we do it today is the main question, and today the difference is so great everywhere that we have got to keep some differences which cannot be avoided. It is not possible for the Central Government to finance the State Governments in this matter to

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bring these salaries up to the level of the Central Government salaries. As a matter of fact, if this argument is pursued further, then the next stage may well be for bringing down the Central Government servants' salaries rather than to bring up the salaries of State Government servants, because it is not possible to do so. But that is not the line adopted by the Central Government. We are seeing that we should do what we reasonably can and if there is any difference, that difference should be there. But we have also helped the State Governments to a certain extent for some time. Therefore, beyond that, we cannot go.

Mr. Speaker: Has any suggestion been made during the debate in the interests of the State Government employees that if the Central Government is not able to bring them up to the same level, further increments of the Central Government employees may be stopped? No hon. Member has said so.

Shri Narayanankutty Menon: No one has said that. All parties are unanimous in saying that this is disappointing.

Shri Harish Chandra Mathur (Pali): I have said that not a pie should be spent further on the Central Government employees. If any pie is there, it should be there not to widen the gulf but to narrow it down.

Shri Morarji Desai: There are many things which can be done but they may not be done.

This is a suggestion which is falling in this category, to my mind. We cannot always do whatever is necessary to be done but we can do only what can be done in the circumstances in which we are living. If it had been possible to fix all their salaries for the first time, then we might have considered it. But that has not been so. These salaries have been in existence for a long time. These differences

have been in existence for many years. They are not existing only now. To bring them immediately in line is not possible at all. Moreover, our ideal, Sir, is not to bring down people. Our ideal is to bring up people. Therefore, if the Central Government servants have been receiving more salaries, I would be very reluctant to consider the other way. I only said that for the sake of argument and I said that even this argument can be put forward. But implementation was not my intention. My intention is that even the salaries of State Government servants should be brought up as conditions improve. As conditions improve in the States, that is likely to be done. But what happens? Take the wages of organised labour. Those wages are very high. Take the wages in villages. There, the wages vary from As. 8 a day to Rs. 2 a day. Here, wages vary from Rs. 5 a day to something more. What is to be done about it? They are people of the same class. Perhaps people in the villages work far more than the people here. We have got to bring up the wages in the villages, but that can be done only as production increases, as prosperity increases, as resources increase. Without that it cannot be done. Therefore, we have got to take a realistic attitude in this matter. We cannot merely take up one section and say that this section should be tackled first. That is not possible. Government cannot take up that attitude.

The same thing applies to the argument about the disparity ratio between the salaries of the highest and the lowest grades of the Central Government employees. It is said that this disparity is very great and that it should be reduced by making reduction in the pay of higher officers. If the pay of higher officers is unreasonable, then, certainly, it should be brought down. But, in the new grades that have been revised, the salaries have been brought down. They are not the grades which the I.C.S. officers used to get or which those who are in

service get even now. We cannot compare the salaries of the I.C.S. officers now generally, because, they are disappearing and they are dwindling in numbers, and, in a few years, that too will not remain. We can, therefore, Sir, make a comparison only with I. A. S. officers; and there, we will find now that the difference between the minimum and the maximum has come to 1 to 24. It has come down. Formerly, of course it was 329 in the old British days, but then, it was brought down to 34 and now it has gone down to 24. There is a general reduction, but that reduction also will be better done as we raise up the lower salaries rather than bring down the upper salaries. After all, we want to increase prosperity and production in this country. We want to raise the resources of this country. Can they be raised by cutting down of salaries? In that case, can they give their best, and then, what are we going to distribute? Are we to distribute poverty, that is the question. If we want to distribute prosperity, we will have to encourage all those people who are responsible for increasing the prosperity and production in the country by giving them incentives which should be minimum—which should not be maximum—but they will have to be given minimum incentives. They will have to be given those minimum incentives. I think it is a very unreal demand to say that these salaries should be brought down. It is, therefore, that Government have decided that these salaries should be maintained where they are and that they should not be brought down.

Then, Sir, there was a question about the recommendation for raising the age of superannuation to 58 years and that it should be accepted. Well, Sir, there are two opinions about this. There again, we are not living in normal conditions in the sense that we are not stabilised. We are still changing and we are passing through a transition period. We are very much concerned with unemployment, and specially, unemployment or less gainful employment amongst the educated classes. If we

raise this age limit from 55 to 58, for three years, about 30,000 people will be affected. We will not have that recruitment. That recruitment will stop for three years. Now, that will also add to the gravity of the problem. Then again, Sir, we have to consider that even though the expectation of life has increased in this country, the capacity to work harder for the class of the people who are concerned in this, after the age of 55, has not increased substantially. We find by actual experience that that is so. Therefore, if we take this attitude of raising the age, it will injure the administration; it will go against the employment possibility or potential, and the work will also suffer. That is the conclusion to which Government has come. It is therefore that Government has not thought it fit to raise the age limit from 55 to 58.

We have said that extensions will be given where people are very fit and are required. Where a particular class of experienced people are required, extensions will be given, but not in every case.

Shri S. M. Banerjee: This leads to favouritism.

Shri Morarji Desai: It is very easy to say favouritism and nepotism when one wants to make allegations. It has become a fashion in this country to make allegations. I do not want to enter into an argument about this sort of matter because it has no meaning.

Shri Rajendra Singh: It is also a fashion in this country not to face allegations.

An Hon. Member: That is what Mr. Deshmukh said.

Shri Morarji Desai: Nobody is an angel in this world. That is all that I would say. (*Interruptions*). Nobody, including myself. I have said that. When I said nobody, I am including myself.

Mr. Speaker: He was also the Finance Minister. I am talking of Mr. Deshmukh.

Shri Narayanankutty Menon: In giving extensions to those who have passed the age of 55, if Government

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have laid down reasonable standards with reasonable explanation, this criticism would not have come. Even those standards are not laid down. It is left to each officer or Ministry to give extension in each case.

Shri Morarji Desai: It is not so, Sir. Finance also is concerned in this. Every Ministry cannot go on doing like this. It is not so easy to give extensions nowadays except in respect of certain class of people, people in the technical class. We have said that this should be automatic in their case. For scientific and technical personnel, we have said that they should go on upto 58. Therefore, there is no question of any jobbery. For the other people, we have seen to it that only such a person who is essentially required and who has got an exceptional record of service is given extension and not otherwise. Therefore, Sir, we tried to avoid all these possibilities of favouritism and nepotism, and yet, I cannot guarantee that there will not be any case at all. I do not know whether my hon. friend could do that at any time.

An Hon. Member: Who can?

Shri Morarji Desai: I know what you can—not only I know—but many of the Hon. Members here know.

Shri D. C. Sharma (Gurdaspur): I don't know Sir.

Shri Morarji Desai: Then, Sir, references have been made about the reduction in the number of holidays, casual leave and some other privileges and amenities and as regards working on three Saturdays in a month. It was stated that it was not within the competence or within the terms of reference of the Commission to suggest reduction in the number of holidays, casual leave and other privileges and amenities. Now, it would not be correct to say this. It is incorrect because Clause 2 of the terms of reference specifically required the Commission to consider and recommend what

changes in the structure of emoluments and conditions of service of different classes of Central Government employees are desirable and feasible. Therefore, they were completely within their rights and they were justified in making the recommendations as they thought fit. One might disagree with them; that is a different matter altogether. But to say that they were not at all competent to do so is not at all correct.

Now, let us see whether it is justified.

Shri Prabhat Kar rose—

Shri Morarji Desai: He need not get up; he is unnecessarily tiring himself. He had a full hearing from me and from the House. There has been an opinion—it is not only generally prevalent, but I think it is unanimous—that we have too many holidays in this country. That has been said even by Members of the Opposition in this House. But on this occasion, in order to gain the favour of a particular class of people, they say....

Shri Rajendra Singh: Again you are imputing motives.

Shri Morarji Desai: I would certainly maintain it, because otherwise, why should it be done?

Shri Rajendra Singh: It is not so.

Mr. Speaker: Allegations and counter-allegations!

Shri Morarji Desai: Otherwise, why should they say that in this particular case, there should be more holidays?

Mr. Speaker: I am willing to work on Saturdays.

Shri Morarji Desai: The increase is only 2½ hours' work per month and nothing more than that.

Shri Rajendra Singh: We are not here at the mercy of the Government servants . . . (Interruption).

Shri Tyagi (Dehra Dun): You are at your own mercy!

Shri Morarji Desai: Formerly, they got 12 hours off on four Saturdays in a month; they got off for 3 hours per Saturday. Now they will work for 9 hours extra on 3 Saturdays and they will get off 6½ hours on the last Saturday. So, really speaking, they will be working extra for only 2½ hours in a month, and yet a great row is made about it here as if a great deal has been taken away. When it comes to criticising the administration, it is said, they are inefficient; there are delays and people are not working properly. But when it comes to putting them up against the Government, this is how it is done. I do not know whether that would be a proper attitude to take by my hon. friends. That is what I want to ask, because that will show how we are going to improve our administration.

Shri Narayanankutty Menon: If 2½ hours' extra work is so insignificant, why allow all the Government employees to pick up a row and demoralise them? Why not drop it?

Shri Morarji Desai: We can go on increasing further afterwards. This is a letter which I have received from a railway servant who has been working for 15 years. He himself has told me that this is all wrong. Then he says:

"Against this, they forget that they are allowed other considerations like coming 2 hours late on 3 occasions in a month; they get 6 hours off in a month. This can be availed of on any 3 days in a month, which several people do. We are also allowed to go home early by the officer-in-charge on considerations of urgent work". etc.

I have received this information from Government servants themselves. There are good patriotic servants.. (Interruptions).

Shri Rajendra Singh: That can be placed on the Table of the House, so that we may know its *bona fides*.

Mr. Speaker: The hon. Member is irrepresible; let him hold his soul in patience.

Shri Morarji Desai: I do not want to expose to all sorts of persecution those who are informing me about this. They will be certainly subjected to persecutions.

Shri Naushir Bharucha (East Khandedh): Then, promote them!

Shri Morarji Desai: Then, what surprised me and even amused me is, it was said that by doing this and taking away some holidays, Government have already recovered Rs. 29 crores. I think imagination could not have run more riot. That is all I can say. What is the saving and where? If there is any efficiency coming as a result of this, it is to their advantage; it will be helping the public. But where is the saving in money to the tune of Rs. 29 crores as they suggest? We all want to see that there is more saving.

It is even said—that is corroborated by this gentleman—that while people say they work for 6 hours, they hardly work 4½ hours and the rest of the time is spent either in the canteen or toilet room or somewhere chit-chatting. Work is not done all the while; we have got to find out way and means to compensate all these things. That is why we have to do this. It is in order to prevent wastage that we have to take all these steps; that is why these steps are taken.

Shri S. M. Banerjee rose—

Mr. Speaker: I am not going to allow this sort of interruption.

Shri Morarji Desai: My hon. friend can never be satisfied, because I have that experience for the last three years in this House; it is not only today.

Mr. Speaker: If he comes over to that side, he may be satisfied.

Shri Morarji Desai: God forbid! That is all I would say.

Mr. Speaker: So long as they are sitting opposite, how can they agree completely with the hon. Minister?

Shri Morarji Desai: I never expect them to agree with me. But why should they expect me to agree with them? That is all I am asking. Should not the same treatment be meted out to me?

Shri Rajendra Singh: Speak on the basis of facts.

Shri Morarji Desai: I am concerned more with facts; they are concerned with imagination. That is the difference.

Then, it was objected that the General Provident Fund which has now been made compulsory will be causing a loss to the employees. I do not know how.

Shri Rajendra Singh: Loss in the packet-money.

Shri Morarji Desai: They will be saying and it is necessary that they should be saving. It is against the Rs. 5 which is to be given now. But the Rs. 5 given before is forgotten altogether. There is no loss if that is also considered. There can be no loss. Yet, this is how things are presented. It is in that manner also that the total increase which is given by Government is forgotten.

Let us see what the burden on Government has been. Interim relief caused Rs. 12 crores extra expenditure. The immediate effect of recommendations regarding pay, allowances, and pension already accepted—excluding the defence personnel—would

come to about Rs. 20 crores a year. Improvement in family pension scheme, contributory health service scheme, educational and canteen facilities, if accepted, will come to about Rs. 4.70 crores. The immediate effect of extension of the benefits to defence services personnel would come to about Rs. 7 crores. In all, it will come to Rs. 44 crores, including railways. This will be the immediate effect. But the ultimate effect of pay and allowances, pensionary increase, etc. will be Rs. 31 crores, instead of Rs. 20 crores. So, in all, the ultimate effect will be Rs. 55 crores. Consider what a burden it is on the revenues of Government—Rs. 55 crores of extra expenditure every year. How are we going to have more expansion of our industries or any other production line, if we are not able to invest? Instead of investing, we are trying to take off and that is where the whole difficulty comes in.

Therefore, I would request my hon. friends to ponder more over these points and see their way to telling my friends in the administration, whose advocates they have become, that in this way they will make themselves more unpopular and not popular. This is not how we can advance the cause of this country and make it prosperous. This way we can only take it to ruin. Therefore, the demand that is made is quite unjustified and to my mind, improper. Then, I would like to come to another question. . .

Mr. Speaker: How much more time will he take?

Shri Morarji Desai: This is the last point that I want to refer to. This is about the application of the recommendations of the Pay Commission to the Government undertakings, that is, companies and corporations. This is a very serious matter and has to be considered. I would, therefore, like to put my considered view in this matter and, in order that there may not be any slips in that, I should like to read out a written statement in this matter.

As regards the extension of the Pay Commission's recommendations to employees in the public sector companies, I should like to say that it is neither possible, nor is it the intention of the Government to ask the companies controlled by them and other autonomous organisations to extend to the employees of the latter any improvements in the salaries and allowances, as also other conditions of service, allowed to the Central Government employees as a result of the decisions taken on the recommendations of the Pay Commission. This is because, firstly, the employees of these organisations and companies are not Central Government employees; secondly, the Government controlled companies etc. are autonomous organisations which have their own rules for regulating the terms and conditions of their employees. Thirdly, the pay scales and other conditions of service of employees of Government controlled companies are not in all respects identical with those prescribed by Government for corresponding categories of their own employees. Fourthly, the goods and services provided by these companies or organisations have to stand competition with others in the private sector and it is for the bodies concerned to consider whether, having regard to their competitive capacity the scales of pay of their employees need be increased at all and, finally, these organisations are situated in various States and the wages and salaries of their employees should bear some relation to the wage levels prevailing in the respective areas, both in the State Governments and in the private sector. Having regard to the above factors, there is no logical reason for increasing the emoluments of the employees of the public sector companies or corporations merely because the emoluments of the Central Government employees are improved in certain respects.

I hope I have dealt with all the important points that have been raised. I do not claim that whatever I have said must satisfy everybody. What I claim is that we have given very careful consideration to whatever has been

said, not only now but even before, and have come to a final conclusion after considering all the circumstances, all the demands and the capacity of the country to act in this manner. That is all that I can claim, and if this is conceded, and granted, no impartial judge will ever be able to say that we have not dealt liberally with our own people, the members of the administration. We are more concerned with taking work from them and we have got to see that they are satisfied. But we cannot satisfy people if they make unreasonable demands. Then, we have got to tell them and explain to them that this is not the way we should go about our work, which is public work, and it is there that I have appealed to them, and it is here that I am appealing to my hon. friends whose aim also must be the same in this matter of making the administration better, and not making the administration more dissatisfied by saying "if this is not done, that will be the result". If that is the common aim, then whatever they may say, whatever they may plead for them, I do not think that it will be proper at any time for them to say that "if this is not done, the administration will go wrong". If it goes wrong, the fault lies with my hon. friends who try to tell them so, and not with the Government.

Shri S. L. Saksena (Maharajanj): He has stated that the Government have not accepted the recommendations of the 15th Labour Conference. The 15th Labour Conference was presided over by the Labour Minister of the Union Government, and some of the decisions there were taken unanimously by the three parties—labour, employers as well as Government. Are they not binding on the Central Government?

Mr. Speaker: If it is binding, would he say that he is not accepting it? It has always been the policy that except in the case of the decisions of the High Courts or Supreme Court they can always differ from the recommendations of any body and reject them.

Shri Narayanankutty Menon: Mr. Speaker, if the recommendations of the Pay Commission were disappointing enough, as it was stated by everybody, the Government's decisions thereon were more disappointing. We were all eagerly looking forward to the hon. Finance Minister's reply to this debate and what we have all heard makes it all the more demoralising. When sermons are preached by the saints, the sermons should first be applicable to the saints and then only the disciples will follow. The sermons should slowly be put into practice.

The hon. Finance Minister said that when the country is in the stage of a developing economy and the *per capita* national income is so low, the Government servants cannot expect a more favourable treatment than the common man. I do not know how far this logic is to be carried. The first point was that in the 15th Indian Labour Conference, where the Government representatives, including the hon. Finance Minister in his capacity as the Minister for Commerce and Industry and a representative of the Finance Ministry were present, presided over by a Cabinet Minister, the Labour Minister himself, he said that in order that we evolve a suitable labour policy for the Second Five Year Plan, we have to take certain decisions there with the consent of all people concerned, so that industrial unrest may be prevented during the Second Plan period.

Shri Morarji Desai: May I say that I was not present when this point was discussed. I was present on the opening day. I do not know what happened afterwards.

Shri Narayanankutty Menon: If the hon. Minister is not present here in this House bodily when certain decisions are taken, it is not left to the Minister to plead afterwards that it is not binding because he was not present when the decision was taken. In this particular conference all the employing Ministries of the Government of India took part. It might be

possible that the hon. Finance Minister was not present bodily because of some other engagements, but his representative was there, and the conference was presided over by a Cabinet Minister. Here I may point out that in the address made by the President this year to the Members of Parliament, he made a special mention of the recommendations of that conference, especially the Code of Discipline, and he expressed his satisfaction that because of the working of the Code of Discipline there was improvement in the industrial relations in the country.

The decision to increase the minimum wage paid to the employees in this country is a corollary to the decision that the employees shall keep a certain standard of conduct in the industry. That was a mutual decision, and after that decision was taken in the Labour Conference, many an industrial tribunal in this country has accepted that proposition, and it has now been accepted as the normal norm for the minimum wage in this country. Now, today if the hon. Finance Minister says that it is not binding upon the Government, it might be said that no decision of that conference is binding upon anybody concerned, though it has been accepted as a basis regarding the code of discipline, code on production and rationalisation of the industries for the Second Plan, and you can very well imagine what will be the situation in this country. Because, the whole apex of the industrial peace is based upon the decisions of the 15th Indian Labour Conference. Therefore, I should like to make an honest appeal to the Finance Minister to look into the implications of the decision of Government not to follow the recommendations of the Labour Conference in the case of their own employees, when we remember that there are employers and employers who are bound by the decisions of that very conference.

Mr. Speaker: Does the hon. Member contend that it is not open to the Finance Minister to tax the people

more? He has already stated that he will have to pay Rs. 55 crores in that case and he has pleaded his inability to do so.

Shri Morarji Desai: May I again say that I have had to say that the decisions, or the recommendations, of the Labour Conference are not binding on me? I am brought to that position by the hon. Member constantly harping on the subject; I would have never said that otherwise. But no recommendation of any advisory conference can ever be binding on anybody; they are only advisory. That conference was not a decisive body, and the comparison of that Conference with the Parliament is something to my mind—well, I do not know what to say on that.

Shri S. L. Saksena: Then what is the sanctity for it?

Shri Narayanankutty Menon: He said that because I referred to it so that he was forced to reply to that. May I point out that he himself said that when the Pay Commission wanted a clarification about certain decisions taken at the 15th Labour Conference?

Therefore, I will finish this point by making only one observation that if the decisions taken at the 15th Indian Labour Conference are not binding on the Government, who are the sponsors of that Conference, certainly it will lead to the logical conclusion that these decisions are not binding on the employers in this country and the workmen in this country, because the employers, though they could not agree with those decisions, have been faithfully carrying out the decisions of that conference and so it will be putting a certain premium upon the working of Government organisations. If now today the Government comes and says that it is not binding upon them, certainly the Conference decisions will not be binding upon anybody and all the decisions taken by the Industrial Tribunals of this country, taking the

norms that had been decided at the XV Indian Labour Conference will be shattered to pieces and the Industrial Tribunals will be left with no norms as the norms that had been taken in the previous years had been modified by the XV Indian Labour Conference. The Industrial Tribunals give so much of sanctity to these decisions. Now in this Parliament if the hon. Finance Minister says that it is not binding upon this Government, the employer will immediately begin to say, "If it is not binding upon you, certainly it is not binding upon me". Consequently, it will not be binding upon the workers also. It will have far-reaching repercussions not only upon industrial peace in this country but also on the entire economic progress of the Second and Third Five Year Plans. Certainly the Government should review the position as to whether the decisions taken by the XV, XVI and XVII Indian Labour Conferences have got even moral validity and are of morally binding nature upon the Government, otherwise the situation is going to be very serious.

The hon. Finance Minister also spoke regarding the caloric value of food. Dr. Aykroyd thought over the economic situation in the country, the paying capacity of the employer, the productivity of this country and then laid down certain norms. Now the hon. Finance Minister comes and says that 1,200 calories of food will be enough for him and that he was taking that food and living in this country for the last so many years.

Shri Morarji Desai: I said 1200 to 1400.

Shri Narayanankutty Menon: He also laid down a dictum that the Government servants, who are equally interested as the others in the well-being of this nation and its economic development, should be the first to come forward and sacrifice. If a man like the hon. Finance Minister says that an average three consumption

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units family, as has been laid down by the Conference, eats only 1200 calories of food including two ounces of groundnut releasing 600 calories spontaneously, as has been said. . . .

Mr. Speaker: Let him not go into the personalities.

Shri Narayanankutty Menon: He said that.

Mr. Speaker: Let him say whatever he might say. What he said was that 2,700 was recommended and in addition to that something more is being given. 2,600 has been recommended by the Pay Commission. The hon. Finance Minister may starve some days or fast some days. All that is not necessary to say.

Shri Narayanankutty Menon: I would not have gone into the personalities but for the fact that Dr. Aykroyd laid down a formula which underwent the test of the Supreme Court.

Mr. Speaker: The only difference is that of 100 calories.

Shri Narayanankutty Menon: In order to upset the formula, the Pay Commission, reasonably enough, should have got at least the authority of an equally competent person. They have gone to one Institute in Hyderabad. A person employed in that Institute gave an opinion and they accepted that opinion.

Mr. Speaker: What is the difference between 2,700 and 2,600? What did the Pay Commission give?

Shri Narayanankutty Menon: Now it is 2,600.

Mr. Speaker: What has Dr. Aykroyd given?

Shri Narayanankutty Menon: 3,200. Dr. Aykroyd has given the weightage on certain animal things in the country which people can eat. The Pay

Commission has gone far back. It has not only reduced the calories but the weightage on food also has been completely different. It is not possible for an ordinary worker to eat two ounces of groundnut a day, digest that and get a spontaneous release of 600 calories while he is going for work. I will submit that people in this country never eat groundnut unless starvation comes in that particular part of the country and get 600 calories of equivalent food requirement from two ounces of groundnut alone.

My hon. friend the Finance Minister said that Dr. Aykroyd's formula was based on certain food material which is not available in this country. It might be possible, as the Pay Commission has said, that for the 400 million people in this country eggs might not be available as Dr. Aykroyd has put. It is not all the 400 million who work. The man who works adds to productivity. He increases the national wealth. It is quite true that every man in the country has a right to share, but if the worker, who produces, does not have priority and get at least a small proportion of the national wealth, how he has to sustain his livelihood? Therefore the theory propounded by the hon. Finance Minister that unless and until the common man in India, the 400 million people in India come to a particular income level, the work^{ing} of this country cannot ask for more, certainly is not a theory which can be accepted even by the hon. Finance Minister when he is out of the Government. If, according to him, the worker is to produce wealth in this country, an incentive should be there. Apart from the incentive, there should be the basic food requirement for him. You can point out thousands of people in a particular State or anywhere in India who need a job of their own because this is a country where unemployment problem is the biggest problem. You cannot take into consideration the unemployed man, who

is not getting anything, and equate him with the man who produces. According to this theory, the worker will no more produce material and then the national wealth will not increase.

Mr. Speaker: He is only replying.

Shri Narayanankutty Menon: Therefore that theory of equating national income with minimum wage is not at all acceptable.

I am not going into any other point. I will conclude by pointing out this factor regarding neutralisation. My hon. friend said that it is not possible anywhere in any country to tag the rising cost of living with the dearness allowance. We do not say that. Many times on the floor of the House many people have pointed out that it is not our demand that when prices rise you should give equating dearness allowance. We find that sometimes when prices outside rise and dearness allowance is tagged on a sliding scale, that might give further ground for inflation. That is true. But when prices outside are rising beyond the control of the Government, the Government can only help in this way. Are you courageous enough to peg down the prices if you want to have a fixed D.A.? We are agreeable to fixed D.A. It is always desirable. When the D.A. is fixed at a certain level, the prices should be pegged by the Government. If they peg the prices, certainly it is a desirable thing. Otherwise it will be a vicious circle. For example, in the case of sugar they have fixed the price at 52 nP. per pound. When eight annas are to be given by any worker or any man for one pound of sugar, what is the result if you give four annas more in his wage? The result is that four annas from the Government treasury and four annas of the worker go to the trader who is profiteering. Our only demand is: have a firm policy of pegging down the prices. We will not come here

and the worker will not come here and ask for a pie more increase.

The alternative suggestion is that you undertake the responsibility of supplying the basic food materials to these workers by opening co-operative societies. You have fixed prices for rice and sugar. What prevents you from giving these employees, as the Railways used to do previously, food at fixed prices? If that is done, the whole problem will not be there. But you are not prepared to do that. As long as you are not prepared to peg down the prices, as long as you are not prepared to give the basic food materials to the workers at fixed prices, your argument that it will give rise to inflation and it will not be possible, will not arise at all.

In conclusion, I would say that the hon. Finance Minister made imputations after imputations. I wish to assure him that we are never here to incite or stir discontent in employees, much less in Government employees. We are equally interested, as the hon. Finance Minister is, that we should have a contented administration. We are at one with the hon. Finance Minister that in the developing economy of this country, unless our working class is contented, unless the Government servants are contented, we will not be able to achieve even ten per cent. of our goal. Therefore with that ideal in our mind and agreeing with the hon. Finance Minister that we should have everybody contented, we bring forward the real grievances and real disappointments of the employees in the proper level, in the proper form and in the proper forum so that if these reasonable arguments of ours and the reasonable discontent among the employees could be brought to the notice of the hon. Finance Minister, he should be the first man not to allege imputations and motives but to look deeper into the matter whether there is ground for a genuine grievance and whether actually in the case of certain employees the take-home-pay of the employee because of the implementation of the Pay Commission's recom-

[Shri Narayanankutty Menon].
 mendment has been reduced. He should be the first man, as all patriots should be, to look forward and find out the defects and remove them, when all this has been said from either side of the House with the honourable exception of my hon. friend from Rajasthan, Shri Harish Chandra Mathur, who said otherwise. Every Member, including the Congress Members here, has said that the Pay Commission's Report and the Government's decisions thereon have only resulted in disappointment to the employees. So, it is not proper for the hon. Minister to impute motives to us and by that he does not serve the interests which he should serve in the future also.

Therefore, in concluding this debate, I make an appeal to the hon. Minister and the Government. It is not a case of the Opposition stirring up trouble. It is a case of genuine discontent among two million employees of the Government. Therefore, unless you review and reconsider the stand that you have taken today regarding the implementation of this report, regarding certain theories which are of a metaphysical legalism and atheism carried to the point of absurdity, you will never have a contented labour force in this country. Unless you reconsider these points and rectify the genuine grievances, all the ideals that you place before the House, for which you are striving, are impossible to achieve. Unless he reviews the Government decision and position on the recommendations of the 15th Labour Conference, it will have serious repercussions on the entire industrial working class of this country. Otherwise, in future, not only will we not be able to settle the question that has been hanging fire for two years which even came to a general strike in 1957; we will also be opening up a Pandora's box leading to more industrial disputes, and all these ideals of the Second Five Year Plan, of peace in industry etc., will not be achieved. Because the hon. Minister and the House are at one that we should have a contented labour force in order to

implement the policies and the Plans, I am sure he will reconsider the decision and before long come before the House with better suggestions for removing the genuine grievances arising out of the Government's decisions on the Second Pay Commission's Report.

Mr. Speaker: The question is:

"That this House takes note of the Report of the Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, Government Resolutions thereon and the statement made by the Finance Minister in the House on the 30th November, 1959."

The motion was adopted.

13.53 hrs.

MOTION ON ADDRESS BY THE PRESIDENT

Mr. Speaker: The House will now take up the Motion on Address by the President for which 20 hours have been allotted.

Before I call upon Shri Viswanatha Reddy to move his Motion of Thanks to the President, I have to announce that under rule 21, I have fixed that the time-limit for speeches shall ordinarily be 15 minutes, with the exception of Leaders of Groups for whom 30 minutes will be allowed, and also the Mover.

The Prime Minister who, I think, will reply to the debate, on behalf of Government, may intervene or reply at a later stage, and take the necessary time therefor.

Shri Viswanatha Reddy (Rajampet): I beg to move:

"That an Address be presented to the President in the following terms:

"That the Members of the Lok Sabha assembled in this Session