

[Shri Dinesh Singh.]
goods buffer stock where they could stock the goods they produce and by which they will have certain manoeuvrability in offering the goods for sale and we said that we shall be very glad to co-operate with them in the creation of this buffer stock. The jute industry is, I believe, giving consideration to this matter and I should like . . .

SHRI NIREN GHOSH: Why leave it to the industry? Why should not the Government itself take it up?

SHRI DINESH SINGH: That is an interesting question why should not the Government itself do it? The point is that this industry is a very old and established industry which has considerable exports and imports are linked with the traditional buyers and others and we would not like suddenly to disturb them and also take over this liability while they will have no obligation to produce it at a competitive price. Then the whole burden will be on us. Actually this is what they have been asking and I am surprised that the hon. Member is putting forward that proposition. That is exactly what the industry has been asking. We do not want to take over that obligation; they must be able to sell it at a reasonable price while we are willing to give them every accommodation possible. That is the basis of the whole thing. And I would like to appeal to them through the hon. Members of this House that it is one of the very important export industries and we would like their full-co-operation. We would not like to do anything which will disturb this industry and we are convinced that this is the best way. We have suggested other measures which have been given in my statement and I would urge the industry to consider this in all seriousness and not go on to a position where we may be forced to take stricter measures.

Thank you, Madam.

SHORT DURATION DISCUSSION UNDER RULE 176 RE DELAY IN IMPLEMENTING THE REPORT OF THE GAJENDRAGADKAR COMMISSION

THE DEPUTY CHAIRMAN: Now we go on to the next item. Mr. Bhadram. You will get 10 minutes and all the rest five minutes each; one from each party.

SHRI M. V. BHADRAM (Andhra Pradesh): The other discussion has taken more than three hours, Madam.

THE DEPUTY CHAIRMAN: It may have because you did not co-operate.

SHRI M V BHADRAM: For that the people who co-operate are to pay the penalty?

THE DEPUTY CHAIRMAN: What you cannot say in 10 minutes you won't say in 20.

SHRI M. V. BHADRAM: It all depends upon each individual's capacity and knack in putting forth one's point of view.

Madam Deputy Chairman, the D.A. Commission appointed by the Government has submitted its Report on the 29th May and the recommendations are yet to be accepted by the Government and to be implemented. In this connection the Finance Minister has advocated a peculiar, fantastic and obnoxious theory which is provoking not only the Central Government employees but also the State Government employees, the employees in the public sector undertakings and also the employees in the private sector. The employees are due one slab from February and the second slab from June of this year. It means the lowest employee is to get Rs. 12 from June. But the Finance Minister says that the whole amount is to be credited in the Provident Fund account and that he will wait till the 31st March 1968 when he will see what can be done. It tanta-

mounts to a D.A. freeze. He is also advocating to pacify the poor employees, a profit freeze, a price freeze and all that. The theory that is being advocated is not any new theory. It is old rotten theory because the theory will only be swelling the pockets of the monopolists not only in India but in other places also.

Let me first go into the concept of the D.A. During war period when the prices went up there was an agitation and what was called a War Allowance was started in India and the concept of this War Allowance or the D.A. was to protect the employees from the erosion of the rising prices into their pockets or into their incomes. That is the main reason why the D. A. has come into existence. The First Pay Commission also have accepted this principle. The First Pay Commission have said:

"We are convinced that in the best interests of country and of the public service, it is necessary that the lower ranks of the services should be placed in a position in which their total earnings, that is, the aggregate of their pay and dearness allowance, will suffice to provide a reasonable subsistence for them."

The dearness allowance was 5 P.M. introduced only to keep up the subsistence level of the employees in the various categories.

The Finance Minister's proposal is trying to do away with this.

I would give a few figures in this connection. At the beginning of the First Plan, i.e., 1951 the index of real earnings of workers—base 1939—stood at 92.2. In 1964, which is the latest available figure, the index of real earnings on 1951 base stood at 102, i.e., only 2 per cent higher over 92.2, or, in other words, it was six points lower than the 1939 level of wages. If the prices which are prevailing today are taken into consideration, the real earning is still lower than the 1939 level.

The latest figure available, which, I think, is for May, is 206. Therefore, the D.A. that is recommended by the D.A. Commission is only to protect the employees from going below the subsistence level. If that is going to be denied, I do not know what will happen in the country in the coming few days.

SHRI AKBAR ALI KHAN (Andhra Pradesh): With your permission, may I ask him to clarify two things? One is are we interested only in a section of the people or the whole of the people? The second is, may I know whether it is necessary to make foodgrains and other essential commodities cheaper to allow them to increase by giving more D.A?

SHRI NIREN GHOSH (West Bengal): Are you interested only in a monopolies?

SHRI M. V. BHADRAM. If Mr. Akbar Ali Khan is a little bit interested in the issue, he can go through the D.A. Commission's Report wherein all the answers can be found to his questions.

SHRI AKBAR ALI KHAN: I have.

SHRI M. V. BHADRAM: At pages 42 and 43 they have dealt with this question.

SHRI AKBAR ALI KHAN: That is not true.

SHRI M. V. BHADRAM: It says here

"Our finding, therefore, is that whatever may be the position in regard to the burden on the rest of the community dearness allowance, as we have defined it, must be paid to the categories of employees mentioned by us."

That is the recommendation. This view was held by the First Pay Commission also.

SHRI AKBAR ALI KHAN: What about the other sections?

SHRI NIREN GHOSH: You are interested only in one section.

SHRI M. V. BHADRAM: Please go through the Report. If you do not have time, and if you can come to my room, I shall explain to you the whole thing. (*Interruption*). Madam, let him not interrupt me. Otherwise, I will go on speaking.

THE DEPUTY CHAIRMAN: I think you should keep to your time and please do not care for the interruptions.

SHRI M. V. BHADRAM: Then the argument has been advanced even today—not only in India but also in other places and it has been repeated several times—that prices and wages chase each other, that when the wages go up automatically the prices also go up. This theory is fantastic and in practice, in real life it is not a correct thing. I will quote the American Government. The Bureau of Labour Statistics of the US Government made a survey and the conclusions are:—

“The index for unit labour costs was lower than the price index for every year prior to 1956, although the difference was very slight and probably insignificant in 1953 and 1954.” In other words, non-farm prices were rising faster than unit labour costs, between 1947 and 1956, except for the one year 1956. During the post world war II years, price increases have been pulling up unit, labour costs and not *vice versa*, as commented by the American TU centre, etc.”.

That was one of the things studied by the American TU centre.

The other thing is our Ministry of Labour's Central Statistical Organisation and the Indian Statistical Institute conducted a survey on the effect of wages on agricultural prices and they say this:—

“In the economy as a whole, labour output or wage income forms only about 16.7 per cent of the total value at market price of goods and services produced in the economy, while the corresponding percentage of material inputs to produce that output is 31.9. Thus material costs form a greater portion of the total cost than labour cost. As a percentage of the gross domestic production at factor cost the share of labour or wage income is only 23.7. This is significantly lower than the corresponding percentage in the case of large-scale manufacturing (48.2 per cent) and tertiary (41.6 per cent).”

It has been found that a 20 per cent increase in the wage cost in the large-scale manufacturing sector will increase price levels in agriculture by 0.05 per cent, mining by 0.17 per cent, in large-scale manufacturing sector by 3.71 per cent, in small scale manufactures by 0.61 per cent and in the territory sectors by 0.28 per cent.”

Price rises in India are not influenced by wage costs or increase in wages. The per capita availability of food-grains rose from 399.7 grams to 413.9 grams in 1965. During the same period the total production has increased, but what happened? During this period, the wholesale price index on food items moved up from 102.2 to 166.1. When the production is going up, the prices are also going up. So, the wage increase has nothing to do with this at all. It is only the manipulation of the capitalists and particularly the monopolists that is creating this theory which has been debunked. I may also point out that during the same period production has gone up very much and at the same time the prices have gone up. As to how the production has gone up, I will just give one or two instances. On the other hand, the real wages have fallen steeply. The index of industrial production has more than doubled since 1951.

It has risen from 73.5 to 177.4 in 1964 and 191.5 in 1966. What he become of all this production, all this profit, all this money? We have got the Hazari Report. All these years this Government has produced a monopoly in this country and it is given in the Monopoly Commission's Report. The total assets are Rs. 2605.9 crores. They control 46.9 per cent or nearly half of the assets of non-Govt. and non-banking companies in India. This is exactly the position. We have produced a monopoly capitalist system in this country. We have seen the other day in this House that the decontrol of cement had produced Rs. 49 lakhs, out of which Rs. 31 lakhs was spent for the election purposes of the Congress Party. That was revealed. Yesterday evening the Food Minister has announced the decontrol or partial decontrol of sugar. This also is only going to add to the pockets of the sugar magnates in India. The whole theory behind the Finance Minister's move is to help, to encourage the monopolists in India and to rob the entire people. This is the first attempt on the industrial workers as well as the Central Government employees to strike a serious blow against them. The same Finance Minister, when he was Finance Minister sometime back, had introduced the Gold Control Order. We know what happened to that. The whole country knows it. He had to go back. The Gold Control Order rendered lakhs and lakhs of goldsmiths as destitutes and they are begging in the streets in various places. The Finance Minister has now declared a war on the Central Government employees, employees of the public sector undertakings, of the State Governments, of the local-self governments, and ultimately on the employee class as a whole. Therefore, this war is not only an economic war on these people but, as I understand it, it is a war against the faction inside the Congress also. Whatever it may be, it is for them

to settle their own affairs, I do not like to go into their family quarrel. But as far as the employees are concerned, this challenge has already been taken up by the entire working people irrespective of political affiliations. All have united, all are joining, and they will take up the challenge on the 11th September. Honest people, whoever they are, stand by the employees of this country, particularly the working people. I appeal to Members also to join in this to defeat the very retrograde step and the anti-people's policies of the Finance Minister.

SHRI DAHYABHAI V. PATEL (Gujarat): It is very difficult to express oneself on such an important matter and on such a bulky report in the short space of a few minutes. A matter of this type should have had better consideration in this House. The House should have been able to spend more time on it.

Madam, at the outset one must admit that the Government having committed themselves to appoint a Commission to look into this matter are in honour bound to accept its recommendations. Government with open eyes appointed an eminent person like a Judge to go into this question, and there is no reason for going back on this award. It is true that in this country prices are chasing D.A. and D.A. is chasing prices. We have got into a vicious circle. But that is the fault of the twenty years' planning of this Government which has been so faulty. The planning from the outset has been in the hands of most impractical people, the orists and academicians, but not people who have executed anything properly. All the plans had been made big, wild and grandiose, but they yielded nothing. All the money that you spend goes away without yielding anything. When you spend the money without its producing any result, it only

[Shri Dahyabhai V. Patel.]

adds to cost. Therefore, prices go up. This is the vicious circle we have got into. It is futile to talk of price control. If Government's idea is to control the price of everything, they will have to set up a police State or a second Communist Government in this country. I see very many signs of the way in which some people in this House and in this country seem to think, who are urging us and wanting to drag us to that state. But I hope that the voice of the people of this country will prevail and we will be prevented from going that way. After all prices can only go down when there is plenty. The law of demand and supply will always apply. When will there be plenty? It is when our economy, and machinery of Government and our taxation policies are geared to a policy of greater production. Are they geared to that policy? Unfortunately they are not, and that is why we are today in this sorry state. If the Government changes its policies radically, very soon we can come out not only of this high price vicious circle but also out of this recession. The most greedy person in this country—I cannot say person, I do not mean it personally even to the Finance Minister because he is holding that place—is the Government. For every article you buy in the market, from the match box to the motor car, 65 to 75 per cent goes in taxes. If for a small article like a match box 65 per cent of that goes in taxes, the surest way to reduce prices is to cut the taxes. Instead of this mad rush to go on increasing taxes, which is so ruinous to the economy of this country, the Government must set about changing its methods. The statements made by the Finance Minister raised some hopes in the minds of some people that he would be able to do something. But unfortunately he has been gheraoed in his own party it seems, and he cannot execute any of the reforms that he promised even in his Budget.

What else will happen except that prices will increase?

SHRI BHUPESH GUPTA (West Bengal): Who has done that?

SHRI DAHYABHAI V. PATEL: I say in his own party. You are putting pressure from outside. You are continuing your job of putting pressure on him and Government from outside. You are interested in creating difficulties for the Government.

SHRI BHUPESH GUPTA: At present he is in Japan, in the company of geishas.

SHRI DAHYABHAI V. PATEL: I know he is in Japan. I am sure he would be trying to do his best to get some aid. But aid and aid and aid is not going to help us. If we take aid, we must take aid as Japan took as Germany took, with a view to building up our economy. Unfortunately all the aid that we took we did not take the precaution of spending properly so that every bit of the money was spent on unproductive use. Of course there are the public sector projects which are huge white elephants, show pieces, but which produce nothing. The Minister of State gave some examples of some public sector projects which were producing. The figures and information were imperfect and irrelevant. How much money have we spent on them? For how many years have we put up with loss? Tell us what percentage of return all your public sector projects put together are giving. If only your public sector projects gave you a return of a minimum of 5 per cent, the Government of India would not be in this difficulty. The prices would not rise so much and such a high taxation would not be necessary. Therefore, what is necessary is a radical change in the Government's policies.

SHRI BANKA BEHARY DAS (Orissa): Madam Deputy Chairman, the issue is very simple to me. The very idea of providing dearness allowance to the Government servants is just to protect their real wage; they are not going to enhance the wage. Even we are not very happy with the Report because full neutralisation is not provided there. Only the lower slab of people who are drawing below Rs. 105 will be getting 90 per cent neutralisation; the higher up you go, the neutralisation is still less. So, it is not a question of giving them any additional wage. And here I want to say also emphatically that in this country there is no chasing of wages and prices after each other; here only we find that the wages are chasing the prices. It is not *vice versa* in this country. (*Interruptions*). And I want to say also here: for this wrong policy of this Government in the last 20 years, can the Government expect that the Government servants will pay the penalty for those mistakes? If today the Government think that it is not going to provide them with the full neutralisation if they think that they will have a wage freeze or that they are going to give them in the shape of bonds, then I will honestly request the Minister to think that there the idea of compensation, this very idea of additional dearness allowance, is just to protect the real wage of the worker. And even the real wage is not protected, and that has been admitted by the Commission itself. The Commission says:

"The Das Commission was, presumably, impressed by the employees' plea that in regard to the employees who receive salary below the subsistence level, neutralisation of the consistent and substantial rise in prices must be 100 per cent. Even so, it took into account the several factors on which the Government relied and awarded neutralisation at the rate of 90 per cent . . ."

And the Pay Commission went to the extent of neutralisation of 95.2 per cent. So, gradually, there is a tendency for all the subsequent Commissions to slash down whatever even the Pay Commission advocated in their formula. So, though we are not happy with this Commission's Report because it does not give full neutralisation but still in regard to whatever they have advocated, I want the Minister here and now, today, in the House to announce that this will be paid retrospectively, with full benefit, without either slashing it down or having a policy to give it in the shape of bonds. I want to warn the Government also. It is not simple matter. Here today we are discussing how the agriculturist will get his real income for his production; we are discussing sometimes what will happen to industry, how industry should also function with the minimum dividend that it is required for it. And here it is a question of the Government servants who, for no mistake of theirs, for no fault of theirs, are denied their due. They are now living under conditions of difficulty; most of these employees are Class IV employees who are drawing salary which does not even meet their daily necessities of life. I want to say here that it is not as if you are going to give them something which they do not deserve. I have no time to quote from the Commission's Report. They have categorically stated here that the additional dearness allowance is just to provide them with a subsistence wage. And even the Supreme Court of India, in some of the cases, has categorically stated that dearness allowance is virtually a part of wage as regards the lower income slab people. That is why I want to give a warning in this House to the Government that if they do not decide before September 11 to give the full benefit at least according to the Commission's Report then a massive strike is going to take place in this country

[Shri Banka Behary Das.]

and they cannot blame us that only the Opposition people are conspiring to have a massive strike in this country. You must have seen in the Press that even the INTUC which has been virtually the labour wing of the Congress Party has lent its full support to this strike. And besides, all the Central trade unions of this country, most of the other unions also including Federations like the All India Railwaymen's Federation, they have also decided to join in the strike. And I can warn the Minister: unlike during the other strike when the All India Radio announced that though the strike was on, actually the workers were there in the factories, that the Government servants were manning the services and that the services were normally operating, the All India Radio on that day will be off the air and will not be there to announce that the strike has been unsuccessful. So, I want to plead with the Minister that you have no right to penalise the very employees for the wrong policy that you have pursued; rather, you will have to compensate today and have a strong policy so that in this country the real wage of all sections of the people will be protected. Taking advantage of the position that you are unable to help others, you are not giving the minimum benefit that the Commission has awarded. You are duty bound, morally bound, when you set up the Commission, to accept its recommendations. The Commission has also taken into account the position of the State Governments because when you announced the terms of reference, most of the federations opposed them because the terms of reference clearly stated that they would take into consideration the impact of this additional dearness allowance on the economy of the country and also on the State Budgets. After taking into consideration all these aspects beginning from the Das Commission up to the end of this Gajendragadkar Commission, they have stated, taking all aspects into

consideration, that this additional dearness allowance should be given. So, at this hour of the day, if they do not accept this Commission's Report or they plead with the countrymen to accept bonds in that respect, then I will again warn the Government and the Minister also that on September 11 the massive strike will take place and it will overwhelm the entire Government. If even then the Government does not bow down to the wishes of the people, then a prolonged strike also may take place. I hope the Minister, while replying, will categorically state in this House that he is accepting this Report and that from the next month the Government servants in this country are going to get the dearness allowance as has been recommended by the Gajendragadkar Commission.

THE DEPUTY CHAIRMAN: Mrs. Sathe. Just five minutes, please.

SHRIMATI TARA RAMCHANDRA SATHE (Maharashtra): Madam Deputy Chairman, the Gajendragadkar Commission has rightly stressed that "the problem of rising prices may pose a very serious danger to the whole of our national economy unless it is tackled effectively, comprehensively and without delay." So everybody must feel that this problem should be tackled immediately. But we know that giving dearness allowance in terms of money had not solved the problem in the past and that is why we will have to think twice or even ten times before giving this dearness allowance in terms of money. This Commission says on page 50:

"It should enable the payment of dearness allowance, or at least some part of it, in kind instead of in cash."

I agree that it should be paid in kind and I particularly think that the whole dearness allowance should be given not in terms of money, but in terms of provisions. Last year, I placed before the House a detailed scheme in which I had stressed the point that dearness allowance should be connected with the supply of provisions and all sorts of other things. Only the provisions will be supplied instead of dearness allowance and thereby the Government and the employees, both, will be benefited. Now, I would say that the housewife especially will be very happy if instead of dearness allowance in cash, some provisions are given. That can be worked out. Every housewife is really eager to get these provisions every month; she is worried over it when the prices go up and she has to sacrifice something. So, the Government should give them provisions. Firstly, we have to calculate the quantity of the provisions that will be equal to the dearness allowance to be paid and then every month those provisions will be given, not even taking into consideration the rise in price. This sort of arrangement will check inflation to a certain extent because there will be no cash business. Now when the prices will fall down, for which we are trying our best, nobody will agree to a reduction in this D.A. which will now be paid in cash as suggested and the employees will then grumble. When it is paid in cash, the question of reducing it does not arise. Also the Super Bazaars and the co-operatives which are being given lot of grants in crores of rupees will have a fixed turnover. So from all points of view, this kind of arrangement will no doubt help the Government as well as the employees.

Again, one hon. Member referred to the Plan. I would like to express one point on that. The Plans should be considered not in terms of money to which we are accustomed. Suppose the Government or any institution is constructing a road. We are accus-

tomed to show that so many lakhs of rupees worth work is being done. Instead of that if we say that so many miles are constructed, that will be better. Now everything is counted in terms of money. The prices are going up and nobody cares for it. Nobody looks from the point of view as to how much is done. Therefore, we have to change our attitude. That should be taken into consideration.

I would state another point in a minute or two. The employees get overtime. But up till now we have not got any arrangement, as obtains in foreign countries, by which the content in man-hour should be calculated. In some departments the amount of overtime given is many a time more than the pay the person actually gets. It is far more than the D.A. So this type of overtime should go. The question should be tackled and should be thought over further whether this overtime should be at all paid. If we consider the work content in man-hours then this type of working will not take place.

Madam, I have placed these points before you. I am very much thankful to you for giving me this opportunity. I would again like the Government to consider these points.

SHRI D. THENGARI (Uttar Pradesh): Madam Deputy Chairman, I am here to stress that the Government should go beyond the recommendations of the Gajendragadkar Commission. We are not satisfied with these recommendations because, in the first place, the Commission has not enunciated any principle or formula about the protection of real wage. I do not know whether it is so because the terms of reference were rigid. Nevertheless, no principle or formula has been enunciated.

Secondly, the Commission has failed to indicate any solution to the wage-price spiral. In this respect it has been argued by the Government

[Shri D. Thengari.]

that if there is rise in D.A. or wages, naturally prices would rise. But the very fact that without any additional payment of D.A. or wages we are having, after the last raise, a rise of 20 points in the index goes to prove that there can be price rise even without wage rise. As a matter of fact, we are of the firm opinion that wage rise cannot be held responsible for price rise, and that wage rise can be responsible for price rise only to the extent to which the wage rise is in excess of productivity rise.

Now, my hon. friend, Shri Akbar Ali Khan, had posed a very valid question, namely whether all sections of population should not be called upon to shoulder the burden of price rise. As a casual reference I might say that while the question is very valid, there should be justice about the shouldering of the burden also, and to ensure this justice it is necessary even in our country as in some of the Western countries that there should be a cause-wise break-up of price rise and the percentage of price rise which is due to deficit financing should be borne by the Government, whatever is due to profiteering should be borne by the profiteers and whatever is due to scarcity that should be borne by all the 50 crores of people including employees. Unless there is this cause-wise break-up, it is not possible for us to locate what is the percentage to be borne by the general consumers including the employees. That is what I want to suggest to our friend. Shri Akbar Ali Khan.

SHRI P. K. KUMARAN (Andhra Pradesh): How to do all these things. It is easy to pass it on to the workers.

SHRI D. THENGARI: The Commission has not done justice to the subsistence level workers. As a matter of fact, we differ from the Gajendragadkar Commission regarding the definition of subsistence level. In

view of the prevalent prices, we think that the economic limit of subsistence level should be up to Rs. 300, that of vulnerability up to Rs. 750, while the Commission has prescribed these limits to Rs. 150 and Rs. 575 respectively.

Now, these subsistence level workers must be given full neutralisation. There should be no compromise about this fact. Again, we know that the formula of a one-year and ten-point rise creates much discontent among the workers. As a matter of fact, the period of six months and a rise of 5 points should have been accepted even by the Commission. On account of these facts the employees are thoroughly dissatisfied with the Gajendragadkar Commission Report. Therefore I urge that the Government should go beyond the Report of the Gajendragadkar Commission and do justice to the employees in general and those on the subsistence level in particular.

Again, to think of deferred payment by making payment in bonds or in any other form is highly unjust because whatever is given to him is meant to meet his present requirement, and if the payment is deferred, that means I will receive the money in 1980 so that I may satisfy my hunger in 1967. This is ridiculous. Therefore, all payments should be only in cash. There should be no compromise even on this point.

Madam, without going into details, because there is hardly any time for all that, I must say that ours is not a cost inflation. To say that because there is increase in the wage bill the prices are rising rather is not rele-

vant to the situation obtaining in the country today. In Great Britain two-thirds of the national expenditure is the wage bill. In our country the wage bill constitutes roundabout one-third of the national expenditure. Therefore, the analogy of Great Britain cannot be made applicable to India. At the same time the Government of India seems to have made this a prestige issue. It should not be so. I remember some of the Ministers saying that they are also as much public servants as the class IV employees. If it is so, then they should not make it a prestige issue, and before September 11, I would request the Government to come to senses to see through reason and to do justice to the employees.

SHRI AKBAR ALI KHAN: What about State employees?

SHRI D. THENGARI: I remember a sort of statistics generally given that if the Gajendragadkar Commission is accepted the Central Government will have to bear Rs. 64 crores more, State Governments Rs. 60 crores more, Corporations Rs. 22 crores more and local-self Governments Rs. 28 crores. All the statistics were given. The total figure was Rs 174 crores. But at the same time I must say that this is only one part of the argument. We cannot forget that while the Government has come forward with the plea that various measures are to be adopted for checking the price rise and holding the price line, we, on behalf of the Opposition, assure the Government that in case the Government comes forward with a comprehensive plan—that is important—to hold the price line, all the Opposition Parties will extend their whole-hearted support to the Government's policy. But very unfortunately, the effort of the Government in checking the price rise begins and ends with the throttling of the Class IV employees and nothing is done to check profits. Government expendi-

ture and other things. Therefore, we are compelled to say that if there is a wage-freeze without being preceded by a profit-freeze or price-freeze or expenditure-freeze, then, being helpless, the workers will unfortunately have to resort to a work-freeze and the entire responsibility for this will rest with the Government and not with the employees.

SHRI NIREN GHOSH: Madam Deputy Chairman, one of the most precious lies that are spread about and uttered *ad infinitum* is that due to a wage rise, there occurs a price rise. If there is a general rise in the wage level, there cannot be any rise in the price level. This is an economic truth. But economic truths are not rather endearing things to the Government and the bureaucrats. They are determined to pass on the entire burden of the crisis brought about by the crimes of the Government and the monopolists to the working class and attack the working class and the people all along the line. That is why they have come forward with this proposal that even for D.A., a freeze should be applied. Let us remember that there has been a continuous fall in the real wages of the working class and the working people in India. There has not been a rise in their real wages. In socialist countries, the prices fall and wages rise. Here the prices rise and wages fall, profits go up, malpractices go up and tax arrears mount up to Rs. 500 crores. This is the blessed Congress brand of socialist economy we are in. Now why do prices rise? It is known to everybody. It is because of profiteering, restrictive trade practices, growth of monopolies, deficit financing, indirect taxation and Rs. 4000 to Rs. 5,000 crores of black money. All those things are known. The prices rise not because of the wage rise. There are some persons who want to set against these employees other sections of the people, for exam-

[Shri Niren Ghosh.]

ple, the State employees. They say that if for these employees, the rise in prices is neutralised to some extent through additional D.A., what would happen to the other sections of the people? Let me say this to them. If the Central Government employees and the working class of India can force the Government and the employers to fully neutralise the rise in the cost of living then the millions of others would be emboldened to take to the field of struggle and bring about fundamental changes in the economic situation in the country. If this section can be crushed, then the other sections of the poorer and exploited people will lose heart and they would remain in penury for ever. Now this cost of living index, of the R.B.I., is a fraud. It never fully reflects the actual rises in prices that have taken place. That being so, nobody will agree to this proposal for a freeze in the D.A. I suppose there has been neutralisation only to the extent of 50 to 60 per cent of the rise in the cost of living, not more than that, though it is in the paper that it is 75 to 80 per cent. Even that is proposed to be paid on a deferred payment basis. This proposition nobody will accept and we will never accept it. We welcome that the Central Government employees will go on an all-India strike on September 11. We encourage them and we stand by them and let me also say . . .

SHRI MULKA GOVINDA REDDY (Mysore): Only if the Government does not accept their demands.

SHRI NIREN GHOSH: . . . that there will be a general strike in West Bengal also on that day. Whether the Central Government employees go on strike or not, irrespective of that, there will be a general strike in West Bengal on September 11. One of the issues, of course, is the demand for full neutralisation for the

rise in the cost of living index. There are other demands like food, more powers for the States and so on. But this is also one of the demands. Now this so-called policy of wage-freeze, income-freeze and dividend freeze, is the notorious policy of the monopolists, the baby produced by the Indian monopolists and fathered by the Government of India. And now they are asking us to be beholden to this baby, this crippled baby, this adulterated child of the illegal marriage of the Government of India and the bureaucrats and the monopolists. Nobody will accept this atrocious thing in Indian life. So this is an absurd thing in economic life which they are preaching. There can be no check on dividend. They say that due to a wage rise, there will be a price rise. Why not hold the price line? Then there would be no talk of compensatory allowance. Hold the price line and the problem is solved. If you do not hold the price line, the problem is there. You cannot hold it because of this policy of inflation, deficit financing, robbery and exploitation and division of the produced wealth to, of the country in favour of the rich. That is the accepted weapon that is wielded by the monopolists, and this Government serves the monopolists; and the bureaucrats go on aligning with them; they never think about the people but only about the top sections or echelons of the society whom they serve like servants. So this is the position.

THE DEPUTY CHAIRMAN: Please wind up.

SHRI NIREN GHOSH: If this position continues and if the Government wants to push through this, then let the working class strike rock India from one end to the other in the coming days because on this very thing, the course of future events will be determined. If they succeed in passing the entire burdens brought about by them on to the working

class and absolve the capitalists and if they allow them to run amuck and do whatever they like to our economy and cruelly increase exploitation and suppress the working people, we would like the working people to meet that challenge with a series of mass struggles throughout India and fight the Government on this score. And the entire country, I hope will stand behind the working class and the working people in their just fight.

THE DEPUTY CHAIRMAN: Shri T. V. Anandan. Five minutes.

SHRI T. V. ANANDAN (Madras): Madam Deputy Chairman, this is a legacy handed over to the Indian Government by the Britishers. In 1940 a court of enquiry was appointed and the question of dearness allowance came into this country, and the competition between the wage and the price is going on and continuing. Accordingly, Madam, our Government appointed the Second Pay Commission and when the recommendations of the Second Pay Commission were about to be implemented, there was an uproar in the country, and in the Parliament, the then Prime Minister and the Home Minister came forward to say that the First Pay Commission should be treated as a high-power body and its recommendations should be treated as an award. This was on the 8th July, 1960, if I am correct, and it is on record. There was another statement, Madam, made by the then Home Minister, the illustrious father of the Minister of State for Finance who is going to reply to this debate to-day. He also said that if the prices increase by 110 points over a period of 12 months, the Government would come forward immediately to give 50 per cent additional dearness allowance and the balance 50 per cent would be referred to an arbitrator. Accordingly, this Government appointed the Das Commission body and that body

also recommended a formula which this Government has frustrated or rejected. Then came as an arbitrator, the Gajendragadkar Commission who has made his recommendations, although the recommendations are not well-received by the working classes of this country because he has touched on all the points which had been thrashed out by his predecessors, eminent Judges of the Supreme Court and High Courts. Mr. Gajendragadkar, who was also a Judge, did not care for the verdict of those previous Judges. He had his own views to recommend, taking some fringe benefits which have already been taken into consideration by the First Pay Commission, the Second Pay Commission and the Das Commission. He has taken all the fringe benefits and recommended a deneutralisation to the extent of 5 per cent, which is not a good recommendation at all. Although the employees have not welcomed this recommendation, the representatives of the Central Government employees demanded the immediate implementation which also was rejected by the Finance Minister but subsequently it is encouraging to find that the Finance Minister has come forward to accept the recommendations with certain amendments here and there. It should be implemented and implemented immediately. There is no question of deferred payment at all, unless and until an Ordinance is promulgated to-day to control the prices in the country. After that, if the Finance Minister comes to discuss with the representatives of labour for a deferred payment or any such thing, it would be a welcome feature in the country to-day or else, it will be very difficult today because of the conditions that prevail in the country when the wage-earners do not have a normal time. Therefore I suggest that the Government should not discriminate between the Central Government and State Government or between the private and public sector. The working classes are the backbone of a

[Shri T. V. Anandan.]

country. The progress and welfare of a country depends upon the working classes. If the working classes want to destroy the Government or the country, they will destroy. Let not history repeat. Therefore still I have a hope for the Finance Minister to come again to the representatives of the Central Government employees and have a discussion with them and prior to that an Ordinance must be promulgated in this country to control the prices. Then if he comes to settle with the representatives, I think there will be ways and means found out for the vexatious problems of D.A. being solved.

Another point I would like to make is this. On the 2nd October, 1967, the anniversary day of Mahatma Gandhi's Birthday, I would like the Central Government to take the initiative or the responsibility for catering the essential commodities to its servants so that the competition between the price and the wage would end permanently and there will be a stabilisation of the economy of the country.

That is all that I would like to say and I think the Finance Minister will consider these points.

श्री रेवती कान्त सिंह(बिहार): माननीय उपसभापति महोदया, यह महंगाई भत्ते का सवाल इतना आसान सवाल नहीं है कि इस पर कुछ मिनटों में विचार कर लिया जाय। व्यक्तिगत रूप से मैं स्वयं लगभग 10 वर्षों तक सरकारी नौकरी में रह चुका हूँ इसलिये मैं जानता हूँ कि महंगाई भत्ते का सवाल सरकारी कर्मचारियों को किस तरह से एजिटेड करता है किस तरह से उनके दिमाग को उद्वेलित करता है।

महंगाई भत्ता हमारे देश में सब से पहले सेकेंड वर्ल्ड वार में 1940 में ग्रेन कम्पेन्सेशन

एलाउंस के रूप में चालू हुआ और फिर 1942 ई० में ग्रेन कम्पेन्सेशन एलाउंस के बदले में महंगाई भत्ता दिया जाने लगा. महंगाई भत्ते का नाम आया। और 1944 ई० में बार एलाउंस करके दो हजार रुपया तक पाने वालों को भत्ता दिया गया। 1946 ई० में पहली पे कमेटी बैठी जिसने 1947 ई० में अपनी रिपोर्ट दी। मई 1947 में पहली पे कमेटी की रिपोर्ट सरकार ने मंजूर की। पहली पे कमेटी के सामने भी यह कहा गया कि अगर महंगाई भत्ता बढ़ा दिया जायगा तो चीजों की कीमतें बढ़ जायेंगी लेकिन पहली पे कमेटी ने, फर्स्ट पे कमिशन ने सरकार की ओर से दिये गये इस तर्क को बिल्कुल नामंजूर कर दिया, रिजेक्ट कर दिया। और कहा सरकारी कर्मचारियों को रीयल इनकम के प्रोटेक्शन के लिये, उनकी वास्तविक आमदनी की सुरक्षा के लिये, महंगाई से त्राण दिलाने के लिये महंगाई भत्ता देना जरूरी है। और तब से 1948 में चीजों की कीमतें बढ़ी लेकिन सरकार ने महंगाई भत्ता नहीं बढ़ाया और 1949 में चीजों की कीमतें और बढ़ीं। लेकिन पहली पे कमेटी ने जो हंडरेड परसेंट न्युट्रलाइजेशन की बात की थी उसके मुताबिक महंगाई भत्ता न बढ़ा कर के 10 रु० और 5 रु० बढ़ाया गया। इसके बाद 1952 ई० में डीयरनेस एलाउंस कमेटी बैठी। उस कमेटी की रिपोर्ट के मुताबिक कर्मचारियों के महंगाई भत्ते का 50 परसेंट पेंशन वगैरह के लिये वेतन के रूप में मान लिया गया। तब से कर्मचारी आन्दोलन करते रहे महंगाई भत्ता बढ़ाने के लिए, वेतन में इजाफा करने के लिये और बहुत आन्दोलन के बाद जब 1957 में केन्द्रीय सरकार के कर्मचारियों ने हड़ताल का नोटिस दिया तब 1957 में दूसरा वेतन आयोग, सेकेंड पे कमिशन बैठाया गया। उसने 1959 में अपनी रिपोर्ट दी। उसने भी कहा कि महंगाई भत्ता रीयल इनकम को प्रोटेक्ट करने का, वास्तविक मजदूरी, वास्तविक आमदनी की सुरक्षा करने का एक डिवाइस है

एक जरिया है इसलिये महंगाई भत्ता देना चाहिये और उसने 10 रु० और 20 रु० महंगाई भत्ते के रूप में सिफारिश की। लेकिन मैं आपको बतलाऊँ, आप जानती हैं कि 1959 में सेक्रेटरी पे कमिशन की रिपोर्ट के आने के बाद एक साल तक लगभग उस रिपोर्ट को लागू नहीं किया गया। और, जब 1960 के जुलाई महीने में 11 और 12 जुलाई, के बीच आधी रात से, 12 बजे रात से सारे देश के केन्द्रीय कर्मचारियों ने हड़ताल कर दी, वह हड़ताल पांच दिनों तक चली और मैं मानता हूँ कि बड़ी बेरहमी के साथ उस हड़ताल को दबाया गया, लेकिन तब उस हड़ताल के बाद सरकार ने उस रिपोर्ट को माना और लागू किया। इसके बाद 1961 ई० में 5 रु० और 10 रु० बढ़ाये गये और फिर 1963 में बढ़ाये गये। फिर 1964 के अगस्त में जस्टिस एस० के० दास की वमैन बाडी, इंडिपेंडेंट बाडी बैठाई गई, महंगाई भत्ते की जांच करने के लिये और उसने अपनी रिपोर्ट में कहा कि महंगाई भत्ते को रोकना, डिनाई करना, अनजस्टीफाईड है, अनुचित है, गैर वाजिब है। और उसने हंडरेड परसेंट महंगाई के न्युट्रलाइजेशन की सिफारिश की और उसने सिफारिश की कि कम से कम 70 रु० और अधिक से अधिक 1200 रु० तक पाने वालों को महंगाई भत्ता मिलना चाहिये। सरकार ने उस रिपोर्ट को माना। फिर मार्च, 1965 में और नवम्बर, 1965 में जब चीजों की कीमतें बढ़ी, प्राइस इंडेक्स 155 और 165 बिन्दु पर पहुँचा तो सरकार ने महंगाई भत्ते को बढ़ाया लेकिन दास बाडी की सिफारिश के मुताबिक सेंट परसेंट न्युट्रलाइजेशन नहीं किया और जब कर्मचारियों ने कहा कि या तो दास बाडी की सिफारिश के मुताबिक शत प्रतिशत न्युट्रलाइजेशन करो नहीं तो आबिट्रेशन बैठाना होगा और तब आबिट्रेशन के रूप में यह गजेन्द्र गडकर कमिशन बैठाया गया 26 जुलाई, 1966 को।

6 P. M.

गजेन्द्रगडकर कमिशन के जो टर्म्स आफ

रेफरेन्स हैं, उसमें कहा गया है कि उसको जांच करना है कि वह जो सिफारिशें करेगा उन सिफारिशों का रिपरकशन, प्रभाव, राज्य सरकारों के फाइनेंस पर क्या पड़ेगा ? (*Time bell rings*) दूसरा कोई तरीका है कि नही महंगाई भत्ते के बदले में देने का ? एग्जिस्टिंग फारमुला को तैयार किया जाय, बदल दिया जाय या रहने दिया जाय ? कम्प्यूनिटी पर क्या बर्डन पड़ेगा और सरकार को कैपेसिटी क्या है देने की ? समय नहीं है अन्यथा मैं इस रिपोर्ट से कोटेशन, देकर बतलाता, लेकिन नारे टर्म्स आफ रेफरेन्स को देखने के बाद इस कमिशन ने एक रिपोर्ट दी है। यद्यपि उस रिपोर्ट से मैं बहुत ज्यादा सन्तुष्ट नहीं हूँ, कर्मचारी भी बहुत ज्यादा सन्तुष्ट नहीं हैं, क्योंकि यह रिपोर्ट कुछ मानी में दास रिपोर्ट से भी पीछे गई है। इस रिपोर्ट में जहां दास बाडी ने हन्ड्रेड परसेंट न्युट्रलाइजेशन की बात कही, इसमें 90 परसेंट से 24 परसेंट न्युट्रलाइजेशन की बात कही गई है, जहां दास बाडी ने 70 रु० से 1200 रु० तक महंगाई भत्ता देने की बात कही थी इसने 70 रु० से 449 रु० और फिर बाद में 499 और उसके बाद 575 रु० तक की बात की है। इस मानी में यह दास बाडी से पीछे गई है। और, यही वजह है कि रिपोर्ट निकलने के बाद सारे देश में कर्मचारियों ने इसका विरोध किया। लेकिन यह सरकार ऐसा उपाय करती है कि एक बार जिसका विरोध करो बाद में उसका समर्थन करना पड़ता है। और, कर्मचारियों को यह करना पड़ रहा है, क्योंकि इसके अलावा बाकी जो सिफारिशें हैं वे सिफारिशें कर्मचारियों के लाभ की है। सिर्फ एक पासिंग रेफरेन्स में इस कमिशन ने एक सजेशन दिया है, डेफर्ड पेमेन्ट के बारे में। सरकार सारी सिफारिशों को आलमारी में बन्द कर देती है और कहती है कि डेफर्ड पेमेन्ट की सिफारिश आ गई है, हम डेफर्ड पेमेन्ट करेंगे। मैं कहना चाहता हूँ (*Time bell rings*) मैं दो तीन मिनट में खत्म कर देता हूँ। मैं

[श्री रेवती कान्त सिंह]

कहना चाहता हूँ कि सरकार को यह डेफेंड पेमेन्ट वाली बात जो कि विन्कुल पासिंग रेफरेंस की बात है, वह गिकेन्डेशन नहीं है, सिफारिश नहीं है, इस पर जोर नहीं देना चाहिये। यह कहता कि चकि महंगाई भत्ता बढ़ जाता है इसलिये महंगाई बढ़ जाती है, जैसा वक्ताओं ने कहा है आज तो महंगाई भत्ता नहीं बढ़ रहा है तो भी महंगाई बढ़ी है, सवाल यह है कि जब महंगाई बढ़ती है तब कर्मचारी महंगाई भत्ता बढ़ाने की मांग करते हैं। वैसे स्थिति में अगर सरकार ने इस रिपोर्ट को पूरे का पूरा लागू नहीं किया तो देश के सामने बहुत बड़ा खतरा आ रहा है 11 सितम्बर का केन्द्रीय कर्मचारियों ने हड़ताल का नोटिस दिया है। 1960 में जो हड़ताल हुई थी तब आई० एन० टी० यू० सी० ने विरोध किया था, लेकिन आज 1967 को हड़ताल में आई० एन० टी० यू० सी० भी समर्थन कर रहा है। यह दोवार पर साफ लिखावट है कि इस बार यदि इन मध्यम वर्ग के कर्मचारियों को, मध्यम वर्ग के लोगों को दबाने की कोशिश की जायेगी तो 1960 से ज्यादा भयंकर स्थिति पैदा हो सकती है...

उत्सभापति : मसालत कीजिये।

श्री रेवती कान्त सिंह : दो मिनट और।

उत्सभापति : दस मिनट आप ने ले लिये हैं।

श्री रेवती कान्त सिंह : दो मिनट। इतनी देर में तो हम कुछ बोल दिये होते। मैं साथ-साथ एक और बात कहना चाहता हूँ कि राज्य कर्मचारियों की भी मांग रही है कि उनको भी सेंटर के मुताबिक महंगाई भत्ता दिया जाय। इस सम्बन्ध में भी इस रिपोर्ट में कमिशन ने पेज 38 और 41 और अन्य पृष्ठों में इस बात की सिफारिश की है कि केन्द्र और राज्य के महंगाई भत्ते में कोई डिसपैरिटी नहीं होनी चाहिये। ऐसी हालत में मैं फिर एक बार सरकार से

निवेदन करता हूँ कि वह इस रिपोर्ट को लागू करे और राज्य सरकारों को अपने कर्मचारियों को इस रेट से महंगाई भत्ता देने के लिये केन्द्र सहायता करे। अगर ऐसा नहीं करता है तो 11 सितम्बर को सारे देश के सरकारी दफ्तरों में तालाबन्दा होने वाली है, रेल के चक्के बन्द होने वाले हैं, टेलीफोन और तार बन्द होने वाले हैं उसका सारा का भारी जिम्मेदारो सरकार पर होगी।

SHRI D. L. SEN GUPTA (West Bengal): Madam Deputy Chairman, in the British days whenever there was a commission we used to say that it was just to kill time and that the Government did not mean anything serious. But that should not be the attitude in free India.

[THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair]

If this was the attitude of the Government that they are not in a position to pay any dearness allowance whatsoever, then where was the necessity for this Commission that they had appointed? If the Government is not in a position to honour the verdict of the Commission, what was the utility in requisitioning the services of an eminent man like Shri Gajendragadkar, a former Chief Justice of India? Why was this big show made? Why this farce? I would candidly say that it was an insult to the ex-Chief Justice, Justice Gajendragadkar and it is an insult to the Central Government employees, to both. When the employees are hungry they are already agitated. But if you joke with that hungry man he becomes furious and you have really provoked the Central Government employees by these dilly-dally moves, saying they can have something one year after and now they can have bonds and so on. They have been provoked to go on strike. This strike will have the sympathy and support of the whole country, whether at

the Centre or in the States. I do not think that any right-thinking person in the country whether he is on the Treasury Benches or on the Congress side or on the Opposition will for any reason say that this strike is unjustified. A strike is the last weapon in the hands of the workers and if this last weapon is not exercised in a situation like this then I say there will be no better situation for a strike. This Government wants these people to wait. Why and how long? I want an answer from the Minister of State in the Ministry of Finance. How can they wait? Was there any margin in their wages to enable them to wait? Do we not see the rise in the price index? There has been a spiral of rise and the Government has taken no steps to control it. They ought to have understood the implications of the rise in prices which in its turn leads to wage increase. They did not understand it. They did not foresee it. So they have no right to sit on the Treasury Benches. When things came up to such proportions, when they reached a serious magnitude they appointed this Commission. The employees, very loyal servants of the Government, took it in all seriousness and waited. They waited patiently. They showed their loyalty to the country and that was the cooperation that they gave to the Government. Afterwards this Commission came and the Commission gave its Report. They were dissatisfied. Still they did not give up their patience. Now they are told the Government has no money. Who is responsible for that? Are you responsible or the employees? Where has all the money gone? You were taking huge sums of money by your taxes. You were not taxing those who ought to have been taxed. You have not unearthed the hidden gold from the hoarders and in spite of the Gold Control Orders you have not stopped the smuggling of gold. You have not stopped profiteering. You have not checked the monopolists. What justification or face have you to tell your employees to wait? Why should they wait? I know the hon. Member Shri Akbar Ali Khan put the question, not

the Vice-Chairman, Shri Akbar Ali Khan, to Mr. Thengari and I will answer it. Mr. Vice-Chairman, have not these Government employees already shouldered the burden of the nation? They have shouldered much more than their share. You will be pleased to note that in the mercantile firms in West Bengal, in Calcutta under the old scheme of the Bengal Chamber of Commerce, today a clerk who gets Rs. 100 basic pay gets a dearness allowance of Rs. 215. That is according to the old Bengal Chamber of Commerce Scheme. It neutralises 90 per cent of the increase in the cost of living. There scheme is that for an increase of 180 points in the price index, taking 1939 as the base, there is 90 per cent neutralisation. For every 10 points above 180 there is a slab and at each slab there is a 5 per cent rise in dearness allowance.

They will get Rs. 100 as D.A. when the price index is 200 points. For every ten points slab, from 180 to 190, from 190 to 200, they will have 5 per cent of the basic pay. In other words, a clerk with Rs. 100 gets Rs. 215 as D.A. Now, what do the Government employees get? I put this question; not even half of it. In West Bengal Government employees and other employees, do not get full neutralisation. The Birlas have a paper known as *Capital* in which you will get every month the price index of the middle class employees . . .

(Time bell rings)

I will now only refer to two judgments. The Supreme Court of India in deciding the case of the clerks of the Calcutta Tram Co.—this is a reported case, reported in the *All India Reporter, Law Journal*, etc.—held that it should be the goal, it should be the attempt to give full neutralisation to the working class in the lowest cadre because they get only a mere subsistence wage. Unless there is full neutralisation you will find one day that their subsistence is reduced below the poverty line. There are certain concepts in the industrial field

[Shri D. L. Sen Gupta.]

where there is mention of subsistence wage, minimum wage, fair wage, living wage, wage below the poverty line, etc. All these are there. Now in the case of these Central Government employees unless there is neutralisation at least to the extent that has been recommended they will be below poverty line. Mr. Gajendragadkar himself in another case of Shaw Wallace and Co. says that an industry which cannot pay the minimum wage has no right to exist. I give that compliment to the Finance Minister that they have no right to exist unless they can pay the minimum wage. It is not my observation; it is not the speech of a member of the Opposition. It is a quotation from the judgment of the Supreme Court of India by Mr. Gajendragadkar himself in the case of Shaw Wallace and Co.

Only one word and I finish. If there is complete deadlock, if the Government employees strike, if the P. & T. staff strike, if the Telephone staff strike, will the Government have any moral justification to continue in office? If these people take up the challenge, if the Central Government employees take up the challenge they should resign on the same day. Otherwise they will be betraying the cause of the people, betraying the cause of the nation and betraying the cause of even the Congress Party which has sent them here. Mr. Vice-Chairman, they have no right to play with the life and property of the nation as a whole and its normal day to day life. Either they should settle this by the 11th September or they should resign.

SHRI GULAM NABI UNTOO (Jammu and Kashmir): Mr. Vice-Chairman, Sir, the question before this House at present is whether we should adjust the pay of the Central Government employees with the rising prices. While discussing the issue we should be dispassionate and no politics or moral questions should be brought in because it is purely an economic issue.

This question was posed before the Pay Commission in 1957 and their answer to it was:

"We are unable to support the view that this should be done irrespective of the situation in which the prices rise or of the broader national requirements."

Sir, every question has two aspects, whether we should do it, whether we can do it. I realise that between the rising prices and the wages of the Central Government employees there is a wide gap in between and we should try to fill it up. Now if we do it, what will be the economic repercussions? The Pay Commission while discussing the principles of D.A. observed:

"The process would defeat the aim of compensation, retard the investment programme and lead to a serious dislocation of the economic development effort."

At present we have to see, if we accept the recommendations of the Commission and give them this D.A., whether it will compensate the Government employees and whether it will not have an adverse effect on our economy. I feel that even if we allow them some D.A. now it would not compensate them because the rising prices are so high, the gap between the wages and the prices is so wide that this small allowance will not bridge it up and it will not satisfy the employees. It will only add to the spiral of inflation. The Government has to consider this question purely as an economic issue. While considering the grant of D.A. the Government has to take into consideration the economic situation in the country, the failure of the crop and the adverse trends in our trade. The failure of the crop is quite evident all round the country. The agricultural production is so low and the prices are rising so high that we cannot even imagine. The adverse trends in the trade are seen in the fact that due to devaluation our exports instead of going up have actually been reduced in quantum. Therefore the present economic

situation from the broader national perspective is such that we have to judge this issue quite dispassionately, calmly and coolly without introducing any politics or moral issues into it. I feel that if the Government decides to give DA to their employees now it would only add to the inflation further and at the same time it would not compensate the employees either. After all they are only a tiny community. If we allow the inflation to grow, we will have to think about the vast majority of people in the country 80 per cent of whom are agriculturists. We will have to see whether they can also bear this brunt. This economic crisis every one has to share. We are not to protect only a particular section of the community and allow the rest of the country to go to dogs. That should not be our attitude while discussing the D.A. Commission's Report.

SHRI P. K. KUMARAN: Mr. Vice-Chairman, yesterday I found a small cartoon in the Times of India. It was written —

"I made a proposal for dividend-freeze, price-freeze and wage-freeze and my package plan will take the country out of the present crisis and I am going abroad to examine my proposal."

The picture was not that of Mr. Morarji Desai, but I was reminded of him on seeing the cartoon. I find he is not here now. He did make a package proposal. The first is a dividend-freeze. Let us examine what it is. The income of a shareholder of a director in a capitalist firm, who gets thousands of rupees as salaries, perquisites and other things, his profit or dividend is to be frozen. Suppose a man gets a monthly income of Rs. 2 lakhs or Rs. 3 lakhs or Rs. 4 lakhs or he gets yearly an income of Rs. 50 lakhs. His dividend is frozen for a certain period. How is his life affected? Mr. Morarji Desai has very clearly stated that the frozen amount will go into reserves and he will be able to utilise them. So, this dividend-

freeze or profit-freeze has no meaning. It does not affect anybody. It is only to fool the poor worker.

The second is the wage-freeze. Very recently, on August 11, Britain completed its period of freeze and I think there is better financial discipline in England than in India. In their report they have clearly stated that the wages remained frozen, while the prices went up merrily. That is the experience of Great Britain, which ended its freeze policy on August 11. I will challenge the Ministry whether they can control prices in India, unless the Government take over the financial institutions in India. Unless they control the credit supply position, they cannot control prices. That also is calculated to fool the innocent people of India.

The third is the wage-freeze. How are they going to freeze it? The present wage structure of the Central Government employees is based on 1949 prices. If 100 is taken as the base in 1949 today's index figure is 206. If the wage is to be protected, if the real income is to be protected of a Class IV employee of the Central Government, an employee of the Railways or P and T or in this Parliament even, he should get Rs. 140 minimum. But he is now getting only Rs. 117, including DA, which you are paying up to 165 points. Now, that is sought to be frozen. It is in this connection the Gajendragadkar Commission's Report comes into operation.

Now, when the Gajendragadkar Commission was appointed, many Central Government employees' organisations correctly said: "We do not approve. Because of the terms of reference given to it, we do not want to participate in it." Some of the organisations did participate and later on they told us that they had made a mistake. When the Report came out, the INTUC and even the All India Railwaymen's Federation found out

[Shri P. K. Kumaran]

afterwards that they had committed a mistake. This Report has done two damages. It is an accepted definition of "dearness allowance" that it is a device to protect the real income. That was accepted by the First Pay Commission. It was maintained by the Second Pay Commission and the Das Commission also did not tamper with that definition. But the Gajendragadkar Commission has done damage to it. He says that it is a device to protect the subsistence wage. So, the damage has been done to the dearness allowance or the wages of the working-class as a whole.

Another thing is he has slashed down the rate of compensation. The rate of compensation, which was ranging from 90 per cent to 55 per cent, according to the Das Commission's formula, has come down to 25 per cent. Now, a class IV employee in the scale of Rs. 70 to 109 gets 90 per cent compensation according to the Das Commission as well as according to the Gajendragadkar Commission. Even then, the compensation is Rs. 6 at Rs. 70. His 90 per cent has a ten per cent erosion in the wages. An employee who gets Rs. 109 also gets Rs. 6. If you calculate it, you will find that it is 55 per cent compensation. It is cheating. Many people do not realise this. Ninety per cent compensation for Class IV is accepted, but ninety per cent compensation is only for one who gets Rs. 70. A class IV employee remains class IV till he gets Rs. 110. Like that for employees in the Rs. 400 scale Rs. 14 is given as compensation, i.e. about 35 per cent. Now, that has been slashed down to 25 per cent. That is why the employees say: "We do not want to accept this. We reject this formula." Their demand is cent per cent neutralisation. Now, instead of accepting this, the Government have come forward with a formula, which they cannot implement and which if implemented in toto means a wage-cut to the extent of, say, 55 per cent for the Cen-

tral Government employees as a whole. It is this wage-cut which they want the Central Government employees to accept in the name of society.

Now, in this period production has gone up. Increase in production has never meant any increase in wages. The other day there was a seminar in Madras where Mr. S. L. Kothari and those big industrialists participated just to say that it is the wages which are pushing the prices up. They want us to believe that it is not the horse which is pulling the cart, but it is the cart which is pushing the horse. Are we to believe it in this period? A lot of money is spent on articles. Editorials are being written in the national papers taking a stand which is incorrect and the working-class are not going to accept it. Shri Morarji Desai has clearly stated that the amount required for meeting the demands of the Central Government employees is only Rs. 30 crores. The rest is for the State Government employees, local board employees, municipal employees and the private sector employees. He hopes that the capitalists of India will give more dearness allowance once the Central Government has accepted it. The burden on the Central Government employees has increased. If he accept this wage-cut he will be doing a disservice to the private sector employees also. So, the Central Government employees has correctly decided to resist the demand and go on a strike on September 11. Now, what is the *via media*? There is a formula according to which they are up till now paying the bank employees, viz., the Reserve Bank employees, the State Bank employees. Even the private commercial banks are giving DA according to that formula. Why do you not propose that to the Central Government employees? Even the Gajendragadkar formula is bogus. It does harm to the employees. Even in the Das formula, he did not do them justice. That is why we are -
tion. There is a *via media*. Why do

you not propose this? We are already paying the Reserve Bank employees accordingly. That is in vogue. So, I hope the Minister and the Government will take steps to bring about a settlement with the Central Government employees.

They have already organised a Joint Action Council. If there is no settlement, there will be a strike in this country, not only of Central Government employees, not only employees of the public sector undertakings. Even in the private sector, even in private factories there will be a strike. There will be a real "Bharat Bund" on September 11 and even then if the Government do not come to their senses there will be an indefinite general strike towards the end of this year.

SHRI N. R. MUNISWAMY (Madras): Mr. Vice-Chairman, initially my attitude to these reports is in favour of seeing the recommendations implemented. The only question is whether at this juncture, in the context of the economic development and the recession, we will be able to implement them. Nobody has so far cast any doubts about the question of implementation. Nobody has said anything as regards the *bona fides* of the Government. The Government is eager, as anyone of us is, to implement it. The only question is whether we are in a position to implement it. If we are to implement it, according to the Finance Minister's estimate, it comes to Rs. 175 crores. Then, there are various categories of employees, viz., Central Government, State Government, municipality, the public sector, the private sector and a host of others. The private sector employees may also clamour for an increase in their wages. So considering all these things, it looks as though we will be injecting into the economy a sort of inflation. When inflation is there, the prices will certainly again go up from what they are now. So, this is a vicious circle. With a view to seeing that the employees are able

to meet their requirements, we give them money. The moment they get the money, they spend the money. When they begin to spend the money, the prices automatically rise. We have seen that even in respect of vegetables and other things; their prices have been gone up very recently. Therefore, it is a vicious circle. If we do not give them money, they suffer. If we give them money, the prices rise. Whatever they get by way of dearness allowance is being spent. Thereby the utility is nothing. Therefore, adjustments are being negotiated by the Ministry concerned. I hope the leaders of the parties would see that some workable solution is arrived at. It is not a question taking a pound of flesh, that they could pay in cash now and now alone. By so doing they are not helping themselves or helping the country. I can only say that there is a way of getting out of this matter. For example, Rs. 175 crores we have to put in by way of meeting the demand. They can be asked to receive it by way of bonds—for which there is opposition; they do not like to receive it in bonds. Or to make it very attractive, I can say that Government can offer a higher rate of interest. Instead of 3 or 4 per cent, they can give 6 per cent, and it must be made payable, say, after three or four or five years. So this will be a compulsory saving on their part and they can get it with a higher rate of interest later. It is an attractive proposal for the employees. Whatever amount they will get with retrospective effect, about Rs. 200 or Rs. 300, they can get it with interest also. It shall not be 3 per cent or 4 per cent, but I wish as a special case that it must be 5 per cent. If you do like that, I am sure the employees would agree to this. This can be done instead of making offers and counter-offers and not coming to a settlement.

Then there is the strike threat which is supposed to take effect on the 11th September. Many of the friends who have offered their suggestions; wan-

[Shri N R Muniswamy]

ted that it should fructify. They wanted the support of the people. I doubt whether they would get the support of the general public. It may be that a certain section of the people may try to boost it up. After all it is not a general strike, but it is a token strike. Even if it is a token strike for one hour, the loss that it may entail in terms of production may run into crores of rupees. Instead of seeing that the economy developed, it is no use putting a stop to that like that. We are now conducting our affairs by strikes alone. There are several types of strikes, stay-in-strike, go-slow, gherao, and so on. These are days of strikes, and the Government administration is being conducted by holding of meetings and conferences and what not. These are days in which we are not doing anything. If we really want to see that the workers and employees join in running the Government, they must also be satisfied. The Government must find out their real difficulty and find a solution for it and they must implement it. When they are unable to do it and when they want to do it in a different way, we must co-operate with them, with the Government.

With these observations, I only request that the threat of strike they are contemplating on the 11th September may be suspended, and I am sure the leaders will call it off.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K C PANT) Mr Vice-Chairman

AN HON MEMBER In five minutes?

SHRI K C PANT I would not mind if you gave me no time, but I thought perhaps you would be interested.

I have listened to the debate with the care and attention that it deserves. But I must frankly say that I am somewhat disappointed by the speeches of friends opposite because I had hoped that on delicate issue like this which is not yet closed, on which some

kind of talks may go on they would take a constructive line. Instead of that, they had consistently threatened the country with a strike and so on in utter disregard of the seriousness of the economic situation which they themselves underlined. That is something that causes disappointment. Even on a serious issue like this there was not a more constructive approach from their side. I had hoped that they would have utilised this occasion to build bridges as far as possible, to the extent that some of them still remembered the art of building bridges, and to find some constructive way of finding a solution for a difficult situation. But instead of that, they chose, frankly to make political capital out of a difficult situation. I can only say that I regret this.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) After hearing you they may reconsider.

SHRI K C PANT I hope they do. I have not lost hope.

SHRI K CHANDRASEKHARAN (Kerala) May I know whether Government have got a constructive approach towards the Gajendragadkar Commission Report?

SHRI K C PANT Some of the speeches have been very constructive like that of Prof. Ruthnaswamy, and I think they deserve very careful consideration. So far as the other speeches go, many of the friends appeared to differ on their own assessments of the Gajendragadkar Commission Report, and many of them wanted the Government to go beyond the Gajendragadkar Commission Report. Yet in the same breath they object to the Government having any reservations in implementing the report. When they themselves have reservations about the report, how can they object to the Government also having reservations? They have reservations of one kind, and Government have reservations of another

kind. What is right for them should be right for the Government also. I do not see how they can object to that.

SHRI D. L. SEN GUPTA: I cannot hear your voice.

SHRI K. C. PANT: My voice will be heard if you have patience. Perhaps you would not like it but you will hear it. So far as the Government's basic approach to the Gajendra-gadkar Commission Report is concerned, that has been spelt out by the Deputy Prime Minister in the course of his reply to the debate in the other House, and I have nothing to add to that. Basically the approach is that Government certainly regards the report with the respect it deserves, and apart from certain reservations Government is not going to reject the report; certainly not. In fact by and large it is accepting the recommendations. So this attempt to create an impression that the Government is rejecting the report as such is not correct. Mr. Dahyabhai Patel also referred to this. This is not a correct impression at all. Many hon. friends have raised the point that there should be no erosion in the real income of the workers. That is a very real point to be considered—whether any benefit that you want to give to the employees today does not get eroded quickly by rising prices—and it is really in the context of wanting to give real benefit to the employees and not merely to play on their sympathies that Government is even taking the bold and courageous step of looking at the problem in its entirety of trying to correlate the price angle to the wage angle and of trying to see if one cannot find a way out of this spiral that has overtaken us and ensure that the benefit that accrues to the employees is not ephemeral or unreal. That is a very real issue that has been raised and I welcome that the issue was raised because that really is a factor which all of us have got to consider when we examine this problem. There

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is no denying the fact that the price rise has been causing us concern, but I do not know if Mr. Banka Behary Das was quite right when he referred to the last twenty years in this respect. If he looks back at the price rise in the last twenty years since 1947, he will find that the price rise has been moderate and well under control right up to 1962.

I think on an average the prices have gone up by about 3 per cent per year. So it is not as though under the system of planning which we had adopted, the prices ran away with us *under normal circumstances*. That was far from the fact. In fact, the regulated increase of prices at that stage was a part of our planning process. We had accepted that . . .

SHRI D. L. SEN GUPTA: I challenge the statement. It is wrong to say that it is 3 per cent per year. Now it has gone up to 40 per cent.

SHRI K. C. PANT: I am not yielding.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): No interruption.

SHRI D. L. SEN GUPTA: It is not a question of interruption, I am telling a fact.

SHRI K. C. PANT: I am making a statement with full responsibility. I hope, if he looks into the figures, he will realise that from 1947 to 1962. . . . (Interruptions) I think he will be patient. He will realise . . .

SHRI BANKA BEHARY DAS: It was 2 to 3 per cent. During the Second Five Year Plan period, the average was high. Taking the whole course of five years, it is 3 to 4 per cent. But the actual price rise was steeper since 1956.

SHRI K. C. PANT: Yes, I am also saying that gradually it became steeper and I am going on to the still steeper part, that is after 1962, and

(Shri K. C. Pant)
 in 1962, Mr. Vice-Chairman, you know, that the Chinese aggression took place. And the Chinese aggression led to an immediate spurt in defence expenditure which had to be raised from Rs 300 crores to Rs. 900 crores per year at one stroke. And this certainly had an impact on the prices. And after that, we had two droughts, and in these droughts, the production has fallen from a level of over about 89 million tonnes in 1964-65 to about 72 and 76 million tonnes in the two following years. There has been a fall in production of the order of 30 million tonnes in two years. Therefore, as a consequence, the prices have been rising at the rate of almost 15 per cent in the last two years, in the last three years in fact. It is no use trying to get away from these facts. These are hard facts which we have got to recognise. But we have also got to recognise that this price rise took place for reasons which were largely beyond the control of the Government and beyond the control of the community as a whole. But the fact remains that because of the needs of defence, because of this drought and because of the need to maintain developmental expenditure at a certain minimum level, prices have gone up.

Now, some of the friends suggested, why not cut down expenditure, you cut down developmental expenditure. That is a proposition that is very difficult to sustain. One regrets the necessity of having to slow down development sometimes. But considering the basic conditions of poverty, etc. in this country and the standard of living of the mass of the people, it is very difficult to contemplate postponing developmental expenditure for any length of time because we have got to meet the needs of the people, their aspirations, their expectations and their hopes and if we want to meet these, we cannot go on postponing developmental expenditure endlessly.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) I think they meant administrative expenditure.

SHRI K. C. PANT: Well, I thought that there was some reference even to projects being cut down.

SHRI NIREN GHOSH: It has been cut by Rs. 500 crores.

SHRI K. C. PANT. I think Mr. Dahyabhai Patel referred to this. All this has led, admittedly, to a difficult situation and my friends recognise it. It has led to a very difficult economic situation. In fact, it has led to an extraordinary situation and it is a situation of overall shortages. There is a shortage of foodgrains and this is at the root of the price rise. This situation of overall shortages has hit a large section of our population, those who are at the level of Government employees, those who are below—they are four times below their number, all of them have been hit, people in rural areas, people in urban areas, particularly those people who are not protected against price rise in any way, who have no compensatory mechanism to come to their aid. All of them have been hit very hard. But one fact all recognise—in such a situation of overall shortages, there has got to be a sharing of sacrifice, that the shortages will bring. The hardship is there, that is accepted. But then it has got to be shared. Particularly in a democracy like ours, there is no escape from a temporary decline of consumption in a shortage of this kind. But it has to be considered whether there should be shifting of the burden from one group to another. Every group tries to shift the burden on somebody else. I think one has got to recognise that in a situation of this kind, every group in every section of the community must be prepared to bear its part of the burden, to share its part of the burden that is forced upon the community on account of these shortages.

The point has been raised by some hon. Members as to what extent the payment of dearness allowance in cash in full at this stage would really help the situation. It cannot, unless the

supply is improved. If the supply position improves and they get cash payment, certainly they can buy more because the shortages are not there, the prices are not forced up. But if the supply position is not improved, if the supply position remains what it is today and if you pump money into the system, is there any other consequence possible except that the prices can rise? I just cannot understand how anyone can get round to the situation. Or the other alternative can be, you pump money and you retrench and create unemployment. That I do not think is advisable.

Now, if one looks even into the past in the last few years the overall increase of the additional dearness allowance that has been paid at the Centre and by the States, if all the payments are added up, it comes to a figure of about Rs 500 crores. And yet, with all this, it has not really helped, it has not always helped the employee to retain his real income and that is the point which we have got to consider. And this has led to an unbalancing of the Budget to which a reference was made. All these factors have come into it. It is not one factor, I agree, all these factors. But we should not add to the difficulties. We should try to take steps which help us to get over these difficulties.

The real, practical question that we come to, Mr Vice-Chairman is this. Suppose we decide to pay Rs 175 crores, where is it to come from? After all, the size of the cake is limited. You can cut it into so many bits and you can distribute where you like. It goes into developmental channels, it goes into defence, it is spent for some projects whatever you like, and it is spent on the employees, it is spent on Government employees and other employees. But you cannot possibly make the cake stretch like a rubber ball. It is not possible. It has a limited size. And within that limitation, you can distribute it amongst the various sections of your population and amongst your various needs as you

want to distribute it. But one has got to apply one's mind. It has got to come from somewhere. You cannot take foreign aid in order to pay dearness allowance to your employees. You have got to get it out of the system and it has got to come out of somebody's pockets. It is suggested, why not tax? Somebody said, increase taxation. Now personal income-tax totally comes to Rs 300 crores. That is the total of personal income-tax. How far is it practicable to increase that personal income-tax from Rs 300 crores to Rs 475 crores and cover this? Is it a practical proposition? I do not think anybody would accept it as a practical proposition. Then, is it suggested that the excise duty should be increased thereby hitting again the poorer sections of the population? I do not think that can be seriously suggested. Then, in that case, the other remedy has been suggested—you economise; have economy in administration, as somebody said. Well, certainly, so far as it is possible, economy should be effected. But it is a moot point—to what extent can you economise after you have already carried out this exercise for a couple of years in your departments? There are certainly frills that can be cut, you can certainly do some cheese paring and you can effect some economy. But nothing will yield a result of the order of Rs 175 crores. The only method through which you can really have a big saving is, again, to indulge in retrenchment on a large scale. I do not think any of my friends opposite would like to retrench some people so that those who remain may be paid better.

SHRI P. K. KUMARAN: There will be the strike.

SHRI K. C. PANT: Yes, you can only think of strikes. Only strikes are in your mind.

SHRI P. K. KUMARAN: Government will go down.

SHRI K. C. PANT: You say that the Government will go down and you

(Shri K C Pant)

are prepared to use everybody including the employees—you put your gun on anybody's shoulder whoever on his shoulder and try to shoot the Government. I wish the employees know this. They sometimes recognise your 'crocodile' tears and they are in danger of taking them for being real. They do not know the political motivation. But just now you have let the cat out of the bag.

There is another suggestion about project outlays. I am sorry Mr Dahyabhai Patel is not here. But he does not realise that if we reduce the project outlays, the recession which is already overtaking the economy will get intensified and the whole process of economic growth will be slowed down still further, and ultimately it will lead to further unemployment. These are matters which cannot be easily brushed aside.

So far as the Budgetary situation goes, you cannot find anything from the Budget also. At the moment it is very tight. So, Sir, these are the hard facts which I may put before the House because unless one takes these hard facts into account, one does not really come to grips with the situation.

It is not a question of lack of sympathy with the Government servants. Who are my hon friends to tell me to have sympathy with the Government servants? If the Government does not have sympathy with the Government servants, who will have sympathy with them? It is axiomatic. They are a part of the family. The Government consists of the Government servants as well as the Ministers etc. The Ministers are a small part. Really the whole machine is in the hands of the employees and it is but natural that the Government should have every sympathy for their plight, and in fact for the plight and the hardship of all low income fixed income groups in this country because all of them are facing this difficult

situation because of the rise in prices.

Therefore, Sir, let them not try to create this false impression that there is any lack of sympathy for the Government servants. They may try to trade on that sympathy. But we do not want to trade on it. We want to ensure that they get real and lasting benefit and not a temporary benefit which again may be followed by another rise in price when Mr. Kumaran will be very happy and he will again talk of strike. He will again use the Government servants in order to bring about another strike. That situation we do not want to bring about.

It is quite true that the Government servants alone cannot be expected to postpone their purchasing power which is what this means. If you defer, it means postponement of purchasing power, a willing postponement, a temporary postponement. It is not a denial of D A. Nobody has said that they will not get D A. The only thing is whether they are given D A in cash today or whether they get it tomorrow when the situation improves when the supply position improves and they can get really something for their money's worth. That is the only position. So this attempt to confuse the issues so as to create an impression that D A is being denied to them is not correct, and this I repudiate.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) Will they get any interest also on that deferred payment?

SHRI K C PANT: All that can be certainly considered. That is not the point.

SHRI BANKA BEHARY DAS: Let us know your constructive proposal about D A.

SHRI K C PANT: You have been so destructive today that you have no right to ask for constructive suggestions.

Now, Mr Vice-Chairman, I did not want to bring this up but since my friends are vociferous, I might remind them that they have talked all the time of strike threats. They have used very colourful expressions and they have held out very dire threats to the Government. And what has been their main line of attack? They have said, 'How can you, in such a situation as the present one, think of deferring the wages due to the employees? How can you think of it? This is such a statement as you can never expect from a responsible Government.' Mr Banka Behary Das vexed eloquent on this. Mr Bhadram mentioned this. Mr Thengari mentioned this, and Mr Sinha mentioned this. And what are their party affiliations? One is a P S P Member. Another is, I believe, a Right Communist and a Jan Sangh and an S S P Member respectively.

SHRI BANKA BEHARY DAS: You are forgetting about Mr Anandan of the I N T U C. He also talked of strike.

SHRI K C PANT: But what about these four gentlemen who threatened us with a strike? Do you know, Sir, that they are parties to the Bihar Government, and do you know that the Bihar Government have issued an order under which a part of the wages are going to be transferred to the provident fund. Having accepted the principle of deferred payment, do you deny it?

SHRI BANKA BEHARY DAS: I have not said that. You are not giving them resources.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): It is a national issue. Let us all consider it dispassionately and try to come to some agreement.

SHRI K C PANT: A part of the payment of additional D.A. is to be made in cash, the rest is to be credited to a special family provident fund. The allocation between cash and pro-

vident fund differs for different pay ranges. At the lowest pay group, below Rs 110 it is only about 1/4th and so on, and then it is more than 1/2 in all cases rising to Rs 250. In the pay range for Rs. 400—600 the entire additional D.A. is credited to the family provident fund. In Haryana they have also adopted a formula whereby 50 per cent of the increased D.A. has to be deposited in the general provident fund.

SHRI P K KUMARAN: As if the fiscal policy of India is controlled by Haryana.

SHRI K C PANT: But the States have their own fiscal policies also. They have accepted the principle. Well, if it makes you uncomfortable, I cannot help it. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Order, order.

SHRI NIREN GHOSH: They have never accepted the principle.

SHRI K C PANT: What about the Bihar Government. (*Interruptions*). I can understand they are feeling very uncomfortable about this. If I were in their place, I would have felt equally uncomfortable. After holding out threats for two hours, when they find that the Governments in which they are parties, have accepted the principle in their own governments, I can understand they are uncomfortable.

SHRI NIREN GHOSH: This is a wrong statement. They have never accepted it in principle.

SHRI P K. KUMARAN: Who controls the fiscal policies here?

SHRI K. C. PANT: I can understand they are feeling uncomfortable but they need not try to explain away something that is inexplicable. Now, Sir, Mr Niren Ghosh is vexing eloquent. What did he tell us? He said that on 11-9-67 there is going to be a strike for the employees and he said

[Shri K. C Pant] that they are going to utilise it for some other purpose. They are going to have another strike, some food strike or some such thing.

SHRI NIREN GHOSH: He is again misleading, Sir. Let me clarify.

SHRI K C PANT: No clarification. I am not yielding.

SHRI NIREN GHOSH: There are going to be strikes for food, against retrenchment.

SHRI K C PANT: I am not yielding.

SHRI NIREN GHOSH: ... against closures, against lay-offs and for more powers for the States and for full neutralisation in the rise of cost of living.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You had your say, Mr Ghosh.

SHRI K C PANT: I am shocked that he should have admitted in this House that he is going to utilise the strike by the employees in order to foster a strike of his own in West Bengal. It is a shocking admission.

SHRI NIREN GHOSH: It is not a strike directed against the West Bengal Government but against the policies of the Central Government.

SHRI K C PANT: I hope it will make the employees realise how political capital is made out of their difficulties. I hope they realise this and I hope they see the crocodile tears for what they are worth.

And, Sir, what is he going to hold a strike in West Bengal for? In West Bengal he has his own Government. We are coming to new forms of democratic functioning where a party which is in the Government holds a strike against its own Govern-

ment in its own headquarters. It is a very strange way of behaviour. I wonder whether it is a version of the cultural revolution which is taking place in China.

SHRI NIREN GHOSH: It is not a strike against the West Bengal Government but against the policies of the Centre.

SHRI K. C PANT: Therefore ...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Have you finished?

SHRI NIREN GHOSH: Let him go on. We have no objection.

SHRI K C PANT: I have finished generally. This is his version of the cultural revolution of Mao Tse-Tung, Sir.

SHRI BANKA BEHARY DAS: Give some concrete proposals.

SHRI K C PANT: Sir, Mr Anandan has, in his constructive speech suggested that talks should be held with the employees. This is a national problem. We have to take a national view of it. I can assure the House that the Government certainly is not going to close any doors and the Government is certainly going to appeal to all sections for co-operation including the employees. The Government has been very willing to have talks. We have had talks. The Deputy Prime Minister and other Ministers have had talks with 7 P.M. the trade unions and the representative of the Government employees. They have had talks also with the Opposition leaders. The attitude of accommodation, of trying to understand each other's point of view, this attitude of trying to get out of a difficult situation in a constructive way and in a manner which would be helpful to the economy as a whole and to our own employees, who

are after all dearest to us and who have the first charge on our sympathy naturally, is going to govern Government's thinking in this matter. I want to assure everybody that so far as our broad approach goes, it will always be constructive and I appeal to friends opposite also to extend their co-operation to us in finding a constructive solution and not to create more difficulties or harp on the present difficulties. If one faces the problem with a constructive approach and one does not harp on the difficulties, then perhaps we can create a climate in which this difficult situation can be got over, in which all of us can co-operate in finding a way out. I can well understand that friends opposite and friends on this side were concerned about the price situation. We have got to tackle the price situation. And in this respect, I would welcome any suggestions from them. The Government is certainly thinking of tightening the provisions, the coverage and the implementation of the Essential Commodities Act. That is one direction in which we have to move and we have got to see that those who try to profiteer, who hoard essential commodities and who try to take advantage of this situation of shortage to the detriment of the community, are properly dealt with. We are moving in this direction and the implementation depends on the State Governments and on all the political parties in the country, and I am quite sure that in this respect, their co-operation will be forthcoming. Mr. Thengari, in fact mentioned it. Others also mentioned it. I welcome this co-operation on their part.

Now, Mr. Banka Behary Das talked of freezing the dividends which he would like to go along with this. I would certainly welcome concrete suggestions from him as to how this could be done and they would certainly get the fullest consideration in the Ministry. We ourselves are thinking of the various aspects of this problem. We are not sleeping over it. And any

suggestions that come to us will be most welcome.

In the end, Mr. Chairman, I should like to say that the present monsoon holds out some hope of an improvement in the supply position, and as a consequence of this, we can dare to hope that if we do not give up the fight at this delicate juncture, then there may be some hope that the difficulties through which we have passed in the last two years may not be prolonged too long and we may see the end of these difficulties in the not too distant future. But if we give up hope now and if we just give in to our difficulties, then we will only add to them and it will be so much more difficult to get over them in future. So what is required at this stage is really a considerable amount of courage, co-operation and understanding and self-restraint. Various sections of the community have to exercise a measure of self-restraint, willing self-restraint, so that the difficulties through which we have passed on account of the price spiral can be got over and we can come to grips with the situation and we can create a situation in which within a minimum period of time, this rising spiral of prices, which if it continues in its present form will make it very difficult for us even to plan properly for the future, is done away with. If we can co-operate, we can overcome this problem and I think we owe it to the country at this stage to co-operate in this task. It is on this note. . .

SHRI NIREN GHOSH: We cannot expect anything else from him . . .

(Interruption)

SHRI K. C. PANT: I am sorry that he is not responding to the spirit in which I am making this appeal, but I still hope that he will co-operate to the extent his broad philosophy allows him in getting over this situation. Thank you.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) The House also feels concerned about this matter. I do hope that with the co-operation of all concerned, the matter will be settled amicably and that the Opposition will also co-operate. Now the

House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at five minutes past seven of the clock till eleven of the clock on Friday, the 18th August, 1967