

## RAJYA SABHA

Friday, the 29th May, 1971/the  
11th Jyaishta, 1933 (Saka)

"The House met at eleven of the clock,  
MR. CHAIRMAN in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### PRICE SPIRAL

•120. SHRI CHITTA BASU : Will the  
Minister of LABOUR AND  
REHABILITATION/श्रम और पुनर्वासि  
जी/जी be pleased to state :

(a) whether his attention has been drawn to the observation made by the Minister of Finance in his budget speech in March last to the effect that "it is now generally recognised everywhere that without an active policy of restraint on wages and prices and, therefore, on incomes, we cannot avoid a price spiral"; and

(b) if so, whether, the restraint on wage indicates the Government's move to impose wage freeze on the workers?

THE MINISTER OF LABOUR AND  
REHABILITATION/श्रम और  
पुनर्वासि मंत्री (SHRI R.K. KHADILKAR);

(a) Yes.

(b) There is no such move.

SHRI CHITTA BASU : Sir, the Prime Minister and the Labour Minister have, of late, referred on many occasions to the question of strife-free growth of our economy. May I, in this connection, ask the hon. Labour Minister to tell the House as to whether the Government of India considers it desirable to bring about comprehensive changes and, in some cases, overhauling of the labour laws so that the strife, if not eliminated, be

at least minimised and for that purpose, may I know, whether the Government proposes to bring about legislative measures providing particularly for compulsory bipartite settlement of wage disputes and elimination of third-party interference in the matter of disputes? I want to know whether the Government proposes to bring about such comprehensive legislative measures for that particular purpose.

SHRI R.K. KHADILKAR : Sir, the hon. Member is aware that the recent conference of trade union leaders as well as employers representatives was aimed at creating a stable atmosphere for such a move, because whatever labour legislation we undertake is done according to the consensus that is evolved on a tripartite basis, and tripartite machinery is still the basis for any move regarding labour laws or labour legislation. If the hon. Member permits me—and it appears that he is in a co-operative mood—then these efforts will succeed and certainly our object is, as far as possible, bipartite negotiations. But in case of failure there must be suitable machinery to see that it does not result in a conflict or strike.

SHRI CHITTA BASU : Sir, I want to know whether the Government agrees that the real wages of workers of our country are declined and in view of this whether the Government considers that the workers have also got a case for a wage increase in view of the fact that the wages change the prices. In this connection may I also ask the hon. Minister whether the Government now considers it desirable to revise its own decision with regard to the fixation of need-based minimum wages on national level? I also want to know whether the Government also proposes to bring in legislation to ban closures, retrenchment and lay-off which are the major sources of strife in the trade union field today.

SHRI R. K. KHADILKAR : Sir, the hon. Member has put two or three questions.

SHRI A. G. KULKARNI : .....  
as usual.

SHRI R. K. KHADILKAR :  
Everybody is aware that if prices are not kept at a certain stable level it naturally erodes the incomes of wage-earners. That is accepted. Fortunately for us, for the time being, if we study the index numbers, this year prices are a little steady—he can see from the index numbers; I need not read it out. Regarding the living wage and need-based wage, there is a controversy. When the strike took place, that was one of the basic demands but as the hon. Member knows very well, we are at this stage striving to give a sort of fair wage to all the Workers. Now, how to define the fair wage? Some attempt has been made by the National Labour Commission and they have defined like this :

"Need-based wage is supposed to be the floor of the fair wage."

If we are attempting to have a fair wage, then certainly we would like to cross the bare minimum which is needbased. So you would appreciate that.

SHRI CHITTA BASU : Give effect to that.

SHRI R. K. KHADILKAR : For giving effect to that, in the present context of the economic situation, there are many limiting factors where I cannot say categorically this effect could be given immediately. The other question was regarding closure. I entirely agree with him. There are a number of closures in this country. The closures are taking place sometimes due to mismanagement, sometimes due to fraud and sometimes due to workers and employers in conflict. We are seriously considering how to avoid these, because if our objective is to increase production and have a strife free economy, we will have to take some measures in this direction.

SHRI M.S. GURUPADASWAMY:

The great lacuna in our economy is there is an absence of national wage, price and income policy and that has led to various distortions in our economy. May I ask whether the Government is contemplating to have an integrated, rational price and income policy in the future? Secondly, the Minister said that the prices have somewhat been stabilised. May I know if it is not a fact that in the advanced countries of the world any increase of price beyond 2 % per year is considered to be dangerous and abnormal? If that is so, does my friend think that an annual increase of 5% in price is not dangerous and abnormal?

SHRI R. K. KHADILKAR: So far as the first part of the question is concerned the labour is always interested in three things—wages, prices and employment and the allied question is income policy. The Member realises this, I think. Everybody desires to have an integrated approach. To evolve this approach, attempts are made but I would ask the Members to address that query to the Finance Minister or the Planning Minister. About the price, I would point out that I entirely share his anxiety about even marginal price rise because in our country it immediately erodes the living standards of the poorer sections of the society but as I said, fortunately comparing the price level in India with the price levels in other countries, our marginal increase is much stable and not so high.

SHRI KRISHAN KANT : May I know from the hon. Minister whether he can interpret the word 'restraint' in the sentence of the hon. Finance Minister? What does the word 'restraint' mean? Can he amplify it? Does it mean some restraint on income, dividend or profit?

Secondly, he has referred to productivity and all that. May I know what was the productivity index in 1952 when the Plan started and what is the

productivity index in 1970-71 ? And what were the real wages—not the notional wage—in 1952 and how do they compare today in 1970-71 in relation to productivity.

SHRI R. K. KHADILKAR : I am afraid the question is so big in magnitude that it covers the entire gamut of our economic relationships and it is very difficult to give a reply to it. But as he has asked for interpretation I would just say this. After all the word has been used by the Finance Minister but I presume when he uses that word 'restraint' he uses that word in the broadest context like restraint on conspicuous expenditure, restraint on unearned income and such other things. This much I can assure him; beyond that I cannot say.

SHRI KRISHAN KANT : What about the second point raised about productivity index in 1952 and in 1970-71 as also the real wages in 1952 not the notional wage—and in 1970 and whether the increase in wage has kept pace with the increase in productivity.

SHRI R. K. KHADILKAR : Here also there is a certain amount of anomaly. In certain sectors, for instance in banks, the wages have increased by 15 per cent. You take the overall picture. In certain other fields the increase is very limited. My main object in this discussion was that we will have to take into consideration the gap between the highest and the lowest. Unless we keep that in view it is very difficult to evolve a national wage policy. Today what has happened? I will give you one instance. For earning a load of ore at the shore in port, a man gets Rs. 5/- and at the pithead, at the quarry level, for carrying that same load to a truck a man gets 95 Paise. If these gaps are not taken into consideration it would be difficult to evolve a level of wages. So you will have to study the problem from sector to sector.

श्री सुन्दर सिंह भंडारी : मैं मंत्री महोदय से पूछना चाहता हूँ, जब कभी भी बेरोजगारी बढ़ती करने का प्रश्न आता है तो कीमतों की बढ़ोतरी के साथ उसको जोड़ने की कोशिश होती है। श्रम मंत्रालय श्रमिकों को अधिक सुविधा देने में अधिक रुचि रखेगा, यह स्वाभाविक है, परन्तु श्रमिकों का मामला अधिक सज्जुत बने, इस हेतु सारे प्राइस स्ट्रक्चर में जो दूसरे फैक्टर्स हैं, उसमें अगर कहीं फ्रीज या कोई सीमा बांधने का प्रयत्न किया गया, तो कुल मिला कर कीमतों की बढ़ोतरी में केवल बेरोजगारी का भार कम हो जायेगा। क्या ऐसी कोई तुलनात्मक योजना है, जिसमें श्रमिकों के बेरोजगारी बढ़ाने के आग्रह पर ही कीमतें न जोड़ी जा सकें। क्या इस काम का अध्ययन होगा, जिसकी वजह से सारे देश को इस मामले को समझने में सुविधा हो सके। क्या इस तरह की कोई रिपोर्ट है और क्या आप उसको सदन के सामने प्रस्तुत करेंगे ?

SHRI R. K. KHADILKAR : This question is also equally broad and it should be primarily addressed to the Planning Commission and the Finance Ministry. So far as the basic impact on prices is concerned it has a limited effect. I entirely share his anxiety. In order to bring about some stability from the consumer's point of view as well as from other point of view the entire field needs to be reviewed and some method or system should be evolved. That is the work, according to me, of the Planning Commission.

SHRI A. G. KULKARNI : So far as the use of the word 'restraint' is concerned, yesterday the Labour Minister categorically stated that there will be no freezing of wages. Unless you have an integrated policy, unless you control income as well as prices how can you achieve the results envisaged in the finance Minister's statement? That is No. 1.

Secondly I want to know whether the Labour Ministry is aware that in this country the organised labour gets all its demands sanctioned because of its collective strength while there is a huge sector of unorganised labour

particularly in the rural areas working on a pittance of eight annas or a rupee per day. Has the Labour Ministry got any policy with regard to this unorganised labour ?

SHRI R.K. KHADILKAR : I share the hon. Member's concern for unorganised labour because organised labour is hardly 4 per cent; but because of the Government policy unorganised labour also derives benefit because of the pressure exerted by the organised labour. It is for hon. Members who come from the rural areas to see how they could help in organisation of rural labour who are landless or otherwise. That will be more helpful. Regarding the first question, I do not interpret that this statement of the Finance Minister in whatsoever manner indicated a wage freeze. I have studied it very carefully. He wanted just to indicate a certain restraint and that restraint he wants to have all round.

SHRI BALACHANDRA MENON: In view of the fact that wages always lag behind the prices, will the Government at least see that immediate steps are taken to bring about a wage legislation so that in the organised sector and in the State sector the workers employed in these at least get a national minimum wage?

SHRI R. K. KHADILKAR : We are doing our best to see that price rise does not erode the wage or the real wage, but I cannot just say it would be possible from sector to sector to ensure that immediately there is a price rise there will be a mechanism to give a wage rise. But in certain cases like Bombay and others in the textile industry, because of that mechanism immediately there is a certain amount of equalisation.

SHRI N. G. GORAY : I would like to point out to the Minister that while this observation of the Finance Minister is being quoted here there is another observation in the Economic Survey that has been given to us, and

it is this that the disturbing factor which is emerging is the continuous rise in prices. If this is a disturbing factor, unless there is some strategy to check it, what is the use of saying that there should be a restraint on wages and all that? I would like to know what is the strategy. If it is not there, then what he has said is only a pious hope and nothing more than that.

SHRI R. K. KHADILKAR : I fully share his concern that even a slight rise or a tendency of price increase should be carefully watched and some strategy as you say must be evolved to check it. As I said, this matter does not concern the Labour Ministry. It is the primary concern of the Planning Commission or the Finance Ministry.,

SHRI BABUBHAI M. CHINA! : Will the hon. Minister be kind enough to enlighten the House on this point? He has just now stated that only 4 per cent labour is organised. He also said that it is not possible to have a mechanism overnight to see that when the price rise comes the wages are increased. He also conceded that in the textile industry this position is there. May I know, in view of the fact that the number of labour hours lost, working hours lost, during the course of the last year is on the increase, in view of the fact that the organised labour sector is the only sector which has been benefited during the course of the last year—Rs. 170 crores were raised by the then Finance Minister by way of taxation out of which nearly Rs. 134 crores had gone in increase of wages in all sectors—in view of this, will he also give us an assurance that those who are not organised will also be taken care of and not only those who go on shouting day in and day out?

SHRI R. K. KHADILKAR : As I have said, keeping in view the difficulties of unorganised labour Government have taken steps as far as minimum wages and others are concerned.

They are meant for giving protection to unorganised sector. That is our aim.

MR. CHAIRMAN : Next question.

SHRI ARJUN ARORA : I want to put a question. It is a very important question. On some occasions the House has gone on with a question for fiftyfive minutes.

MR. CHAIRMAN : I do not know if the House wants that we should go on with this question and not deal with any other question.

SHRI ARJUN ARORA : All right Mr. Chairman. But then there should be at least an half-an-hour discussion on that.

MR. CHAIRMAN : Give notice and I will consider it

Next question

#### PRODUCTION OF CASH CROPS

\* 121. SHRI RAJENDRA PRATAP  
SINHA : SHRI ARJUN  
ARORA : f DR. SALIG RAM:  
SHRI KRISHAN KANT:

Will the Minister of AGRICULTURE/ Will be pleased to state:

(a) whether the cash crop production is measuring upto the Fourth Plan expectation;

(b) if not, which are the items of shortfall; and

(c) what steps have been taken to meet the gaps in the shortfall ?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE-

| The question was actually asked on the floor of the House by Shri Arjun Arora.

TURE / grfcf uNfrear 3 xw \*T?ft ( SHRI ANNASAHAB P. SHI-NDE): (a) and (b) Final estimates of the production are available only for the first year of fourth Plan i.e., 1969-70. These estimates and crop prospects for 1970-71 indicate that in the case of sugarcane, the annual targets of production have been exceeded and in the case of oilseeds and tobacco, there might be only marginal shortfalls in 1970-71. In the case of cotton and Jute however, actual production has lagged behind the annual targets.

The tempo of work under the existing intensive cultivation scheme is being accelerated. Considerable stress has been laid on research under the coordinated improvement schemes. A hybrid variety of cotton which has a considerable potential of increased production is being extended to suitable areas. In co-operation with Directors of Cotton growing States certain new schemes have been formulated on the lines of Intensive Agriculture District Programme for irrigated and unirrigated areas. These will be finalised as soon as possible.

SHRI ARJUN ARORA: May I know what are the Government's plans to ensure that the planned production of the various cash crops taken place because when there is a shortfall the Government immediately announces imports? Last year there was a shortfall in the production of cotton, and from the reply, it seems that there is going to be a further shortfall. When that happens, the Government rushes to the United States and other countries and imports. I want to know what are the Government's plans to avoid such a contingency arising again and again, and how does the Government regulate that the cash crops are harvested according to the plan?

SHRI ANNASAHAB P. SHINDE : Sir, as I mentioned in the main part of