

है, कस्बों में अपनी जिंदगी गुजराती है। वे इस मुल्क की नब्ज हैं, धड़कन हैं। वे इस मुल्क की आत्मा हैं। इस मुल्क में यह फैसला किया गया है कि हम जम्हूरियत के रास्ते पर चलेंगे, लोकतंत्र के रास्ते पर चलेंगे और अपने देश में एक ऐसी शाही लायेंगे जो लोकशाही होगी, लोकतंत्र होगा। यहां अरवाम की हुकूमत होगी और अरवाम को यह हक होगा कि वह अपनी पसंद के हिसाब से...

THE VICE-CHAIRMAN (DR. G. VIJAYA MOHAN REDDY): Now, the Minister of Finance is to make a statement on DA. Mr. Sibtey Razi you can continue later.

STATEMENTS BY MINISTERS

I—Regarding grant of Dearness Allowance to the Central Government Employees

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Sir, on the basis of the recommendations of the Fourth Central Pay Commission, as accepted by the Government for Central Government Employees, dearness allowance at the revised rates has become due for consideration with effect from 1-1-1990, on the basis of percentage increase in whole numbers in the twelve monthly average of the All India Consumer Price Index Numbers of Industrial Workers (General) (Base 1960-100) for the period pending 31-12-1989 over the index average of 608, the base figure to which the the revised pay scales are pegged. The twelve monthly average Consumer Price Index for the period ending 31-12-1989 is 842.58, which works out to an increase of 38.58% over 608. Employees drawing basic pay upto Rs. 3500/- are to be

allowed 100% neutralisation, those drawing basic pay between Rs. 3501/- and Rs. 6,000/-, 75% and those drawing basic pay above Rs. 6,000/-, 65% neutralisation. These employees are, accordingly, entitled to revised D.A. of 38%, 28% and 25% of the basic pay respectively from 1-1-1990, as against 34%, 25% and 22% of the basic pay respectively being drawn by them at present since 1-7-1989.

2. Government have decided to pay the instalment of dearness allowance due to Central Government employees from 1-1-1990 in cash. Orders in this behalf shall be issued by the Ministry of Finance.

3. The annual cost of this instalment of D.A. payable to all Central Government Employees with effect from 1.1.1990 is estimated at Rs. 294 crores. The total expenditure on this account in the financial year 1990-91 will be Rs. 343 crores.

THE VICE-CHAIRMAN (DR. G. VIJAYA MOHAN REDDY): Now, clarifications on the statement by the Minister of Finance. Yes, Mr. Subramanian Swamy. Not here. Yes, Prof. Chandresh P. Thakur.

PROF. CHANDRESH P. THAKUR (Bihar): Sir, I welcome the announcement of the honourable Finance Minister with regard to the grant of DA to the Central Government employees.

Sir, there is no denying the fact that the Government employees need to be protected against the erosion of their purchasing power and of their pay packs. However, there are two factors which need to be taken into account. One is that this will effect the ways and means position of the Government with all its ramifications for the rest of the Budget and the other is the equity factor. We all know

[Prof. Chandresh P. Thakur]

that the question of Dearness Allowance is related to the rise in the cost of living. But why does the cost of living rise? If you relate the problem to the fiscal management and monetary management, then the solution is not giving relief after the cost of living has gone up because it is an unending process and it will lead to a spiralling effect, to the vicious circle of prices chasing wages and wages chasing prices. Now, it does protect further a relatively protected sector of the economy, because anybody who is employed and particularly employed with the Government of India and has an indexed dearness allowance system is definitely much more protected compared to anybody in the society. But unless a whole course correction is done in the monetary policy, in the fiscal policy, to which we are looking forward with eagerness beginning with the kind which the new Finance Minister is going to announce next week, we will continue to have this kind of an endless process of wildgoose chase which will create problems for everybody. So on the equity question that arises, what you are doing to the Central Government employees, are you simultaneously or immediately thereafter doing the same thing correspondingly for the rest of the society? In the private sector already there is a problem. In the first instance there is problem in the public sector itself about the Mishra Commission Report. Editorials gave a tremendous welcome to Mr. Dandavate's statement that, no, the recommendations of the Mishra Commission Report will not be followed, that there will be some problems. There have been protest letters, because the public sector employees are getting a raw deal and they are seeking parity with the Central Government employees. There is a difference in the degree of compensation for the erosion in the purchasing power. The point that I am trying to draw attention of the honourable Minister to is so good,

far so good, so far as the Central Government employees are concerned. The next question is a much more pointed question: Are you going to look after the public enterprise employees in consonance with the relief that you are giving to the Central Government employees immediately or thereafter? If not, how are you going to assuage their feelings? Otherwise, how do you think they will remain in the shopfloor in their offices?

Then, if you are compensating the price rise at this rate where Rs. 347 crores is the value of one instalment of payment in a full financial year for the benefit of the Central Government employees, what would be the cascading effect of this on the financial position of the Government of India and the cost of governance? Unless we get an assurance that the Government, through its fiscal and monetary instrument, going to guarantee stability of the cost of living index and control of the rise in prices, there is no solution. It is not an open-ended solution that everytime the cost of living index goes up you compensate it and then you take the first step, the second step and the third step, a consequential step. Cumulatively the tax-payer or the consumer is paralysed. So, the more important question is when you are giving a certain amount of relief to the Central Government employees, what are its consequences for the State-level employees? Because, for quite some time now the Central Government was supposed to be a better pay master. Over the years the agitations of the State Government employees in search of equity have led to a situation where the State Governments are giving dearness allowance at Central level and in some cases at levels much higher than that because it depends on the bargaining power of the State Government employees. Some State Government employees are always

in a position to hold the State Government to ransom and this has created a lot of fiscal imbalance at the State level which has its final consequences for the sharing of revenue between the Centre and the States to the extent of devolution required to bring relief to the State projects out of the financial pool through the Finance Commission's recommendations.

This question then raises another question. How much revenue is going to be declared for the fiscal instruments available to the Central Government, no matter how you share? This question will continue. How much more is the State Government going to get? What is the residue left with the Central Government? My clarifications are more specific. What are the concrete, concerted measures that the Finance Minister is going to take which will ensure with a certain degree of credibility that the increase in the prices or the cost of living index will be more rated, if not controlled totally, in the foreseeable future? Secondly, how is he going to handle the equity question across the employees groups, Central Government employees *versus* State Government employees, Government employees *versus* public sector employees, public sector employees *versus* organized sector private employees, organized sector employees *versus* unorganized sector employees and those who are on a rate basis or casual employees. Thank you.

THE VICE-CHAIRMAN (DR. G. VIJAYA MOHAN REDDY): Shri Subramanian Swamy.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): Sir, first of all, I am sorry I was not here when you called my name. But contrary to public pronouncements, the traffic police nowadays stops people when the Prime Minister is moving. So I was stopped... (Interruptions)

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): What a shame? (Interruptions)

SHRI SUBRAMANIAN SWAMY: That is now happening more often than in the past.

SHRIMATI JAYANTHI NATARAJAN: Where did the police stop you?

SHRI SUBRAMANIAN SWAMY: They stopped me near Maulana Azad Road. For ten minutes. (Interruptions)

THE VICE-CHAIRMAN (DR. G. VIJAYA MOHAN REDDY): Please ask clarifications... (Interruptions)

SHRI SUBRAMANIAN SWAMY: Sir, of course, you will please, through the Finance Minister, ask the Prime Minister to put a stop to this practice as he promised, namely, not to stop the traffic when his car is moving around.

I have only two clarifications to ask. One, at the time the Finance Minister took office he made a declaration that the treasury was empty. Now Rs. 343 crores expenditure is going to be incurred. I would like to know from the hon. Minister whether this money is going to be found from additional taxation in the forthcoming Budget. Or is it by curtailing the Defence expenditure or by increasing the deficit financing? How do you propose...

SHRI PAWAN KUMAR BANSAL (Punjab): Cutting on Education... (Interruptions)

SHRI SUBRAMANIAN SWAMY: How does he propose to find this Rs. 343 crores?

The second thing is that while some groups have got this price neutralisation, and some groups

2. [Shri Subramaniam Swamy]

have got 100 per cent, the crying demand today within the country is that such neutralisation should take place in the case of pensioners also. Will the Finance Minister—he is not even paying attention here. Has he any sympathy for elderly people? (*Interruptions*) He is still a young man, in my reckoning.

PROF. MADHU DANDA-
VATE : One is as young as he feels.

SHRI SUBRAMANIAN SWA-
MY : He has got a long life but his Government has got a short life. (*Interruptions*) Has he considered along with this neutralisation of prices pension also as a policy decision? Has he devoted any time at all to this, because there is a widespread demand that there should be neutralisation of prices in the case of pension also which employees are likely to get, particularly in view of the fact that life-span is increasing now? Has he considered this question at all? Thank you.

DR. YELAMANCHILI SI-
VAJI (Andhra Pradesh) : Sir, the hike in the DA is bound to enhance the taxation. Or we have to resort to additional printing of notes which will give rise to further inflation and again increase in DA. This is a vicious circle. What are the proposals under consideration of the hon. Finance Minister and the Government to prevent this vicious circle so that the common man may not suffer? The organised sector—Government employees, public sector employees or other employees is being compensated by the hike in DA and other things. How about the common man? Is it the common man who has to pay for all these things? I would like to get a clarification about this from the hon. Finance Minister.

SHRI BHASKAR ANNAJI
MASODKAR (Maharashtra) : As far as this statement is concerned, it seems, we are caught up in a vicious circle and there is no indication how we are going to control the dearness itself. What is the projection on this aspect? Secondly, I would also like to know whether any attention is being paid to National Wage Policy so that all these anomalies which have been pointed out by me learned friends will be taken care of. So also the question of pensioners will be looked after. How far is the base taken in 1960 relevant even in 1990? Is there no revision thought of the base year itself now that we are in 1990? Thank you.

PROF. MADHU DANDA-
VATE : Sir, I fully share the views that have been expressed by Mr. Thakur while seeking clarifications. In fact, I felt for a moment as if I was seeking the clarifications and he was offering them. He has rightly said that it is a vicious circle. I would like to tell the hon. Member that the offer of dearness allowance is only a remedy. What is required is a preventive. Therefore, I fully agree that the root cause is inflation and it has to be checked. More inflation will mean more dearness allowance. More dearness allowance will mean more inflation. Therefore, this entire vicious circle will go on. But I can assure him with all my modesty that it will be my modest effort to see that this vicious circle is broken so that it does not repeat itself. He has raised the other question saying that there are certain contradictions such as organised labour *versus* non-organised labour, Central employees *versus* non-Central employees and landless labour *versus* organised labour. All these contradictions are inherent in the situation. In addition to that, even if you leave these labour categories, there are also sectoral categories such as private sector *versus* public sector.

All these contradictions are inherent in the present situation. Therefore, to the extent we are able to rehaul the entire economy, we will be able to do that. For instance, the best thing to prevent the disease is to have some preventive medicine. But if there is a patient unfortunately, the doctor cannot give him a philosophical dose saving that there is no sense using a remedy. You better die. Preventive dose could be taken before you developed the disease.

This is so as a result of the policies pursued for years together. But we have been concentrating on the remedial measures. We will also try to concentrate on the monetary and fiscal policies by which we will be able to prevent this situation.

I think Dr. Swamy joined him though he did not listen to him. Some clarifications appear to be original. He repeated the same point. Of course, he started with the Prime Minister and then came to the Finance Minister. As far as the first point is concerned, I am not competent to say anything. As far as the second point is concerned, he, in his inimitable style, very cleverly asked me to leak the Budget. He said, "Will you reduce Defence expenditure?; will you have additional taxation, what will be the restructuring of the taxes, etc. etc.?"

SHRI SUBRAMANIAN SWAMY : Or you confess that the treasury is not empty.

PROF. MADHU DANDAVATE : Or confess that the treasury is not empty. Leave aside the empty offers. I will deal with that separately. I have already explained that point in his absence here. As far as the rest of the proposals are concerned, he has very intelligently and cleverly provoked me to leak Budget. He felt that if he could not drive me out otherwise, at least

by this methodology he could send me out. But I will not oblige him.

Sir, there is one aspect that has been raised by my friend, Shri Sivaji, again raising the same point about vicious circle and saying that if such an expenditure is going to be there, will it lead to further taxation? I will not be able to give any reply on that point on the eve of the Budget. But I can say only this much that we will take cognizance of all these basic factors to which the hon. Members have referred. Again our friend has also suggested that rather than Dearness Allowance, we should deal with dearness. In every sphere it is better to deal with dearness rather than allowances and I take note of that. Please don't misunderstand me. In fact, there is a theory. Someone put forward a theory that those who are unmarried should be given more allowance. And he said that those who are dearless they should only get the Dearness Allowance. I do not agree with that theory, Sir. Dr. Swamy also raised the question of pensioners. I am very happy to inform Dr. Swamy because he is the greatest supporter of the old pensioners though he is young, and I can assure that as far as this Dearness Allowance and other things are concerned, whatever is applicable to the employees, that will be also applicable to the pensioners.

SHRI SUBRAMANIAN SWAMY : Sir, one more point He said that in the recent past, because of the economic policies and due to the failure of the previous finance Minister this mess is there. The present Prime Minister was the Finance Minister in the recent past...

THE VICE-CHAIRMAN (DR. G. VIJAYA MOHAN REDDY) : Now Shri Arif Mohd. Khan...)

PROF. MADHU DANDAVATE : Sir, I did not refer previous Finance Minister. I con-

[Prof. Madhu Dandavate]

centrated on the present Finance Minister only, Sir.

II Regarding accident to the Indian Airlines airbus A-320 Aircraft at Bangalore

THE MINISTER OF ENERGY WITH ADDITIONAL CHARGE OF THE MINISTRY OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN) : Mr. Vice-Chairman, Sir,—it is with deep anguish that I recall the accident to the Airbus A-320 aircraft VT-EPN of the Indian Airlines on the 14th February, 1990. The aircraft was on a flight from Bombay to Bangalore and was carrying 135 passengers, 4 infants and 7 crew members. The aircraft crashed outside the Bangalore airport about 800 metres short of the runway while on its final approach to land. During the crash, the aircraft caught fire and was burnt except for the tail portion and the wings. The weather at the time of the accident was fair with a visibility of 10 kms.

Unfortunately, 92 persons have lost their lives in this accident, including the commander and the co-pilot, two cabin attendants, four infants, and the two passengers who succumbed to their injuries later. Fifty four persons have survived in the accident, including three cabin attendants.

The survivors of the accident were admitted to the Air Force Command hospital and the Hindustan Aeronautics Limited hospital at Bangalore and were given prompt and efficient medical service. Indian Airlines also made necessary arrangements for the transportation of the relatives of the victims to Bangalore and subsequently for the transportation of the bodies to various places at the request of the next of kin. Of the 90 persons who died on the day of the accident, the relatives could identify 66 bodies

and the remaining 24 bodies were mass cremated on the 17th February observing the last rites of various religions.

Immediately, on receipt of information about the crash, I rushed to Bangalore along with senior officials of the Ministry of Civil Aviation, DGCA and Indian Airlines and visited the accident site and the hospitals where the injured were undergoing treatment. I also visited the mortuary and shared my grief with the relatives of the victims. I had also directed the hospital authorities and the Indian Airlines to provide every possible assistance to the injured and the relatives of the victims. Later, I also attended the mass cremation of the unidentified victims at Bangalore on the 17th February.

I should like to take this opportunity to place on record my deep appreciation of the cooperation and assistance extended by the Government of Karnataka as well as the Air Force Command Hospital and the Hindustan Aeronautics Ltd. Hospital at Bangalore. I would also like to pay my tribute to the alertness, presence of mind and selfless action of the three surviving airhostesses viz. Ms. Sujaya, Ms. Neela and Ms. Sadhana.

The ill-fated aircraft had arrived in India on 24th December, 89. It held a current certificate of airworthiness valid upto 21st December, 1990. The aircraft had done a total flying of 366 hours and 300 landings till the date of the accident. On the accident flight, the aircraft was under the command of Capt. S.S. Gopujkar who had a total flying experience of 10340 hours including 260 hours on the A-320 aircraft. Capt. Gopujkar was a Check Pilot on A-320 aircraft approved by the DGCA. The Co-pilot of the aircraft was Capt. C.A. Fernandez who had a total flying experience of 9307 hours including 68 hours as