

11.43 hrs.

**ADDITIONAL EMOLUMENTS
(COMPULSORY DEPOSIT)
AMENDMENT BILL**

**THE MINISTER OF FINANCE
(SHRI C. SUBRAMANIAM):** Sir, I
beg to move*:

"That the Bill to amend the Additional Emoluments (Compulsory Deposit) Act, 1974, be taken into consideration."

The circumstances which necessitated the promulgation of the Additional Emoluments (Compulsory Deposit) Ordinance by the President on 6th July, 1974 and the subsequent enactment of the Additional Emoluments (Compulsory Deposit) Act, 1974 to replace the Ordinance are well known to this House. In my budget speech, I had also explained the reasons behind the Government's decision to continue impounding of half of dearness allowance increases for one year beyond July 1976 when the present provisions of the Act expire. When the package of anti-inflationary measures were resorted to in July 1974, my distinguished predecessor had also made it clear that the results would be there only after some time and through continuous efforts. The stepped up tempo of all-out drive against anti-social economic activity along with these measures and the subsequent sense of discipline, direction and dedication imparted to all these measures by the declaration of Emergency have brought in palpable results. Government has never held that wage increases to the working classes were a primary source of inflation. On the contrary, the objective is to protect the workers' wages not in terms of rupees but in terms of what the rupee would fetch. Today, the take-home pay packet of the employee after compulsory deposit of half of the additional dear-

ness allowance fetches appreciably more than it did in July 1974. Government no doubt stands committed to repay the amounts impounded together with interest in the manner provided in the Act. But the more important commitment is to protect the real incomes of all classes and this is a pre-requisite for further economic development under the New Programme. The additional wages deposits came to about Rs. 50 crores in all and the first instalment has already been repaid together with interest. So far, the deposits on account of additional dearness allowance amount to nearly Rs. 900 crores and the total amount of deposits for the period till the end of June, 1976 would be about Rs. 1000 crores. The repayment of these deposits with interest as provided in the Act should not in turn release the latent inflationary pressures. In the long-term, the problem of inflation can be contained only by increase in production and productivity. For this, we have not only to consolidate the achievements so far, but also endeavour to improve further, to the extent possible. The task ahead leaves no room for complacency, because it needs to be ensured that the step up in Plan outlay is matched by physical output and performance without inflationary pressures negating results. I would, therefore, appeal to the Hon'ble Members to consider the provisions of this Bill in this perspective.

Clause 2 of the Bill seeks to amend Section 6 of the Act to provide the period of compulsory deposit of additional dearness allowance as three years from the appointed day, (i.e. 6th July, 1974), instead of two years.

Clause 3 of the Bill by amending Section 9 of the Act provides for the repayment with interest of the addi-

*Moved with the recommendation of the President.

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tional dearness allowances impounded during the extended period. While the extended period for compulsory deposit of half of additional dearness allowance will expire in July, 1977, the amounts impounded will remain in these accounts for a period of one year more before commencement of repayment in annual instalments. From July 1977, the third instalment of the additional wages deposit and the second instalment of the earlier additional dearness allowance deposit will have to be repaid; and the impounding will also cease. The inflationary impacts of all these steps need to be taken cognizance of, here and now. It has, therefore, been considered necessary to commence repayment by credit to the provident fund from July, 1978. But the employee would earn interest in the compulsory deposit account on the same basis as the earlier deposits. Repayment in five equal annual instalments together with the interest accrued to the provident fund account is another safeguard to restrain unduly large spurts in money supply in the later years. Credit to the provident fund will also be a saving, though compulsory, to the employee.

Further, the regulations applicable to the Provident Fund will also permit need-based withdrawals by the employee. A smaller proportion of the employees may not be contributing to the provident fund and for such employees, the repayment would be in cash. In the Contributory Provident Fund Schemes, the employers are already paying their statutory contributions and hence they are not required to pay any further contribution against these credits in the employee's account. It is also provided that when the employee ceases to be in employment, the amount in the compulsory deposit account will also be credited to his provident fund so as to enable him to get back both the amounts from one source, viz., his provident fund.

MR. SPEAKER: Motion moved:

"That the Bill to amend the Additional Emoluments, Compulsory Deposit) Act, 1974, be taken into consideration."

There is a motion for circulation by Mr. S. M. Banerjee.

SHRI S. M. BANERJEE (Kanpur): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 18th August, 1976."
(1).

MR. SPEAKER: Mr. Ramavatar Shastri and Mr. N. Sreekantan Nair not present.

SHRI DINEN BHATTACHARYYA (Serampore): Sir, at the outset, I express my strong protest against the repetition of the same game which started in the month of August 1974. The original bill had provided that the Government was impounding only for two years, the additional emoluments, i.e. any increase in the salary, 50 per cent of D.A., the bonus amounts etc. etc. But up till now, the Finance Ministry has not given us the actual amount that they have collected, not only from the employees of the Central and State Governments and the public sector undertakings, but also from those of the private sector.

If you kindly look into the Statement of Objects and Reasons of this Bill, you would be astonished to find that it is stated that this measure has been taken to protect the real incomes of the industrial workers and the salaried employees, who were worst hit by the rise in prices. A very nice argument. By taking away the money, i.e. by cutting the pocket of the poor workers, you are safeguarding their real income. I do not know what is the philosophy or the arithmetic behind it. From my personal experience, I can say that it is nothing but a further attempt on the

part of the Government, a very heinous attempt, to freeze the wages of the workers and the employees. Not only that; it is, on the other hand, a cut or an erosion in the wages, as I remember Dr. Ranen Sen having used the word last time. Why is the D.A. given? This time, the increment in the wages has been left out. I will come to that aspect also. What is the meaning of the D.A. that is given? The D.A. is given to neutralize the rise in the cost of living index. This country, adopted and recognized the necessity in 1967 and it was widely publicized then—for introducing the need-based minimum wage for all categories of employees and workers. That has been thrown into the dust bin or the waste-paper basket. That will have its place in the National Archives, but not in reality. The workers will not get it, so long as this government continues, because it is coming forward with measures again and again which will very seriously hit the workers. They say that the inflation and the rise in prices have been checked; but is it not a fact that even now, after so many measures have been taken by the Government under the plea of Emergency, the real prices of essential commodities used by the working people and employees have not come down? The prices are picking up, according to the wholesale price index. The figure was given only a week back. It has been mentioned in the House that more than 2 per cent to 3 per cent increase has taken place. And this D.A. is meant to neutralize the rise in the cost of living. But so far as the point of neutralization is concerned, I know that 100 per cent neutralization is not there in respect of any employee, whether he works in the Central or State Government or in the public sector or a private factory. So, I cannot share the view of the Finance Minister that this is a measure to safeguard the interests of the workers, so far as their real wage is concerned.

This is nothing but depriving and

denying the workers of the little money that they would get by way of increase in D.A. I will say categorically that it is a wage cut. If the Finance Minister while sitting in his chamber decides or takes this measure as anti-inflationary, a measure to safeguard the interest of the workers, then he would have, first of all, ascertained the feelings of the Class III and Class IV employees of his own Finance Department of the Central Government. But he has not done it and he will not do it. We will soon discuss a measure which is cutting at the very basis of the collective bargaining.

Under the Industrial Disputes Act, an agreement was arrived at with the LIC employees. Now, the Government is snatching that. This is the way how the Government is functioning. Whatever may be the assurances, whatever may be the announcement, I will say that this measure is anti-working class, anti-employees and anti-people, which has been adopted by the Central Government. It is not in the interest of the workers but for their own interest of the Ruling Party.

The other day, I was astonished when the Finance Minister came forward with the Finance Bill where he gave concession after concession to the big business houses and the monopolists. Now in the case of the workers, he has given this concession that they will have to sacrifice their amount which they may get by way of increase in D.A. In the first instance, it was for two years. Now, it is extended for another one year. God knows whether in the next year—I do not know whether Mr. Subramaniam will be there or somebody else will be there—he will come with the same Bill again and say that they want to extend it for one more year. So, where is the end for it? On the floor of this House, the Finance Minister got the Bill passed two years back because of his overwhelming majority in the

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House, and now he has come forward for the extension of the time by one more year. So, I will request the Finance Minister at least not to play in this way with a serious matter like the earnings of the working people. Specially, the low-paid workers have not been exempted. They will have to deposit the money.
1 1/2 hrs.

It is being said that inflation has been checked, many things have been done and the value of the rupee has increased. Is it to the credit of the Government of India or is it due to the fall in the value of sterling and dollar as a result of which we are enjoying the benefit? It is an impact of the fall in the value of sterling and dollar. It is not as a result of the measures taken by the Government here that the value of the rupee has gone up. That is not so. I can prove it. But I do not have much time to go into all these details. I would only say, it is not to their credit. There is a crisis in the capitalist world as a result of which there has been recession and the value of sterling and dollar has come down and you are reaping the benefit here, taking the credit that you have checked inflation and the rupee value has gone up. I emphatically say that the Minister should be truthful enough to give a true picture of it.

He should take back this Bill. The revenue of the Government will not fall. The Government's treasury will not be much benefited by this. What is the total number of employees whose money will be impounded? It will be at the most 30 lakh employees. What will you do with it. Still, there is black money circulating in spite of the voluntary disclosure scheme. There are tax arrears to the extent of Rs. 700 crores to Rs. 800 crores. The black money is still running the parallel economy here. In spite of all the steps that you have taken, these people are very much happy and they are carrying on the parallel economy with their black money.

I would like to say, instead of bringing this Bill, he should have given us a statement showing the actual amount of money he has collected after the passing of the Additional Emoluments (Compulsory Deposit) Bill, how much money he has collected from the Central Government employees, how much from the State Government employees, the public sector and the private sector. Is he keeping individual accounts? I do not know about the Central Government employees or the State Government employees. So far as I know, the original Act provides that each and every employee will contribute to this Fund and a competent authority will maintain a record of his account. I say, categorically, there will be hardly any account maintained by the competent authority. As far as my part of the country is concerned, we have asked the State Government as to where is the account.

The Provident Fund Commissioner is responsible for that. They say that they cannot keep individual accounts and that they deposit the amount in the name of a particular company and that the company is to maintain individual accounts. What a fantastic thing is going on. Without ascertaining or enquiring into the matter, the Government has come forward with this and, in spite of the provision in the original Act, it is not being followed. There are penalty clauses also. I want to know in how many cases there have been such defaults and in how many cases legal action has been taken that has been provided here. I think, not a single case has been filed in the court so far as the private sector is concerned; so far as the big industrial tycoons like Birlas, Tatas and Singhania are concerned, no steps have been taken. I know some workers have died in the meantime, some have left their services, some have retired, but they have not got their dues yet. It is provided here that, if a person dies

or retires or superannuates, he will get back his dues. There is a provision. But who cares to look into it? If a trade union wants to hold a meeting and focuses the grievances of agrieved workmen, it is not allowed. Provident fund arrears amounting to two crores of rupees are there, but no steps have been taken. What is the mechanism? Nothing is provided in this amending Bill also. I do not know why he is talking of these things. The Finance Minister, no doubt, is a good man; I have no quarrel with him personally, but he is taking a step which will go down in history as an anti-people measure. The original Bill was piloted by Mr. Chavan, but he is no longer there. He may be responsible for the original Act, but he will not be responsible for this new Bill. Therefore, what is your explanation to the people of this country, to the poor people belonging to the working class of this country? If a worker is laid off and he gets 50 per cent of the wages, still the increased D.A. will be impounded. Have you made any provision here in respect of lay-off which is a very regular phenomenon in our part of the country and also in the other parts of the country? Where is the provision in regard to that? Birlas will take away 50 per cent of the D.A. by taking advantage of this Bill. They will lay-off the workers for 15 days, and the poor workers will get wages for 15 days and they will have to contribute to the Compulsory Deposit Scheme. Have you any provision in that regard? Have you taken any information from the Labour Ministry? The Labour Minister has now become a theoretician; he comes here and gives us lecture like a school teacher on his philosophy of pseudo Marxism, socialism and so many other things. This gentleman is responsible for this. But he does not care to look into it. So, I say that this is a criminal offence on the part of the Government; they have been taking the money for the last two years; the poor workers are deprived of this,

and there is no guarantee that they will get it. I know of hundreds of cases of closed mills; we know of Khardah Mill; it was mentioned here yesterday. 50 workers died of starvation. Did they get their money back? So many factories are closed. Where is the provision? Who will collect the money for those workers? Even the Provident Fund dues are not realised, not to speak of this new Act and its provisions. So, what is the good of this. I want to make this appeal, through you, Sir, to the Minister and the Government. They are talking of so many things; they say that there will not be a single bonded labour in our country, and so on. It is a good thing; they have taken steps to distribute lands. In practice, however, it is not being done and I do not want to speak on that now. But what are you going to achieve by impounding fifty percent of the dearness allowance when actually you say that the situation has changed, normalcy has come and discipline has been restored? The Government are inviting foreign companies to come here, go round the country and invest their money here, and thereby further loot our country.

No figures have been given about the total expected deposits by impounding fifty percent of the additional dearness allowance. I wish, some figures should have been given. In the financial memorandum it is, however, mentioned that though the Government is not able to give any figures, for every Rs. 100 crores compulsory deposited over a period of one year, the interest liability will be Rs. 44 crores. For streamlining administrative machinery etc. for the purpose, Rs. 4 crores would be spent and Rs. 2.5 crores would be the recurring expenses. As I said, the Minister should have given some figures about the expected amount.

In conclusion, I only want to add that there was enough discussion in 1974, whether constitutionally or as per the Rules of Procedure and Conduct of Business of Lok Sabha, we

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can discuss this matter or not. I am not going in to that issue, because in the meantime there has come the imposition of emergency on account of internal disturbances and all the rights that we had under Article 19 and other Articles of the Constitution have been snatched away. I would only plead with the hon. Minister that he must be compassionate to the poor workers as also to Class IV employees of the Lok Sabha because their dearness allowance will also be impounded and they may approach you, Mr. Speaker, in this connection. The poor people will be put to great hardship by this.

The method of calculation of dearness allowance and the cost of living index is faulty. I can cite some facts which are internationally accepted. According to ILO, the average price of items which are sold both in ration and in open market should be taken into account for the purpose of CPI, that is cost of price index compilation. But, as far as we know, that is not done. We get things like rice and sugar both in ration and in the open market, but the open market price is not taken into account when the CPI figures are compiled.

Apart from that, there are other lacunae. Some time back when in West Bengal, the United Front Government was there, a Committee was set up; it was not composed of the United Front Government ministers or any supporters of the UF Government, but of other component people and they came to the conclusion that it was faulty. We have raised the matter here. So, taking this opportunity again when the Finance Minister is now determined to cut the DA, I would not say it is impounded.

I must mention that the method adopted in the compilation of the cost of price index is still faulty and some step should be taken to see that it is rectified centrally. Otherwise, all these employees and workers in the Centre,

in the States and in the Union Territories will suffer. So, this is a pertinent question.

I will draw his attention to the matter that I have already mentioned that a clear-cut procedure should be laid down as to how these accounts will be maintained and whether the Government will see that the employees concerned and the workers concerned may get a true copy of these accounts which are to be kept in possession of the Provident Fund Commissioner in the case of private sector also. So, I will say that that step must be taken. Would you not consider the cases of the laid-off workers? Would you not consider the cases of the workers of the closed factories who will otherwise suffer?

With this I may again request the Finance Minister that he should go back and bring at least some safeguards in his Bill so that a poor worker who may die, his family may get his dues from the employer without delay and for the closed factories also, the workers may get their impounded DA or the increased wages and for the laid-off workers no deduction should be made.

With this I again through you express our emphatic opposition to this measure and request the Minister to again reconsider about this Bill and come with a new Bill after including the points I have suggested.

SHRI S. M. BANERJEE: How will he consider his request, Sir, as the Minister is already gone?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI): The request will be conveyed.

SHRI PRIYA RANJAN DAS MUNSI (Calcutta—South): In support of the Bill I rise to participate. The law was enacted in 1974 and this is just a continuation process just to extend the period for some time more to bring the situation in our national economy under complete control.

I have not had the opportunity to listen to the full speech of the hon. Member on the opposite and from the little I heard after coming into the House, I gathered—I do not like to criticise him always—that what he spoke was completely outside the scope of the Bill and he has gone to Maharashtra. The comments he has made about inflation, the increase in the rupee value in the international market—I should not discourage his speeches or suspect his motives—but these are all unpatriotic comments. If you take the example of other countries, specially the developing nations, this country, proportionate to the population, has achieved in the last 2 1/2 years an industrial growth and an agricultural growth which will be an envy to other countries and even the enemy of our country, if anybody exists in the world, and even the highest critic of our country would agree that the Government of India and the people of this country have been able to resist inflation, to a large extent, if not completely control the result of which we are finding in our practical normal life. I am not talking in the scope of the Bill something which should not be discussed, otherwise we could have cited examples of what are the achievements that we have got.

I submit in all humility that people—the vast millions—of this country did dream and did desire to get something more. Specially, the vulnerable section did so. But they have not yet got it. Government is trying for it, the political parties are trying for it both within and outside the ambit of 20-point programme

First of all, I would like to congratulate and pay my tributes to the employees of the Central Government, State Governments, working class and other sections of the society of this country who draw regular wages in private, or public sector units, Government or semi-Government organisations. We often accuse and abuse them whenever there is a crisis in the

country for their inefficiency, incompetence and other things which people do not like. But we must certainly agree that the Central Government employees of our country have shown their tremendous support, courage, determination, will and self-resistance in regard to the emergency and their support to the Government measures. I agree, in a country like ours, if anybody who is an employee of the Central Government or a State Government, semi-State Government organisation or a private sector unit, cannot draw his full salary with dearness allowance, or increased dearness allowance, he will feel some problem in his monthly or yearly budget to run his regular life. But, at the same time, the country has to take a decision, not at the cross road, but in the face of a great disaster,—in 1974 the country had to decide either to survive through the democratic system, in a manner which is required for all and to be shared by all, or . . . to be led towards chaos, the end of which neither we nor the employees/politicians would have known.

The Government of our country under the leadership of Shrimati Indra Gandhi took a courageous decision, the results of which are before us. It is wrong to say that the Central Government employees have been adversely affected or the salaried people have been adversely affected. I said earlier that I pay my tributes to them. I would like to pay my tributes to them once again for their courage, support and sympathy to the Government measures.

You will find two interesting things. Who are the Central Government employees? These are the employees who work in the Income Tax Department, Customs Department, Intelligence Department and the Secretarial Divisions. These are the employers who shared the sacrifice for the cause of the country, got their increased allowances improved. They are the employees who stood by the Government to implement

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other measures like COFEFOSA, MISA, to get the black marketeers detained, to find out smugglers. I should say it was a collective struggle of both the Government employees and the people of this country to fight inflation, to fight the smugglers and to fight the economic offenders in the manner they could within a short time.

I feel now in an emergency it would not be wise on our part to oppose the Government or to criticise a party or a group. This is not desired at all. That is why I say the comments offered by Shri Dinen Bhattacharyya I agree with most of his arguments, but so far as the influential parties concerned, are unpatriotic he could not produce any figures. I can tell you in our country, the inflation has been if not completely resisted, halted. After inflation is halted, the Government can review the whole process, review the whole thing, keeping in view the industries growth and the agricultural growth and the support and participation of the people in general and the employees in particular in the Government programme.

So far as agricultural production is concerned, as has been stated by the hon. Agriculture Minister, agricultural production has not only improved, but it has improved much more than what was expected. So far as industrial growth is concerned, both the Minister for Industry and the Minister for Finance have announced that concessions have been given not just to please monopoly houses and big houses but to create confidence among the big entrepreneurs. If they produce more, distribute equally, the country's position will improve. It has got two way effect on the part of the Government and on the part of the entrepreneurs. If entrepreneurs do not fulfil their task, we will have to face a serious situation. Likewise if Government cannot fulfil its task the position will become difficult. So, we

have no other alternative. It is not that we will get immediate results but we will have to continue the measures vigorously. Government will have to see that implementation of these measures is carried on with vigour and determination. What we have found many times in this country is, when we adopt certain very good measures, we never try to sustain the struggle, that is to say, we only adopt certain ad hoc measures. This will not do. We have to take permanent measures. As you know the basic reason for the emergency has been the action of the right reactionary elements in the country. They had a basic economic interest in this country. This aspect has been explained once again by the Finance Minister in this House. Their interest was that there should be an economic stagnation in the country. They wanted only mal-distribution. They only wanted high demands of working class for salaries and wages but more inefficiency and more incompetence all round. Therefore, our fight against right reaction is not only political but also economic. Just when emergency is on and when we have launched implementation of the hon. Prime Minister's 20-point programme it would not be wise on the part of the Government to withdraw all the measures and the policies which they have announced. These measures are in the interest of the people. But unfortunately our labour leaders used to incite the working class. I will cite one example. Last year there was bonus of more than 8.33 per cent. Monopoly houses showed balance sheets with more than 20% of profit. The employers were happy. The leaders of the working class used to go to the factory gates and tell to the working class, look, it is due to the struggle of the working class that they could get that. I do not deny that, but today, the working class has to make this sacrifice, the Government employees have to make this sacrifice. You cannot go and incite them and say one lakh of rupees of your DA is impounded. The measures already

undertaken should be implemented with vigour. A son now tells his father; father, I used to pay Rs. 10 for the copy-books for my school, but now I am paying only Rs. 2/50, thanks to the Prime Minister's 20-point programme. The housewife used to pay Rs. 48 for mustard oil of 4 k.g. and now she pays Rs. 24 only. Therefore, working class must realise that measures like these are in the interest of the working class of this country. These measures should be supplemented with the continuation of the 20-point economic programme. We should involve the people who believe in democracy, and we should continue this process.

In his speech Mr. Dinen Bhattacharyya said that rupee value has not really increased but it is due to inflationary increase, it is due to fall of pound in international market, with which I disagree.

Sir, I do not know the reasons because I am neither an economist nor a monetary expert. But, I can tell you that only about two years ago when some merchants from the Middle-East countries came here, they said that in the Middle-East, nobody talked about the Indian currency. But, they talked about pounds and dollars. Nowadays, there, the people have started talking of the Indian currency. To me it appears to be a pride of the nation, the pride of the people and the pride of the entire country which has risen to its height. Whatever achievements have been made by this country, we should not discourage them; we should encourage them and try to see that they are sustained, protected and well-preserved.

So far as employees are concerned, I submit to the Minister for consideration one important thing. As an economy measure, against the inflation, we had the Bill No. 1 earlier and earlier you introduced the COFEPOSA and MISA (amendment) Bill. We have adopted them. We also adopted the Voluntary Disclosure Scheme etc. etc. But, among the

Central Government employees, there is a problem. The problem is about the voluntary retirement policy of the Government or the super-annuation policy. I have, with me, many documents. I may tell you that at the Secretariat level, in many departments, the case of the deserving and honest employees who can dedicate more and contribute more for the country honestly are not being considered.

On the contrary, in most of the cases, they are facing only victimisation in the name of super-annuation or voluntary retirement scheme. On the other hand, the people who cannot be brought before vigilance because they are wellprotected and wellguarded at the higher levels escape this. This is creating a serious discontent among the employees in Central Government as well as in State Governments. I have seen it in many cases and so I say that they should be very carefully looked into. I feel that if the employees get the proper security about their service, they will respond more to the call of the Government and the appeal of the Government.

Sir, this Bill, I hope, will give a consolation to them that the measure is being brought forward in their own interest and also in the interest of the people at large. I appeal to you and, through you, to the Minister that the service records of the Central Government employees who are doing their duties with dedication keeping the interest of the country in view, should be looked into. In some cases, it may happen that an employee might have been shifted or transferred from one department to another due to cliques of some unions also. I am not excusing the unions because they are also doing it and they are somehow manipulating the things with the help of the high officials. It is a heart-burning question among the employees. They want some internal security and they want an independent machinery to be provided by Government to understand and assess their

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service records. Their worth should not be judged merely by the recommendations of the unions or the heads of departments alone. There are some conflicts; there are some contradictions and so the Government should appoint some independent machinery to understand and assess the performance and efficiency of these employees.

I would like to conclude by saying that we have halted the inflation and it will bear fruits very soon. Apart from this Bill, we should also try to implement the programme given to us. We would soon be seeing the results. That time is not far off.

SHRI INDRAJIT GUPTA (Alipore): Mr. Speaker, Sir, I regret that the Bill which we are discussing is yet another measure to which we cannot give our support.

There are times in the lives of the country or the nation, when, undoubtedly, sectional interests may have to be temporarily sacrificed in the overall interests of the country.

When the Compulsory Deposit Legislation was first introduced in 1974, the main economic argument was that since there was a very high rate of inflation going on, and there was too much of money supply in the country chasing too few goods, it was necessary to restrict the supply of money. If goods were in short supply and money in excess, then this would lead to further inflation. On the basis of this argument, the working-class was asked to agree to this compulsory deposit for one year of their additional basis wages and for two years of fifty per cent of any increase in their additional Dearness allowance. Now, I would like to begin by asking the Government to tell us whether, in their opinion, that situation prevails now also or not. Whether they are of the view—because the claim they have made and the claim I certainly support that to a great extent this

inflationary spiral has been halted. It certainly does not mean that all prices have come down. It certainly does not mean the retail prices for the consumers have come down but the galloping rate of inflation which we got accustomed to has been halted and certainly the Government can claim credit for that. But the economic basis for this measure, namely, that there is too much money and too little goods and, therefore, it is necessary to restrict money supply and, therefore, the workers must agree to the freezing or impounding of a part of their salaries and the dearness allowance, is it Government's contention that this situation still prevails now? In the statement of objects and reasons of this Bill it is stated and I quote:

"The objective of arresting the price spiral has been substantially achieved."

Further I want to quote from the Financial Memorandum—this, of course, is with reference to the estimate of the amount which would be impounded in the coming year once the Bill is passed—that is:

"The total deposits from impounding one-half of the additional dearness allowance during the period specified above cannot be estimated at this stage because dearness allowance is linked generally to the cost of living index and variations in the cost of living indices in future periods cannot be assessed now, more so, because of the declining price trend now evident."

So, they are speaking of declining price trend; they are speaking of the fact that the objective of arresting the price spiral has been substantially achieved.

Now, for two years the working class made this sacrifice that it was called upon to make. The repayment of those impounded sums which

were impounded upto July, 1976 is due to begin and that also has been phased out over five yearly instalments. The money will be returned in five yearly instalments. So, there is no question of a big volume of money being suddenly injected back into the economy. It will be phased out over five years. Even that was some small relief to the affected people who were looking forward to the end of this impounding business and the fact that they would get back the first instalment which had been taken away.

Now, this Bill has been suddenly brought forward in the first place prolonging this compulsory deposit scheme for one year more, but as Mr. Bhattacharya has pointed out there is nothing here which precludes the Government from repeating its performance next year. There is nothing in the Law which says this extension of one year is final. So, this can go on. Moreover, whereas the amounts impounded in the first two years are to be repaid in cash instalments here it is provided that the impounded amounts after July 1976 which will be repaid from 1978 will not be repaid in cash but will be credited to the workers provident fund account.

So, looking at the provisions of the Bill one would imagine that tremendous inflation is going on still; there is lot of money supply floating about in the country and there are not enough goods to be bought and, as such, this measure has to be prolonged. So the repayment two years hence would not be in cash at all but would be credited to the provident fund account. The extension is one year. The repayment will begin in 1978. Whatever will be impounded from July 1976 to July 1977 will start being repaid from 1978, repaid in the sense of being credited in the provident fund account. Now, as far as restricting the money supply in order to counteract the inflation is concerned, I have said this on many previous occasions here is it to be a one-sided affair? The whole outlook of this

Bill lacks any kind of moral basis because it is hopelessly discriminatory. It is so discriminatory that it is imposing burden only on the working class as if they were the only people in this country who are expected to sacrifice. In the beginning when the compulsory deposit scheme was introduced the Government made a pretence of saying that parallel with that we are imposing restriction on dividends. A Dividend Restriction Scheme was Also introduced. The workers will have to given up a part of their dearness allowance and their additional basic wages, but the companies or the corporate sector is also being told that they will not be allowed to distribute dividends as they want. There will be a ceiling and restriction on that. What happened to that? May I know what has happened to that? That has been withdrawn long ago. Last year that was withdrawn so that there is no restriction and the companies are free to distribute as much money as they like. Apparently, that will not have any effect, according to the Government, on inflationary tendencies. In the meantime, due to the change in the bonus law, the employers' liability to pay bonus has gone down drastically and now that has become a permanent statute, that is to say, the amount of money which the employers will save on account of not having to pay bonus to the workers that money will remain with the companies. There is no statutory or legal provision whatsoever to see that the amounts which are saved by the companies by way of bonus and which amounts will now remain with them—that is to say, the disposable surplus will remain with them—that money will really be used for the definite purpose of production or expansion of production or like that. It is only a pious hope expressed. Now all that money is available to them, we hope that they will use it for production purposes.

But what is the guarantee of it that this money will not be used only for

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ostentatious spending and for spending on luxury goods and so on? There is no guarantee whatsoever.

Then, the corporate taxes have been reduced, income-tax on the higher income brackets has been reduced this year, the wealth tax has been drastically reduced. Are these all measures for preventing or restricting money from flowing into the economy so that the price level can be kept under check? Is it that only the workers are supposed to do it? Only workers' part of the money is to be tied up and frozen and impounded. As far as the corporate sector and big business is concerned and rich people are concerned, payers of higher brackets of income-tax, of wealth tax, of corporate tax are concerned, in their case everything has been relaxed because the moment this inflationary spiral began to be checked, the price index began to go down. A big *halla ballu* was started in this country. Now, the main battle-cry in the industry, in the business, is recession, recession and recession; prices are crashing, therefore production cannot go on, production has to be restricted and therefore pressures are being put on the Government that unlimited credit facilities must be given, other concessions must be given, otherwise production cannot pick up. Due to that pressure, I regret to say, as reflected so clearly in the budget proposal this year, the Government has surrendered all along the line and now the Minister is reduced only to saying that the ball is in the court of the corporate sector. The country will watch and see whether they play the game or don't play the game. That is all. A great pious hope, unfounded optimism is placed on these people who never have the interest of their country to their heart. They are only interested in their profits, they are not amenable to any kind of financial or industrial discipline, as we have seen. But in their case,

all these facilities have been given so that large amounts of money of disposable income are left with them in the hope that they will use that for raising production. Without the workers, there can be no production. If the government considers Mr. Birla, Mr. Bangur, Mr. Goenka, Mr. Bajoria, Mr. Kanoria etc. are indispensable for production in this country, I want to tell them that the workers are no less indispensable. They should remember that without the worker, no Birla or Bajoria or his grandfather can produce even a quarter kilo of anything in this country. How are you treating the two partners in production? If it is a question of sacrifice, both should sacrifice. But what is this new policy which is being adopted that the imposition of this burden must go on only on the workers, and the big corporate sector and big business and monopoly sector must be given more and more freedom and all controls and restrictions on them must be removed? That is why we are basically opposed to the whole philosophy behind this Bill.

Apart from other things, from this compulsory deposit fund, the government itself is borrowing several hundred crores—I have forgotten the exact amount it is given in the budget proposals—to meet the deficit in the government's own budget! We are in a very peculiar position. Government is not telling us, I suppose it is not in a position even to tell us, how much money is there in this compulsory deposit fund at the end of this two year period, which is to be repaid. No official authentic figure is available to us up to this date as to what is the accumulated amount. I have a great suspicion from our experience down below in the industrial field. I do not know in what mess these accounts are. When the repayment starts, we will see. No worker has been given any kind of record of the amounts which have been deducted from the additional D.A. let alone giving him a pass book. In the beginning, the rules specified that every depositor would be given

a pass book or card on which every time a deduction was made from the additional D.A. it would be entered there and he could keep it like a pass book. But nothing has been done. There is going to be a lot of trouble in many places when the question of calculation arises. The same provident fund machinery and the same provident fund commissioners have been entrusted with this job who have done such a wonderful job of the provident fund itself. We know very well how many hundreds of crores of rupees of the workers' provident fund have remained unpaid. But nobody has been punished for it up to date. The companies of many of the well-known and illustrious names in the corporate world are in default in this regard and not one of them has been punished. Hundreds of crores of rupees of the workers provident fund money are unaccounted for and have never been deposited. These are the people who are supposed to maintain the accounts of the compulsory deposit fund also. The worker has no record with him. He must be keeping his own record for his own personal use since it is his money which is being impounded, but his record will not be accepted by any official agency. I demand from this government that while replying to this debate they should tell us what is the amount of money involved, whether it is accurate or not and how they have compiled it.

Again I ask the government to tell us what is their view now about price trends. By 'now' I mean the two months which have elapsed between the presentation of the budget proposals and the passing of the Finance Bill two days ago.

MR. SPEAKER: This morning it has come out in the papers.

SHRI INDRAJIT GUPTA: Now the heading is "Prices going up".

DR. RANEN SEN (Barasat): But the consumer price index is declining!

SHRI INDRAJIT GUPTA: For the last six weeks consequently, prices continue to rise. Between March 20 and May 1, the wholesale price index increased by 3.4 per cent, from 282.4 to 292.1. The commodities which were experiencing sharp increases in prices in this period include edible oils, sugar and allied products, and a variety of industrial raw materials and intermediate products. However, the index as on May 1, was still lower by 6.6 per cent than that of a year ago. Then, a table is given. Between March 20 and May 1, food articles have gone up from 303.9 to 318.6, cereals have gone up from 288 to 290.9.

Will they kindly explain it? We are in the middle of a bumper crop of foodgrains. A bigger buffer stock of foodgrains has been built up. In the middle of all these things, why the prices are rising? Some papers are describing it as un-seasonal rise. But, nobody is giving us any explanation. We had a bumper crop of oil seeds. But the index of oilseeds has gone up from 234.2 to 255. Why? You cannot have it both ways. Your assessment is that you have arrested prices for which you are taking credit, that is good. Either you stand solidly on it and try to defend it, in which case you cannot really justify why the workers should deposit half of their dearness allowance for another year, or you must explain why this trend of prices going up is taking place. The most plausible explanation which all the newspapers and journals are forced to give is that Government's control over the market, marketing mechanism and market economy is so weak still, so half-hearted and so incomplete that once again, those forces which control the movement of market prices and commodities have begun to assert themselves because there is still plenty of black money in the country. There is no doubt about it. The papers are reporting that many smuggled goods which had temporarily disappeared, are beginning to appear again in Calcutta and Bombay and are selling in the open market. In

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Gujarat, Rs. 70 lakh worth of hoarded vanaspati was seized in one particular raid and was brought out. Speculations and smuggling activities are again on the increase. It is a fact. Therefore, Sir, the only people who have the worst of both the ends are the poor workers. If the prices really go up and then you say that half of the dearness allowance must be impounded, it means that their real wages are being cut because the dearness allowance is given on the basis of calculation of rise in prices. But in a period of rise in prices, you say that half of the dearness allowance must be impounded, to that extent their real wages are eroded.

According to the figures of the working class cost of living index, when the prices rise, they show a much smaller rise than the actual rise; and when the prices fall, they show a bigger fall than the actual fall. This is a fact. When the prices decline, you say that the workers should appreciate it and be happy. But they do not appreciate it because their dearness allowance is cut. In case of rise in prices you cut the DA by impounding it, in the case of the fall in prices, their DA is cut on the basis of a calculation linked with cost of living index. In both the cases, the poor fellow gets the thin end of the wedge. Therefore, I do not understand whether there is any assessment of what has been the effect on the purchasing power of the people as a result of all this—as also on the commodity market—during the last two years. You should tell us something. Many employers and businessmen are shouting about the fall in the purchasing capacity; but it is a fact. At least we have seen that during normal times there is a spurt in purchases from the market, i.e. in our country, normally at the time of certain festivals. Whether it is Diwali or Id or Durga Puja, it was then that previously they used to get some bonus money; and in the industrial areas there used to be a considerable off-

take of things like clothes, shoes and other consumer goods which they would buy at that time for the whole year, to meet their family requirements.

Now, the bonus slash, as it is, and these compulsory deposits have affected such purchases. Is it or is it not a fact that in many places these goods are lying unsold? Stocks have accumulated; and then, these employers, on the plea of accumulated and unsold stocks again come down on the workers; by laying them off and saying that production should be restricted and that there was no way out. Textile employers are saying that they have got huge stocks of unsold textiles. So do the leather and footwear manufacturers; and so do the others. Thus, you first of all cut the worker's income. Therefore, he is forced to buy less than what he needs, for himself and his family. Then the unsold stock accumulates. On the basis of that, the employer says that he will have to put a restriction on production. Therefore workers have either to be retrenched or to be laid off. What is the logic?

In yesterday's Calcutta issue of Hindustan Standard, there is a report. A few examples have been given about the situation now prevailing in West Bengal. This news has come out after censoring. It says this first about Texmaco, which is a very big Birla company:

"Here, about 1600 employees have been affected by retrenchment or premature retirement or offered holiday without pay."

Then about Jay Engineering, belonging to Bharat Ram Charat Ram:

"Here, nearly 1,000 people have been affected by pay cuts or retrenchment in recent weeks,....."

Then about Jayshree Chemicals:

"... about 250 workers have been retrenched."

about Hind Motors:

"Altogether 4,000 workers have been put on rotational lay-off, forced retirements and made to accept special voucher payments in contravention of all official rules.

Now about Inchek Tyres:

"About 2,000 laid off, . . . "

National Rubber: 3,000 laid off.

Now about NISCO and others:

NISCO: Between 3,000 and 4,000 have been laid off.

India Foils, Kamarhati: Between 100 and 600 workers affected by pay cuts, or retrenchment.

Kakinara Jute Mill: Closed down for a few weeks. Altogether 4,000 laid off.

This Kakinara jute mill is the one mill mentioned yesterday. It is closed down. Again we have:

Meghna Jute Mill: Between 7,000 and 8,000 locked out. This is just a sample or glimpse of what has been going on. In the name of restricting production and for meeting the so-called recession, these employers are imposing unemployment on these workers. During this lay-off period, as Mr. Bhattacharyya had put it, they are entitled, for limited period, to get only 50 per cent of their wages and DA.

13.00 hrs.

During that lay-off period, I do not know, whether even of the 50 per cent of the D.A. which they get, even 50 per cent of that is impounded by you under the compulsory deposit scheme. I can tell the people who are sitting in high places and also the Madam that they do not have the remotest idea of what is the mood of the workers down below. You can pass hundreds of laws. But if you go down and talk to the workers in basti and mohallas you will understand what the frame of their mind is. You have antagonised them unnecessarily. The

most organised and conscious class which would have stood with you in this emergency and was prepared to stand is unnecessarily being made hostile and antagonistic by all these ridiculous, stupid, shortsighted bureaucratic measures which you are imposing one after another.

You cut their bonus. You are now again saying that for another year, you have to submit to the compulsory deposit scheme. The morale and the enthusiasm of the workers is being completely undermined. I am warning this Government that if they do something like that, it will have a very bad political repercussion. Those very forces, which you wanted to suppress, are now getting access to these workers here, which before they never could get, because of the discontentment, because of the mood which is there.

I will say that we cannot agree to this Bill. The whole idea and philosophy behind it is all wrong. This is not the way to treat the working class, if you really want them to give their everything for production in this country. And regarding those people who are sabotaging production, closing it down and doing all sorts of things, no steps are being taken against them; they are allowed to handle much bigger amount of liquid money than ever before.

Finally, I would say that they are not going to withdraw this Bill, which is quite obvious, they are quite determined to put it through; they will put it through (*Interruptions*). What is amendment? There is no use of amending all these things. The point is that first you should explain why—if these repayments are to be made—these repayments are not to be made in cash? You should explain why the repayments, after 1978, are to be made by crediting them to the provident fund? You are anticipating that by 1978 you will lose your control over the price situation, price system altogether. Are there some misgivings because no explanation is being given?

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What has happened in the last two months? Everybody here applauded the Finance Minister at that time saying that this Budget is going to have a very great deflationary effect, but something just the opposite of that is taking place; it is very disturbing. I am not saying this just to gloat over it or something like that. I am very much worried about it. But there is no serious discussion here. The House is not allowed to discuss in seriousness these economic factors which take us to some position which we are not anticipating at all. The Government keeps quiet, silent about it, does not say anything. All they do is to come forward with this kind of a Bill. Therefore, we are totally opposed to this Bill. We feel that it is quite unnecessary and out of place. It is framed in the background of an assumption that the prices are declining when actually the prices are increasing. Let them explain this. Otherwise, we cannot support this Bill.

MR. SPEAKER: The House now adjourns for lunch to meet again at 14.00 hours.

13.05 hrs.

The Lok Sabha adjourned for lunch till Fourteen of the Clock.

The Lok Sabha re-assembled after-Lunch at Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

ADDITIONAL EMOLUMENTS (COMPULSORY DEPOSIT) AMENDMENT BILL—Contd.

MR. DEPUTY-SPEAKER: Shri Raja Kulkarni.

SHRI RAJA KULKARNI (Bombay—North-East): Mr. Deputy-Speaker, Sir, I welcome this measure. I have been listening very carefully to the speeches made by my learned colleagues from the Opposition. I do not agree with them that this is an anti-labour legislation, nor labour has been deprived of any money as such.

Essentially, this is a saving measure. It is not a depriving measure. The word "depriving" is not the correct description of the measure as such. In fact, when it is called the compulsory deposit, the word 'deposit' itself means, it is a saving and, therefore, the working class is really contributing by way of savings. They would be getting back the money which they own. The only point is that, for the purpose of the savings to be utilised for the growth of the nation, working class is asked to make a little sacrifice about immediate consumption. That is the real character of, and the basic philosophy behind, this legislation.

I am, therefore, welcoming this as a measure in the national interest. It is not only in the national interest, but ultimately it is in the interest of the working class also.

This was one of the measures introduced, originally in 1974 through an Ordinance, and many of us very sceptical at that time: We were not sure that the sacrifices arising out of impounding of both the additional wages and the increased Dearness Allowance would ultimately benefit the nation by curbing the inflationary forces. But the result has shown that, along with the other measures, this measure has also helped in curbing the inflationary forces. I am, therefore, looking at it from the larger point of view. It is not only the nation which has benefited. In fact, when inflation has been curbed and prices have come down, the working class has also been benefited. Therefore, the benefit has also come to the working class at the end of 1975. It is from this point of view that I welcome this measure.

The point that has been raised is this: the original intention was that some money should be taken out from consumption in order to curb the money supply; and now that the prices have come down and the inflationary forces have been curbed,

where is the necessity for this? The Finance Minister, in his speech, has paid compliments to the working class for helping the country in curbing the inflation. But the whole subject is not over with that. Whatever gains have been achieved are to be consolidated, and the money that is there with the Government having been deducted for the last two years—again this deduction has to be continued because, it will help consolidation of the gains for the growth of the industrial and agricultural production. It has to be used now for the purpose of growth. This is called the workers' contribution to the growth of the nation.

It is a 'capital fund' of the working class, and I would say that the Government should now go a step further and describe this measure as the beginning of the workers' sector in the national economy. The savings are now being mopped up for the purpose of growth. It is definitely a recognition that the workers are contributing towards the capital fund required for the Plan projects. Already in our national economy, the working class has been contributing to the growth of the nation. But here is a specific, big amount; I think, it is somewhere between Rs. 700 and Rs. 900 crores. This money will now be utilised for the purpose of growth. For two years when the additional wage increases were impounded at hundred per cent and when the additional Dearness Allowance was impounded fifty per cent, the whole deposit money was frozen. It was not used for the purpose of national growth. Now, this money is not being frozen and is being utilised for national growth. This is what is called a definite emergence of a workers' sector in the national economy. Even earlier, there has been the workers' contribution, but no specific mention was made by the Government about it. Indian working class has contributed to the growth of the national economy during the last two-three Plan periods.

I have got with me the figures of the contribution of the working class towards the growth of the nation as a whole. From 1952 to 1975 September, more than Rs. 3,000 crores in aggregate have been invested by the Government from the provident fund accumulation of the working class. Similarly, from the coal mines provident fund the aggregate amount of investment has been about Rs. 40 crores and from the State Employees Insurance Corporation about Rs. 140 crores. In all, about Rs. 3,180 crores have come from the working class and that money has been invested for the development of the nation. In this amount of Rs. 3,180 crores, I have not included the contribution made by the working class in small savings. Most of the amount in small savings comes from the working class and that also is a big amount. The contribution to the small savings during the year 1975-76 was estimated at Rs. 350 crores and out of that a large sum has come from the working class. In the current year 1976-77, Rs. 390 crores are expected through the small savings and the workers' contribution would also be there.

When that is the case, the working class has to demand, and rightfully they can demand, that the Government must carve out a national sector for them. When they are contributing more than Rs. 4,000 crores to the national exchequer for investment into the national economy, they would like to have an appropriate machinery in order to decide the policy for investment of this amount, and for what purpose it should be invested or it is being invested. The working class has no right over the investment policy of the Government. On behalf of the working class, I would say that we have no grievance in extending this compulsory deposit scheme by one year, but we have a right to ask, for what purpose this is being invested. Have we any voice in determining the projects for which our money

[Shri Raja Kulkarni]
 is likely to be invested? The workers have also their own needs; the most important being their housing problem. Today, the working class is not in a position to say that out of the investment that has been made by the Government from their own money, how much has been spent to meet the housing needs of the working class. If adequate money has not been invested on things like this, we would like that our amount should be invested to meet the needs of the working class, like housing etc. We would like that the right should be given and some kind of a machinery evolved whereby the working class will be in a position to decide the policy of investment of their money which is collected at the national level. So, it is from this point of view that we are supporting this.

Now, in respect of the actual *modus operandi* of the scheme as it is being worked out, it is stated that the deductions which will be made from July, 1976 onwards will now be paid interest at a rate 2 1/2 per cent more than the bank rate which therefore would be 12 1/2 per cent. But, what is the estimate of the deposit amount? In the Financial Memorandum, it has been stated that the actual quantification of these deposits cannot be made as it depends upon the index number. So, this has created a doubt in our mind as to how much amount will really be collected. We would like to know if 50 per cent of the increased DA or the additional DA is to be deducted, then what "additional" means? Is it not the additional dearness allowance that has been paid for those beyond the index number of July, 1974? The July 1974 index number was 311. So, 50 per cent of any dearness allowance paid after index No. 311, was being deducted. Since July, August, September, October, 1975 and onwards index number has gone down. In December, 1975 the index number was 306 which is below the index number of July, 1974. In January till today the index number has

been much less than 300. So, where is the additional DA for the purpose of impounding? So far there was no additional allowance for impounding till June or July, 1976. Now, if the index number goes down even from June or July, 1976 onwards for one year, what exactly would be the additional DA in the view of the Government for the purpose of impounding? Some kind of an estimate is necessary. We would, therefore, like a clarification from the Finance Ministry that if the index number remains below 311 throughout the year 1976-77, that is, for one year from July 1976 onwards, where is the additional DA for the purpose of impounding? Now, that is my point on which I would like actual information to be given by the Finance Ministry. Apart from this, basically I support this measure. I would conclude by saying that the Government should give the right to workers to decide the policy for investing the workers' money and especially, for their housing needs.

With these observations, I support the Bill.

SHRI S. M. BANERJEE (Kanpur):
 I beg to move my motion for circulation...

MR DEPUTY-SPEAKER: You have already moved it.

SHRI S. M. BANERJEE: I want to do it. I want to move my motion where I have demanded for circulation of this Bill for eliciting opinion thereon by 18th August 1976. The whole purpose was that at least let it be circulated and the trade unions must be given time to have a say in the matter. Why we are opposing this Bill has been amply explained by my hon. friend, the leader of the Group, Shri Indrajit Gupta.

I am here to know what is the total amount that lies with the Government out of these additional emoluments compulsory deposits. I am told that there is no account at all. I

quote from what Shri Ram Singh Bhai said—that the workers and the mill-owners do not know what is the amount deposited, the employees of the Public Undertakings of the Central Government do not know about it. I would like to know from the hon. Minister as to what is the actual amount.

I do not know when the money is going to be paid back in five instalments? We have been pleading in this House that there should be proper accounting. The books should be maintained by the workers and they should know what is the amount lying in deposit, what is being deposited and what is the interest accruing on that amount. But nobody knows what is happening.

Workers were told that if this liquid money flows into the veins of economy, there will be inflation. A reasonable restriction was imposed on the workers and this money was deducted by an Ordinance, later on it was converted into an Act. The money which the Government never wanted the workers to spend was spent by the Government. I do not know what is the actual amount. This is somewhat surprising.

If I am not misunderstood, it is a sort of misappropriation by the Government. The money was deposited in good faith by the workers. They felt that the money was safe in the hands of the Government. But, the Government spent that amount. There was no justification for the Government to do so. There was no proper explanation. We asked some questions on this. The reply was that the Government has spend for some good purpose. What is the purpose? We call in Hindi "प्रधानत में खयानत"

I keep something with a particular person as 'amanat, a trusted thing, and he goes on spending that amount. The amount of the employees or the working class was deposited with the Government in good faith to fight

inflation. But it was spent by the Government without giving any reason or with proper explanation. I do not think that any Government can possibly do it. This was deposited with the Government, not with the AICC to spend the amount as per their sweet will. I can understand if they consider it as the Congress or election fund, they could spend that amount. But it is not so. What is the proper justification of their spending the amount? Why should the working class have any more faith to the extent that these amounts should lie with the Government for another year? I say, the continuance of this particular Bill or an Act is not all justified. The reasons in this regard have been very ably put forward by Shri Indrajit Gupta Government says that it is to fight inflation, or it has a salutary effect. Concession after concession has been given to those people whom they salute.

MR. DEPUTY-SPEAKER: Why do you repeat?

SHRI S. M. PANERJEE: I am not repeating. How the income tax has been reduced, you know it.

Another point which I would like to mention here is that they say that the prices are coming down. According to them the wholesale price has come down, even the retail price is coming down. But if you read today's or yesterday's paper you will read that the prices have gone up again by 2.5 or 3 per cent. I do not know, because this is manipulated to suit the convenience of the Government. Actually the prices are going up. But according to the Government these are coming down. What is their fear? How is it that even today the hon. Deputy Minister Shrimati Rohatgi or Shri Subramaniam is unable to convince this House where has the sixth instalment of D.A. gone?

In whose pocket has this gone? When Mr. Subramaniam agreed on 5th instalment of dearness allowance he-

[Shri S. M. Banerjee]

made a solemn promise that the payment of 6th instalment was also being considered. Where has that amount gone? Has it also been deposited? If it is deposited, in which fund?

Sir, this measure was taken at a time when there was galloping inflation. We pointed this out at that time. But still the workers wanted to give a fair deal. They did not grumble. They did not grouse. They kept mum thinking that the solemn assurance given that this will be for one or two years will be honoured. Now it is being extended. Another extension also will be done, we don't know.

They are taking advantage of the emergency. They are taking advantage of the MISA and DIR. They are curbing trade union rights of workers so that they may not agitate.

I wanted this Bill to be circulated for eliciting public opinion; they will not do it, I know. At least let the Bill be referred to a committee; that also they will not do; I know, Sir, they have not consulted any of the central trade unions. They have not consulted any of the members of the national apex bodies or the State apex bodies. Sir, Mr. Kulkarni made a speech and has gone away to the Central Hall. In the Central Hall he will definitely say: What can I do? I don't agree with the Bill but I have to support it. So, they are speaking against their conscience, only because they are afraid of Mr. Raghuramiah and his whip. But we have our conscience. We are for the working class.

SHRI M RAM GOPAL REDDY (Nizamabad): Mr Kulkarni is not here to contradict you

SHRI S. M BANERJEE: He will contradict me in the Central Hall, don't bother, — if there is anything to be contradicted.

So, Sir, this Bill is wrong. This scheme itself is wrong. It will meet

with the same fate as the Gold Control Bill. Mr. Morarji Desai used to say that this was the only measure which will unearth hidden gold and all that. Still no gold was unearthed and gold remained where it was. So, this is another measure which is not at all going to help the country. According to Government's own argument, if prices are falling, why should this scheme be continued at all?

With these words I oppose the Bill. I request that my motion for circulation for eliciting public opinion may be considered by the House.

श्री हरी सिंह (बुर्जा) : माननीय उपाध्यक्ष महोदय सदन में एडीशनल एमालु-मेन्ट्स (कम्पलसरी डिपॉजिट) ब्रमेन्डमेन्ट बिल 1976 पर बर्बा चल रही है। इस ब्रमेन्ड-मेन्ट बिल की जो मुख्य मंशा है वह यह है कि देश में जो मुद्रा का फैलाव हो गया था देश में जा मुद्रास्फीति हो गई थी जो एक समानान्तर मुद्रा का फैलाव हो गया था जिसके कारण महंगाई बढ़ गई थी, देश में आर्थिक संकट आ गया था, लोगों का जीवन दूभर हो गया था उस पर प्रकृश लगाया जाये। इस बिल का यही मुख्य उद्देश्य है कि महंगाई को समाप्त किया जाय आप जानते हैं यदि हम कम्पलसरी डिपॉजिट स्कीम को समाप्त कर दें इसी जुलाई में तो अगले साल ही तो करोड़ रुपया और देश में फैल जायेगा जिसके कारण देश में मुद्रा का फैलाव होगा। जिस महंगाई को हमारी सरकार ने बड़ी मेहनत और कुशलता के साथ खत्म किया है और एक खुशहाली का वातावरण पैदा करके देश के प्रगति के रास्ते पर प्रागे बढ़ाया है उसका ठेस पहुंचेगा।

यह जो कम्पलसरी डिपॉजिट बिल है इस से जो रुपया जमा होना है उस पर उन कर्मचारियों को जिन का रुपया जमा होना सबा बारह परसेन्ट व्याज मिलेगा। आप जानते ही हैं कि मध्यम श्रेणी के जो कर्मचारी हैं, निम्न श्रेणी के जो कर्मचारी हैं व कोई पैसा नहीं

बचा पाते हैं और भारत की सभ्यता
देखी रही है जिसमें किसी न किसी
रूप में—पहले प्रचलन यह था कि जेवरों के
रूप में भविष्य के लिए भविष्य निधि बनाया
करते थे—लोग अपने भविष्य के लिए भविष्य
निधि बनाते हैं। आज शिक्षा और नई प्रणाली
आ जाने के बाद जेवरों का रिवाज कम होना
आ रहा है। आप यह भी जानते हैं कि आज
हमारी सभ्यता और मीजवा काल की प्रगति
का प्रभाव है कि जिस इन्सान के पास पैसा होना
है, वह उस का बहुत बड़ा हिस्सा लगज ी में
खर्च करना चाहता है। यह जो बिल लाया
गया है उस का उद्देश्य न केवल सरकारी कर्म-
चारियों से रुपया लेना है बल्कि उन में एक नई
भावत पैदा करना है कि वे अपने भविष्य के
लिए रुपया बचा सकें। आप यह जानते हैं कि
किसी को कितना ही पैसा दे दें—उन लोगों को
आप छोड़ दीजिए जिन को पैसा देा करने
का एक मीनिया होना है और पैसा बचाने की
एक शक्त सी हानी है—जो मध्यम श्रेणी के
कर्मचारी हैं या निम्न श्रेणी के कर्मचारी हैं
उन में रुपया बचाने की इच्छा होने के बावजूद
वह पैसा नहीं बचा पाते हैं। मैं यकीन के साथ
कह सकता हूँ कि इस योजना से सरकारी
कर्मचारी वर्ग में कोई मन से विरोध नहीं है या
उस में इस का क्रिटीसिज्म मन से नहीं किया
है। उन की भावना है कि यह डिपोजिट स्कीम
उन के लिए बर्कम के लिए अच्छी है और
उन के हित में है।

मैं यह भी कहना चाहता हूँ कि जैसा कि
हमारी सरकार ने तय किया है कि समय के
खत्म होने के बाद जो कर्मचारी अपना पया
किसी में नहीं लेना चाहेंगे वे उस रुपये को
अपनी भविष्य निधि में जमा कर सकते हैं
सरकारी कर्मचारी बड़ी भारी संख्या में इस
रुपये को अपनी भविष्य निधि में जमा करेंगे।
यह मैं आप के माध्यम से सदन में कहना चाहता
हूँ कि हमारे जो कर्मचारीगण हैं उन के हित में
यह बिल है और उन के भविष्य के लिए है।

दूसरी तरफ इस का एक और पहलू है
और वह यह है कि देश के अन्दर जो एक आर्थिक
संकट था गया था, उस को खत्म करने का यह
एक सबल शस्त्र है। आप जानते हैं कि जो
रुपया इस तरह से हमारे यहाँ इकट्ठा किया
जायगा वह किस पर खर्च होगा? यह योजना
पर खर्च होगा। योजना किस के लिए है?
आज जो गरीब हैं और पावर्टी लाइन क नीचे
पड़े हुए हैं, उन के उत्थान और विकास के लिए
अनेकों स्कीमों में हैं और योजनाएं हैं। उन पर
यह पैसा खर्च होगा। आप जानते हैं कि हम से
जो हम को रुपया मिलने वाला है वह रिजर्व
बैंक की रिपोर्ट के मुताबिक अप्रैल 1975
तक 152 करोड़ जमा हो गया था। यह एक
बहुत ठोस राशि है। इस से हम कितनी ही
योजनाओं को पूरा कर सकते हैं। अगर इस
स्कीम के जरिये से महंगाई रोकनी और उस पर
अकुश लगेगा तो हम में आम जनता को फायदा
होगा।

मैं यह भी कहना चाहता हूँ कि पिछले
साल जब सरकार ने यह घोषणा की थी कि
कर्मचारियों का महंगाई भत्ता 5 रुपये से ले
कर 20 रुपये तक बढ़ा दिया गया है तो मार्केट
में सबह ही चीजों के भाव उनी त-ह से चढ़ने
शुरू हो गये थे। इसलिए ऐसा होता रहा है
कि इधर महंगाई भत्ते के दिये जाने का घोषणा
हुई और उधर दाम बढ़ने शुरू हो गये। तो
एक इस तरह का ट्रेंड मार्केट में डेबलर हो
गया था लेकिन वह जो प्रवृत्त थी उस को अड़
ठेस पड़ची है। इसलिए यह जो बिल लाया
गया है यह आर्थिक ढांचे की नींव को मजबूत
करने के लिए है। आज 19 मिलियन से
ज्यादा कर्मचारी हैं जोकि सेन्टर में स्टेट्स
में और पब्लिक एन्टरप्राइजिस में हैं। उन में से
कितने ऐसे लोग हैं जोकि भविष्य के लिए रुपया
जमा कर सकते हैं। इसलिए यह जो किया जा
रहा है उन के भले के लिए किया जा रहा है
और सरकार की कमी भी यह मना नहीं रही है
कि यह जो पया उन कर्मचारियों का होगा, उस

[श्री हरी सिंह]

की गड़बड़ में डाल दो जो उन को बच में प्राप्त न हो सके। उन्होंने ब.कायदा बिल के मुताबिक कानून के मुताबिक घोषणा कर दी है कि एक एक सिलिप दे कर कर्मचारियों को बताया जाएगा कि कितना रुपया उन का जमा है। इसलिए यह बिल हमारे देश के हित में है और अधिक ढांचे को सबल बनाने के लिए है। देश के सामने एक संकट है, आर्थिक संकट है और उस आर्थिक संकट पर विजय पाने के लिए हमारी प्रधान मंत्री श्रीमती इंदिरा गांधी ने बीस सूत्री कार्यक्रम देश को दिया है और उस कार्यक्रम में एक यह भी बात है कि देश आर्थिक तौर पर अपने पैरों पर खड़ा हो, इसकी आर्थिक नींव मजबूत हो और मैं समझता हूँ कि यह बिल उसी दिशा में एक कदम है। अगर दो साल तक हमारे कर्मचारी बर्ग ने इसकी बरदास्त कर लिया है तो अगले साल भी वे खुशी से इसको बरदास्त करने के लिए तैयार हैं।

एक बहम फ़ैला हुआ है कि सरकारी कर्मचारी कम्पलसरी डिपॉजिट स्कीम का विरोध करते हैं और वे अपने दिल में भाग छिपाए बैठे हैं। विरोधी दल के लोग समझते हैं कि अगर एमरजेंसी हट जाए तो सरकारी कर्मचारी इस इशू पर उनके साथ हो जाएंगे। मैं समझता हूँ कि यह उनका भ्रम है। आज नए नए कार्यक्रमों के जरिये, योजनाओं के जरिये, नए नए कानूनों के जरिये समाज में एक कॉन्फ़िडेंस पैदा हुआ है और सरकारी कर्मचारी भी समझते हैं कि कौन पार्टी उनके हित में कार्य करती है। वे यह भी समझ गए हैं कि अगर देश में खुशहाली आएगी तो हर बर्कर का पेट भी भरेगा और और उसके यहाँ भी इससे खुशहाली आएगी। वे समझ गए हैं कि छात्रवृत्तियाँ चला करके किसी देश में खराहाली नहीं आ सकती।

इन्हीं शब्दों के साथ मैं इस बिल का समर्थन करता हूँ।

SHRI P. M. MEHTA (Bhavnagar):
Mr. Deputy-Speaker, Sir, I oppose this Additional Emoluments (Compulsory Deposit) Amendment Bill, 1978. I remember that the Finance Minister of India announced at Madras that inflation has been completely arrested and the rate of inflation has come down to zero. If it is so what is the necessity of extending this anti-labour, anti-working class and anti employee measure for one year more.

This measure amounts to a wage-freeze. Dearness allowance, as you are aware, is the element for reducing the effect of the high prices. If the prices have come down and the inflation is arrested no such like measure is necessary.

Therefore, Sir, this measure is unwanted and it brings on the contrary hardship to the labour and working class.

Recently the prices of practically all the essential commodities, viz., edible oil, vanaspathi, spices, cloth, sugar, kerosene, etc., have started showing an upward trend and the prices have gone up. Whereas the consumer price index, as reported, shows decline, the prices are actually going up and, as such, the working classes are now losing the faith in that index mechanism that it is something like a manipulated thing which does not reflect the real situation. Under these circumstances if this measure is extended by one year it will erode the real value of their earned wages. Therefore, I oppose this Bill.

As regards its account side no reason is given to any worker or employee in this country so far. Nobody gets the receipt as to what amount has been deducted and to what account or number this amount is deposited. Nobody knows about it. This compulsory deposit impounded from the earnings of the workers has

been spent by the government to the extent of Rs. 1000 crores and odd. This House has every right to know whether it has been used in a productive manner or in an unproductive manner which gives no return to the country. Nobody knows how this money has been used. Government has not cared to take this House into confidence in this regard.

Time and again it is stated that from the side of the treasury benches that prices have come down because of the emergency. I have myself stated here before that emergency should not be equated with the economic programme, because it is not meant for that purpose. Granting that emergency brought about the benefit of prices coming down, how is it that though the emergency is continuing, prices have again started showing an upward trend? Should we understand that it has lost its impact or the government has failed to continue to check the rise in prices?

By bringing this Bill forward, the Government has acted very much against the working classes and virtually it has adopted an anti-labour approach. Therefore, this measure is unwarranted and I oppose it. We had suggested an alternative, viz., enhancing the rate of provident fund. It will be a good saving for the workers and at the same time, the employers also will be compelled to contribute at a higher rate and there will be a good saving for the employees. But they do not want to touch the side of the employers and they have only imposed this compulsory deposit on the workers.

With these words, I oppose the Bill.

SHRI M. RAM GOPAL REDDY (Nizamabad): Sir, I support the Bill. There is a hue and cry from the opposition that this compulsory deposit scheme is being applied only to the working class. I suggest that it may be applied to Members of Parliament also excluding the Chair ...

MR. DEPUTY-SPEAKER: I do not want to be excluded.

SHRI M. RAM GOPAL REDDY: Thank you. There was a time when there was too much money and too few goods. Now there are enough goods and sufficient money with the people. Whatever they can save, that is being taken away by way of deposit.

They say, prices are rising. But price of paddy has come down by 50 per cent this year. Prices of pulses have come down by 200 percent. In Andhra Pradesh, last year pulses were sold at Rs. 240. This year the price is Rs. 80 per quintal. That is the fate of the agriculturists. In India, 80 per cent of our income is being spent on food only. When the food prices are going down, there should not be any objection in taking away some money from the workers. Moreover, this is only a deposit and it will be returned to them at a future date. I have seen several such workers who after working for 30 to 35 years, do not have any amount with them at the time of their retirement.

The opposition says that this is an anti-labour policy. After all, this Government enjoys the support of a vast majority of people in this country and labour also is a part of this country. We have been getting the support of the labour for the last 25 years. Now, we are not going to dismiss the labour. Rather, we have to convince them that they should not spend money in a way which is harmful to their own family itself. There is a great responsibility on the workers. I feel that the workers always want more money but they do not know how to spend that money. A large part of the amount of excise duty comes from the poorest classes because they spend all their money on liquor and other things. Therefore, I request the Government that some sort of education should be given to the workers. On May Day, I said in the open labour meeting that the workers must save something. Without sav-

(Shri M. Ram Gopal Reddy)
ing something, they cannot improve their financial position and they cannot educate their children. So if a small amount is recovered from their pay, they will have the habit of saving something. And this is very important. Until and unless we have the habit of saving something, the country cannot go forward. There is always a scope of saving something even with the small income that they have got. The Government has done a good thing by introducing this scheme. This amount is going to be credited in their provident fund accounts. And when the moneys are refunded to them, they will get double the amount.

MR. DEPUTY-SPEAKER: Not in this case.

SHRI M. RAM GOPAL REDDY: Yes, sir, with interest, they will get.

While speaking, Mr. Indrajit Gupta said that the Government had revised the quantum of bonus. The bonus should be paid only on the profit.

MR. DEPUTY-SPEAKER: There is no question of bonus.

SHRI M. RAM GOPAL REDDY: But he has said so, which is not correct. I congratulate the Minister for bringing forward this Bill. Some Members have the apprehension that it may be extended beyond three years. I certainly want that this should be extended beyond three years.

SHRIMATI M. GODFREY (Nominated Anglo Indians): While congratulating the Government for increasing dearness allowance for the employees, I just like to put one question. In the Objects and Reasons, it is said that the Additional Emoluments (Compulsory Deposit) Act, 1974 is one of the legislative measures which was enacted with a view to protecting the real incomes of industrial workers and salaried employees who were worst hit by the rise in prices. The Government also do agree that there is a rise in prices. That is why they

have given this increase in the D.A. When they cut the increase in the DA, how are they going to help the people affected by the price rise? I would rather like to say that this compulsory saving should not be imposed on those employees who are getting less than Rs. 500, because their take-home money is not sufficient even to feed their families. They go to money-lenders, they are always half-starved and under-clothed and unable to educate their children. The higher income group can be subjected to this stipulation, but those getting below Rs. 500 should be released from this bondage of compulsory saving. They will get their provident fund money in their old age, when they would not need it much. But now, when they need the money to meet the needs of their families, it is very important that they should be given the increase in the DA, which the Government had generously sanctioned to them. Most often, the provident money comes in at a time when the children's education is over and they have started earning and the daughters have been given in marriage. But I think that it is during the time of education of the children and bringing them up, that the employees need all the money that they can get. Moreover, the employees know that the rupee has appreciated in value now; but they do not know what would be the value of the rupee a year hence, or two years hence. There is also a fear among the workers that if the value of the rupee falls, then the money which comes back to them later, will not have that much value. They want to make the best use of their money now. As such, I suggest that the higher income group should be brought into this scheme and the lower income group exempted from it.

They say that the money which will be put into the provident fund will not carry interest. I think that the Government should ensure that whatever money goes into the provident fund account in this manner, should also carry interest. Otherwise,

the Government can give a little more of increase in DA to the low-paid employees, so that they will have some benefit. The Government wants to help the low-paid employees who are hit by the rise in prices. We can give such employees a little more; and then put a part of it into the provident fund account. This will enable the poorer classes to enjoy the benefits of increase in DA, which they are not doing now. If this is done, they will remain thankful. With this request, *etc.*, that Government should exempt the lower income people or give them a higher rate of D.A. I thank the Chair for giving me this opportunity.

SHRI B. V. NAIK (Kanara): Mr. Deputy Speaker, Sir, I have been rather confused, as usual; I say this as a good piece of self-confession and of great moral courage. I have been confused as usual. (*Interruption*) Confusion, I think, is the hall-mark of those who think and think with a certain amount of humility, about the actual conditions.

I definitely do not have that sort of clarity of thought, particularly in this exact science of Economics, which can come only through a certain amount of ideology or other conviction or we can say even fanaticism to that extent which gives us a certain amount of clarity. So, to that extent I am deficient and myself to blame. But I owe no apology.

The reason is that we have been hearing complaints from almost every quarter. Some weeks ago, we discussed about the fall in prices. Shri Nathu Ram Mirdha is a very learned Chairman of the National Commission on Agriculture. Even this confusion, I accept and I also apologise for this. With due deference to Shri Nathu Ram Mirdha, I say that the prices of farm products, particularly of wheat have been receding and the prices of other pulses (paddy and rice) or also falling.

So, the farmers have to be on a crusade for a farm product price support. There is a cry on behalf of the farmers. I do feel that farmers are also part of the working class, the ideologies being what they are. Then, some time back, the president of the Federation of Indian Chamber of Commerce and Industry, Mr. Harish Mihindra, had a long tale to tell that the whole industry—after all, he is a top capitalist of this country—the entrepreneurial capitalistic class, in particular, has been facing a recession of the worst sort after the emergency, and unless you do something to stimulate the demand, the industry will be facing a crisis.

Now, today, listening to the eloquent plea of the champion of the working classed, Shri Indrajit Gupta and also Shri Dinen Bhattacharyya, I came to the conclusion that the working class of this country also is facing a tremendous amount of crisis. Then who is left—the workers, the capitalists, the industrialists and the farmers? (*Interruptions*)

So, we have a situation in this country of a sort of even handedness on behalf of the Government that if they have dissatisfied anybody, they have not dissatisfied only the working class, but there is a justice, a sort of socialistic justice that the capitalist is crying, the worker is crying and the farmer is crying. What is the intention of this greater evidence? (*Interruptions*).

MR. DEPUTY-SPEAKER: This is true socialism

SHRI B. V. NAIK: There is an impartial approach and the country which has a socialistic approach, if it has to emerge out of it

SHRI SOMNATH CHATTERJEE (Burdwan): Country of weeping persons.

SHRI B. V. NAIK: It is only through tears and sweat that we can make progress.

SHRI SOMNATH CHATTERJEE:
Crocodile tears.' (Interruptions).

SHRI B. V. NAIK: The gentleman of the Opposition may kindly understand even at this late hour that it is only through hard work, sweat of the brow and toil that we can build up this country and not through long speeches which you are trying to make.

SHRI SOMNATH CHATTERJEE:
The hard work like Mr. Harish Mahindra is putting in.
15 hrs.

SHRI B. V. NAIK: Mr. Harish Mahindra may be putting in hard work in his own way. The Barrister. Mr. Somnath Chatterjee, also puts in hard work and earns, he knows better, what he does.

SHRI SOMNATH CHATTERJEE:
The Department also knows.

SHRI B. V. NAIK: With due deference to Mr. Somnath Chatterjee who has helped the cultivators in my constituency immensely. (Interruption).

Sir, according to certain knowledge, there is what is practical economics. There is a saying—all of us have learnt it—try to save during inflation and spend or invest during deflation. This is an elementary sort of principle or sort of pep talk or advice for all people who want to save; kindly save during inflation. What better time is there than the present one when inflation has been contained to a certain extent, when we should mobilise the opinion of our working class: please don't spend now, save now. Because at the time when the prices as a result of all these measures will have come down, the same piece of land which will cost now "X" rupees will begin to cost "X-5" rupees if the worker is to invest that money five years hence. If the land prices fall and the cost of construction falls, then he will have made a better investment during a period of deflation. Much more could be said about it.

A point was made today that there has been a rise in the price index by about 2.5 about 2.5 to 3 per cent in the recent months. But if we have to keep our eyes open, we see what is happening in our very close neighbour countries. Here is a cutting time. The Times Survey has questioned it is of 1974. Still we can know the dimensions if you see the comparative position regarding inflation. It says, "115 per cent rise in Bangladesh cost of living index". What does it end up to? Since the time of the House is very important, I will not take much from the Economic Times. Of course, I mentioned the accuracy of these calculations stating that since they are prepared from the official price bulletins, they would certainly show a downward trend.

I support the Bill. What has been stated in the Statement of Objects and Reasons is that the objective of arresting the price spiral has been substantially achieved. It is not an overstatement. The Statement of objects and Reasons prepared on 15th April, 1976 says that the price spiral has been substantially contained. Now, the question before this House is: Are we going to take steps where the good work, the constructive work achieved during the period of Emergency, since June 15, 1975, for period of 12 months, is going to be reversed or are we going to continue and consolidate the gains? I am sure, Rs. 1000 crores pumped into the market will definitely result in reduction of the real wages. While the money wages may look upwards, the real wages will fall and the capacity to buy will fall.

Under the circumstances, though it may look like a bitter solution, not so very palatable, not instantly palatable, it is still a solution. I would, therefore, urge upon the leaders of the Opposition, the leaders of the working class, to kindly consider it and extend their whole hearted support to it.

SHRI P. G. MAVALANKAR (Ahmedabad); I rise to express my dissatisfaction and even opposition to this proposed Additional Emoluments (Compulsory Deposit) Amendment Bill, 1976, on more than one ground.

My first observation is that, looking at the Statement of Objects and Reasons and judging from the Central Government's stand on this particular issue, it seems to me that Government are in two minds: on the one hand they say that what they wanted to do has been achieved, and on the other hand they say that it has not been achieved fully and, therefore, there is need for this particular piece of legislation. My friend, Mr. B. V. Naik, who spoke just now, ended with a sentence which he quoted from the Statement of objects and Reasons:

"The objective of arresting the price spiral has been substantially achieved"

But he did not go further. The Statement of objects and Reasons goes on to say:

"But the need for controlling the expansion in money supply to consolidate the gains towards stability continues."

The question arises whether it is the responsibility only of the lower middle class employees to sacrifice? Is it not the responsibility of the other sections of the community also in whose hands you have allowed a lot of money to remain for all kinds of consumption, all kinds of expenses? Therefore, my observation is that Government are in two minds: on the one hand, they want to take credit for something for which they know they cannot take credit, and on the other hand, they can take credit and so they must justify the steps that they have been taking under the present supposed Emergency. If really inflation has been arrested, if really price rise has been stopped and if

everything is good and fine, then where is the need for this Amendment at this late stage, in May 1976? Therefore, my point is that this is a typical example of trying to take the credit and at the same time, also realising that what they have done is not adequate and then to go on giving the punishment particularly to those sections of the people which, in any case, belong to the weaker sections of the community. Have you ever understood or realised this? In any part of the world, particularly in countries like India, if the people with low income are given a little extra money, will they spend it lavishly on things which they need not spend on? In our country where millions of people have not got enough money to make both ends meet, to have two square meals a day, a ask them to sacrifice, restrain and control and in the same breath to ask the big business and the higher-salaried people and other people with lot of money to go on spending lavishly, is a contradiction which we cannot accept.

Secondly—I am really trying to expand my first point—why tax only the labour, only the people with low incomes? Why not also have this with regard to the employers? When you say that fifty per cent of the increased Dearness Allowance of the employees should be impounded, not only for two years but also for one more year, is there any similar restriction in operation in the case of the employers? Can the Finance Minister tell us about it? Are there any restrictions on their consumption pattern? Judging from the kind of expenditure which these people are making even after the Emergency, in the last ten months or more, one gets the impression that they are not at all affected in any way by considerations of Emergency or the consideration of need to have a regulated, controlled economy, to make certain kinds of sacrifices, to have certain kinds of self-imposed controls on their expenditure pattern and consumption pattern. Nothing of that kind has happened. Therefore, it is

local authorities Rs. 314 crores; wrong to come forward with this Bill. I am opposing this particular Amendment Bill because it only touches those who are already weak, who are already punished—because they are getting low incomes—and it leaves untouched those sections of the community which are not at all affected by the adverse economy or inflation or price rise—because they are the people who, in any case, will be having enough money to spend on their daily needs.

Therefore, my point is that the labour, the lower and the middle class people should have been spared.

Then, I want to ask this of the hon. Finance Minister with great respect. He has given so many concessions to the big business, especially in terms of reduction in direct taxes, etc., and his hope, in fact everybody's hope, is that they will pay the taxes honestly and will invest the money for productive purposes in the interest of the industrial development of the country. The hope is that all that money will be put back in production. The concessions that he gave last week and the general impact of the budget this year has been pro-business, pro-unioned people and pro-capitalists. If that is so, my third point is, how is it that you go on giving such concessions one after another to big business and industrialists and go on repeating your restrictions and controls on the fixed income fixed wage or salaried people, whether they are employees or labour.

Now, look at the conspicuous consumption of these big business and monied people. One had hoped that the conspicuous consumption of these big business and monied people would be arrested, but can the Finance Minister tell us looking round the country if the conspicuous consumption on the part of the business people, industrialists, executives and others has appreciably gone down? My apprehension is that it has perhaps gone up in some respects. They are spend-

ing more money on conspicuous consumption now than they were doing before Emergency. Where is the impact of Emergency on these people? I come from Ahmedabad and I know in that part in Western India, people with very big businesses seem to be very happy. They seem to feel that Emergency has not affected them adversely. But certainly it has adversely affected the working class, fixed income people and the middle class people.

Finally, I would like to ask the Finance Minister; was this particular bill not the present amending bill but the original Bill, not a part of the package deal, a package deal to deal with inflationary tendencies and problems? If it was a package deal, why is it that you take out one part of the package and amend it by having one more year, and not amend other parts of the package deal, which were there two years back? You have not touched all the things; you are taking out only a part of the package deal which was there two years back and now saying that this particular thing will be amended, and consequently for one more year the workers and employees will be in difficulty.

My last point is regarding provision of accounts. If I am wrong, the hon. Minister may kindly correct me. I find from the Bill and the Statement of Objects and Reasons that there is no mention anywhere about the need to keep an account of the money that is being kept aside for the workers and employees. If there is no proper account, and the worker or employee dies in the middle of the period or he is out of job, he does not know, how much money is there. Many of the workers and employees are illiterate and they would not know in the absence of proper accounts and the account statements being supplied to them, how much money stands to their credit. Only today, I received a letter from the workers of Maharana Mills, Porbandar. It is a signed docu-

ment and they have made a complaint that for the last three years, they have not received their provident fund slips from the Provident Fund Commissioner's office stationed in Ahmedabad, which is a part and parcel of the Central Government's offices. If people working in the mill in the normal course do not get their provident fund statements, properly written, and signed, how can we expect that they will have an account of the amount which you say, you are temporarily going to keep in your custody?

For all these reasons, I oppose this Bill. I am not using the phrase "anti-labour" for this Bill in its fashionable sense, or opposing it in the conventional sense, but coming as I do from Ahmedabad which is a large textile area with an industrial complex near about places, I know that most of the workers and employees are not able in any case to spend their money on any luxuries, they only spend on essentials and on making both ends meet, and so, to ask them to make further sacrifices, and at the same breath ask big businessmen and industrialists not to make those sacrifices is a contradiction which, in any case, I cannot accept.

SHRI CHAPALENDU BHATTACHARYYA (Girdih). We are now discussing this Additional Emoluments (Compulsory Deposit) Amendment Bill in the background of the Budget and the Finance Bill and the performance of our economy during the last 12 months.

Inflation has certainly been contained but there is stagflation and there is always a possibility of inflation on the rebound as has been proved again and again by the performance of so many other economies of other countries. Even in highly developed countries there is a bit of an in-built inflationary tendency and for instance, in USA there is a net inflation of 3

per cent. The stagflation in India has been broken in the sense that there is a growth rate of 4.5 per cent. But we are not happy about the growth rate. In many countries, they say that any growth rate less than 6 per cent is not worth consideration.

Now, we have to go a long way and in the face of the various imponderables from outside impinging upon the Indian economy we have always to find our solution by trial and error and, say, in next two years or three years. Considering these factors, I think we have done well and we have made the grade. There is increased capacity utilisation. The industry is picking up. Food production has gone up. These are the redeeming features. But, as somebody emphasized, the workers' complaint is; 'Inflation is eating into our real wages.' The employers say, 'Inflation is eating into our profits.' The rupee or the pound sterling or the dollar will say, 'Inflation is stealing our balance of payment.' So, in this sort of uncertain world economic forces we have been trying to find our way through, this zigzag by critical path adjustments.

Firstly, there is a backlog of large unemployment in the country. Secondly, I emphasize, the irrational wage structure all over India has become a great hindrance and thirdly, the demand raised by trade unions about the inviolability of their wage earnings and pay packets. Their demand, to my mind, stems from the view that their relative money wage levels must be maintained. To illustrate, if Bhilai's employees are getting Rs. 700, if the driver is getting Rs. 1200 and if the coal-miner is getting Rs. 500, immediately the coal miner's wage is increased to Rs 700, the demands from these other two categories might reasonably arise that this wage differential must be maintained between one sort of employment and another. This has brought about a great irrationality in our wage structure and it will require all our efforts

[Shri Chapalendu Bhattacharyya] to rationalise the wage structure just as we are rationalising the technology and just as we are rationalising our industrial production. To the extent this Additional Emoluments (Compulsory Deposit) Amendment Bill is a holding operation, I support it because in the long range,—not in that long run when we are all dead, but in 3 or 4 or 5 years to the extent—it controls inflation, it will be of great help to the workers themselves. Even in Britain, for instance, the pressure from the trade unions has brought about a change in the government and led to national elections. A new government came in and even trade unions, when faced with the sinking sterling, has to come down to the common ground and the reality of the economic situation and they have accepted a 3 per cent growth in their money wages. So, a realistic commonsense is called for from the trade union sector. For, if the national cake itself is shrinking a larger share of that shrinking national cake will not help the workers to get more than what they were getting previously. The most important and encouraging part of the situation is that this inflation has been controlled. I do not say it has been licked because if there is rebound now, it would be very much worse. So, the Finance Minister should not and cannot take risks in this phase of transition of our economy, from inflationary slump to the falling price boon. He has to take all necessary measures and there are difficulties inherent in the system itself.

The persons suffering from diseases are sometimes given tranquilisers and energisers simultaneously. It is the same system of stimulus and control by which this economy has to be goaded now that vista of growth, self-reliance and technological independence is now opening up before us.

I, therefore, unhesitatingly support this Bill, but with this proviso that the persons from whom—we are

taking this deposit should know how much has been deducted from their pay, with whom the money is now deposited and exactly when they will be repaid. With these words, I support the Bill.

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Mr. Deputy-Speaker, I am very well aware that this is a Bill for which I could not expect a unanimous support. Leave alone the other side, even on this side, I am sure, there are people who have some reservations with regard to this Bill and, perhaps, if I apply only my own mind, I may have a certain bit of reservation. But as a Finance Minister I have to discharge the national duty of managing the economy and in that process we have to take some decisions which may not be palatable just like a doctor administering a medicine or a surgeon undertaking an operation.

As far as our objective is concerned, what do we want to achieve? Is it merely to get more and more money in terms of rupees or do we want in real terms the purchasing power of the people to increase? Naturally, that can be the only answer and I am sure all the other Members will also agree with it that the real wages should increase. That should be our objective. As long as there is an inflationary trend in the economy, certainly the real wages cannot increase even though money wages go on increasing. We had seen during the period of years when the dearness allowance was chasing the price and the price was chasing the dearness allowance, we went on increasing the dearness allowance. The result was as has been pointed out by Shri Bhattacharyya—when we do not compensate for full hundred per cent to the extent inflation goes on increasing the real purchasing power goes on decreasing in a progressive manner. Therefore, now what is important is how to contain this inflation and to

bring down the prices so that with the money which a person is able to earn, he is able to purchase more goods and particularly the essential goods which are required for the necessities of human beings, like food, cloth, health facilities for which we have made other provisions also, health insurance schemes, etc. The children should get education. All this will have to be taken care of. It is from this aspect that I would like hon. Members to consider this Bill and not merely from any narrow point of view.

This will have to be looked at from the national point of view and not merely from any sectoral point of view. And if you look at it from the national point of view, I have no doubt in my mind that as far as this Bill is concerned, this is the measure which is absolutely necessary in the present conditions.

We talked about containing inflation. We have contained inflation. But if you look at the world today, you will find, it is in a state of turbulence. Six months back in the international conferences we were given the assurance that all the developed countries have turned the corner and now there won't be any inflation and there would be further development there. However illusory that theory might be, their theory was that when they develop something will percolate to the poorer countries also.

While I do not subscribe to that point of view I am emphasising this aspect that this was the statement made by almost every Finance Minister belonging to the developed countries. But what is the state of affairs today? It is again in a turbulent state.

Two or three weeks back when I was speaking in the other House I said that perhaps the only two currencies which have got not only stability but also strength were the

West German Mark and the Swiss Frank. But what was the news two or three days ago? They are also tottering. We have to take this into account. As long as we live in this international world, unless we get ourselves isolated from the world system, we have to take into account what is happening in the other parts of the world and also take preventive measures so that we may not get into this inflationary trend again.

That is why we have to take all necessary measures possible for the purpose of containing inflation and that could only be managed by two ways: One, managing the demand and supply position. And that can be done only by increasing production and making more goods available. This cannot happen overnight by a miracle, an increase beyond a certain level.

We have to manage the monetary situation so much so that there is some sort of matching between the two and prices do not go up. It is from that point of view that we took this step in 1974 and on that basis we had achieved some results.

As Mr. Mavalankar pointed out, it was a package. Out of that package we have given up only as far as the additional wages were concerned. We were impounding that also but that has been given up. If a person got higher wage, that also used to be impounded. Now that has been given up. That has been returned now. But as far as the other scheme is concerned, regarding the better section of the people, they had to contribute on that some 4 per cent between income of Rs. 15,000 and 25,000, 6 per cent between income of Rs. 25,000 and 70,000 and 8 per cent over income of over Rs. 70,000. Now, in the Finance Bill we have kept it for Rs. 15,000 to Rs. 25,000 at 4 per cent. For Rs. 25,000 to Rs. 70,000, instead of 6 per cent, they have to deposit 8 per cent. Over Rs. 70,000 it is 12 per cent.

[Shri C. Subramaniam]

Therefore, it is not as if we have given up the package. We are keeping the package, even though as far as one element is concerned, that is the impounding of the additional wages, that has been given up and we are repaying them.

Questions were raised: Are there any accounts which are being properly maintained? This is a relevant question. If you go on impounding the money and nobody knows what is the amount due to each person it will not be proper. Doubts were also expressed as to where this money has gone. How has it been utilised? All these questions were raised. It is not as if there are no accounts. I would like to give some figures. On the side of additional wages impounded the total deposit with the regional provident fund commissioners, private sector and public sector undertakings was Rs 40.88 crores, with the local authorities Rs 3.14 crores, government servants (Central) Rs 0.3 crores and State employees Rs 1.28 crores.

As far as dearness allowance account, for which this Bill has been brought, the provident fund commissioners account shows Rs. 392 crores, local authorities Rs 50.32 crores, Central government servants account Rs. 312.8 crores and the State Government employees account Rs 127.93 crores. The total of both comes to Rs. 929 crores.

The scheme is that it should be frozen with the Reserve Bank and it should not be made available for the purpose of being utilised either by the Government or by anybody else. As a matter of fact I made a proposal in the previous year's budget that out of this amount I would borrow Rs 100 crores from the Reserve Bank and as the hon. Members are aware we did not take that even as a loan from the Reserve Bank. Therefore, to think that this money is somewhere in the air and somebody is likely to take it away is only imaginary. Therefore, nobody need fear that this

money has been eaten away by somebody and it would not be available for distribution.

Sir, I would also like to test with regard to the accounts whether this accounting has been kept properly by looking into what we are now doing with regard to the return of the amounts which had been impounded on account of wages. For that I have got the figures and I find that taking into account what is due almost all the amount has been distributed—even in West Bengal it has been distributed. In the same way I have looked into this to find out taking into account the amount impounded and what was returnable during this year whether these two figures correspond. Only very slight variation of 2 per cent is there. Perhaps, some people have not drawn but on the whole this amount has been returned. Very soon we are going to return Rs. 280 crores out of the dearness allowance account which is returnable from July 1976. Then also we will have to test to find whether Rs. 280 crores are being returned and how it is being returned. Whether there are any complaints. As far as additional wages are concerned we have not received any complaints that the money which had been impounded has not been returned to them. On the hand we have quite an effective watch with regard to this. No doubt whatever might be the Law, there are offenders. Even with regard to provident fund after having deducted from the labourers there are very charitable employers who utilise this instead of depositing with the provident fund commissioner. Then we take action against them.

In the same way I find quite a few persons have—after having deducted the amount—not paid the amount. Fortunately, the number is 45. Not only prosecutions have been launched against these 45 employers who have not deposited the amount and proceedings are being taken to send them to

jail but also steps have been taken to recover the money by attaching their properties. Therefore, we are taking effective action as far as this is concerned.

What has been the effect of this whole package being worked out? We have impounded 50 per cent of additional DA and the additional wages also. After this saving—these are not taxes taken away by the government—what is the purchasing power of the net wage packet they are taking home today and what was it in 1974? I have made some analysis. In the case of Class III employees—lower division clerks, etc.—the increase in the purchasing power of their net pay packet today is 14 per cent as compared to what it was in 1974. In the case of Class IV employees, the purchasing power now is 15 per cent more. Do you want this to happen or go on paying more and more DA, with the real purchasing power going down and down? This is the question which hon. members will have to answer. If we are all satisfied with seeing more money, the only thing possible is to establish a few more Nasik presses so that everybody may take instead of Rs. 100, Rs. 500. But what will be the effect on the economy? This is what we have to consider. Mr. Bhatnagar wondered how the working class has been benefited. The working class has been benefited by their purchasing power going up by 14 per cent and 15 per cent at the lower level after saving so much. In addition, this amount is assured of 12½ per cent interest, whereas the maximum rate of interest which one would get if it is deposited in the bank is only 10 per cent. If you enter into speculative transactions with private money-lenders, there are the risks of not getting it back. But the sure way of investing it and getting it back is to deposit it with the banks which give only 10 per cent interest. Therefore, nobody can say that we are taking an anti-labour attitude. Saving is always good. How can a nation make pro-

gress otherwise? Hon. members say that we should not go out for foreign borrowings, etc. So, internal saving should increase. If our attitude is that we should go on consuming whatever we earn and there is no question of saving, certainly without saving there can be no investment. Without investment there can be no growth. Maybe the circle of workers who are already inside the compartment may be well off, but there cannot be any enlargement of employment. Unfortunately most of us think that if only we could increase the wages of the few million people a little more, we are increasing socialism. On the other hand, it is those outside the circle, particularly in the rural areas who do not have even one square meal a day about whom we should be concerned. Mr. Mavalankar pleaded that they should have one square meal not with reference to the people inside the circle but with reference to the rural poor and some in the urban areas also who had migrated from the rural areas. That is the real problem. But our clients are different completely. They are the industrial labourers, government employees, LIC employees, and bank people who get the highest level of wages. We are all concerned with more DA, more wages, more over-time for them. This is how we look at it. I would plead with hon. members not to look at it from this sectoral point of view of industrial labour alone, but from the national point of view, from the point of view of the 80 per cent of the people who are in the rural areas, particularly 70 per cent of the farmers who are engaged in agriculture. If you take that into account today, the urban population has gained at the expense of the agricultural community, because the prices have gone down so much. I think, Mr. Naik was giving figures with regard to the prices agricultural products going down. Therefore, we will have to keep this in mind. For the benefit of the entire health of the economy, I would respectfully submit that sectoral view should not be taken.

[Shri C. Subramaniam]

A charge was made by Mr. Mavalankar to whom I attach great respect, I do not know why, perhaps, because of his father who used to preside over the sittings of this House. Whatever it is, he says that we have taken a contradictory stand in containing inflation. It is not just on one time operation that because the inflation has been contained and, therefore, you go to sleep and everything will go on smoothly. It is not so. We have to have a continuous watch over the situation. And figures have been made available that it has improved by 2.5 per cent. I want to give an assurance to this House that we are not satisfied with what we have already achieved on the price front. On the other hand, we have got to be much more watchful and periodically, we will have to review the situation and take remedial measures with regard to price structure, production policy, and so on. All these things will have to be continuously reviewed and action will have to be initiated.

I think, these are the main points that have been made. But as far as this Bill is concerned, there is one slight difference. Whereas other thousand crores were frozen with the Reserve Bank to be drawn out when ever required to be repaid to the people, in this case, we have taken credit for the purpose of investment. It is clear. I would like to appeal to Members like Mr. Indrajit Gupta, Mr. Bhattacharyya, and Mr. Banerjee particularly who is always the champion of the industrial labour, that we have now thousand crores in deposit. It is always easy to distribute it because the accounts are there and we can distribute it. Naturally, once it is distributed, this will go waste in some sort of consumption. I come from an industrial complex. Coimbatore, and I know that after pay day if you go and see a cinema house, you will find the workers in the first class. He will say: "Let me go to the first class at least on the first day."

SHRI S. M. BANERJEE: He gets psychological satisfaction.

SHRI C. SUBRAMANIAM: He does not get satisfaction. When we are paying, only then he gets psychological satisfaction. Therefore, being in the cinema hall, he does not get psychological satisfaction.

SHRI DINEN BHATTACHARYYA
Is it a crime on the part of the workers to go to a cinema?

SHRI C. SUBRAMANIAM: Unfortunately, I am not in a position to cross swords today. Perhaps when I get better, we will have such duel.

What I am posing is this. How should we utilise this thousand crores which are available?? Should we fritter it away or should we invest it in the industry? We have today the private sector; we have got the public sector; we have got the joint sector and we have got the cooperative sector. Why not a workers' sector? This thousand crores, if properly invested, would be a package and not just a basket, not just one scheme. We can evolve 3 or 4 schemes, so that the workers become also the real owners of the industry. And this would revolutionize the basis. This will meet all the charges that these big-business-wallahs are getting all the licences and that they are making profits. Instead of those people, we can have 10 million people participating in industrial development, i.e. in the ownership of industries. And as far as I am concerned, I will give this assurance to the labour as such, that we will see to it that the most profitable sections of the industry are allocated to them. To-day we are asking foreign companies to disinvest and are trying to have Indian investment there. We can consider whether this new Indian investment should be that of the workers, i.e. by making the workers invest there, instead of allowing the big business men walking away with it. You should be prepared to consider these

constructive suggestions and also to educate the labour on this. I am prepared to sit with you. If there is any snag in it, we can look into it. I feel that the workers' participation should not be only at the floor level, i.e. giving advice etc. It should also be on the basis of participating in the ownership; it should be on a broad level. What some hon. Members want to achieve by revolution or other methods, can be achieved by this process of evolution. Through millions of workers participating in the investment process in the industry, we can bring about a complete change in the situation. I am committed to this as much as I am committed to the Integrated Rural Development Programme. This is how we can bring about a new situation in regard to our economy. Don't look at this measure as something to penalize the labour. On the other hand, it can be used for strengthening the labour movement and to make them participate in the ownership of the industry. This will strengthen the economy of our country by creating more and more investment, by bringing into this not more and more workers and thus enabling them to get more and more benefit out of it. Please look at it from this point of view. If you are prepared to discuss this scheme—I am sure some of you at least, would be interested in looking into this constructive suggestion—I am prepared to sit with you and try to evolve schemes. We have made some preliminary exercises. We can evolve more of such exercises. It is not that there cannot be any objection to this. Those objections have been very well expressed. I have taken note of them. But in the interests of the nation as a whole, I would request even those who have opposed the bill, to accept the validity of this suggestion and to accept the bill.

SHRI P. M. MEHTA: Why does not the Government consider the alternative proposal, viz. to enhance the rate of provident fund contributions,

so that they can get more of savings, and so that this one-sided sacrifices may not be there?

SHRI DINEN BHATTACHARYYA: an open mind. I am prepared to consider any suggestion.

SHRI DINEN BHATTACHARYYA: There are workers who have been laid off; and they are not getting full remuneration. Suppose they get half-a-month's wages. If 50 per cent of their DA is impounded even from out of that amount, what will be their fate? Why is not the Government making some provision in regard to this? These are important things which you could understand. There are lakhs of people who have been laid-off.

(Interruptions)

SHRI S. M. BANERJEE: They are not getting anything.

MR. DEPUTY-SPEAKER: These are details.

(Interruptions)

SHRI INDRAJIT GUPTA: I do not know whether that point has occurred to them. They can think over it. According to the Labour Ministry, since the emergency, over five lakh workers have been laid-off. During the period of lay-off, they get only 50 per cent of their wages and D.A. During the period of lay-off, when they are already getting only half of the wages and D.A. is half of that to be impounded under the scheme. There should be some limit to the wonderful vision of sacrifices for the nation. Workers are not the only part of the nation. What about the other people of the nation? What about Birlas, Kanodia, Jalans and Bangurs?

SHRI C. SUBRAMANIAM: I consider them the major part of the nation. I shall certainly look into it.

MR. DEPUTY-SPEAKER: I shall put the amendment of Mr. Banerjee to the vote of the House for circulation.

SHRI S. M. BANERJEE: I want that this be circulated.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 16th August, 1976." (1)

The Lok Sabha divided.

15.55 hrs.

AYES

Division No. 7

Banerjee, Shri S. M.
Bhattacharyya, Shri Dinen
Bhattacharyya, Shri Jagadish
Bhattacharyya, Shri S. P.
Chandrappan, Shri C. K.
Chatterjee, Shri Somnath
Chowhan, Shri Bharat Singh
Das, Shri R. F.
Deo, Shri P. K.
Dashpande, Shrimati Roza
Gupta, Shri Indrajit
Halder, Shri Krishna Chandra
Joarder, Shri Dinesh
Krishnan, Shrimati Parvathi
Mavalankar, Shri P. G.
Mehta, Shri P. M.
Mukherjee, Shri Samar
Reddy, Shri B. N.
Reddy, Shri Y. Eswara
Saha, Shri Ajit Kumar
Sambhali, Shri Ishaque
Sen, Dr. Ranen

NOES

Austin, Dr. Henry
Awdhesh Chandra Singh, Shri
Azad, Shri Bhagwat Jai
Basumatari, Shri D
Bhargava, Shri Basheshwar Nath
Bhatia, Shri Raghunandan Lal
Bhattacharyya, Shri Chapalendu
Bist, Shri Narendra Singh
Brahmanandji, Shri Swami
Chaudhary, Shri Nitiraj Singh

Chavan, Shrimati Premalabai
Chhotey Lal, Shri
Daga, Shri M. C.
Dalbir Singh, Shri
Darbara Singh, Shri
Deo, Shri S. N. Singh
Desai, Shri D. D.
Dhamankar, Shri
Dhusia, Shri Anant Prasad
Dixit, Shri G. C.
Dixit, Shri Jagdish Chandra
Dube, Shri J. P.
Gautam, Shri C. D.
Gill, Shri Mohinder Singh
Hansda, Shri Subodh
Jamliurrahman, Shri Md.
Jitendra Prasad, Shri
Kader, Shri S. A.
Kailas, Dr.
Kakodkar, Shri Purushottam
Kaul, Shrimati Sheila
Kulkarni, Shri Raja
Kureel, Shri B. N.
Lakkappa, Shri K.
Lakshminarayanan, Shri M. R.
Laskar, Shri Nihar
Lutfai Haque, Shri
Mahajan, Shri Vikram
Maharaj Singh, Shri
Mandal, Shri Jagdish Narain
Mandal, Shri Yamuna Prasad
Manhar, Shri Bhagatram
Mirdha, Shri Nathu Ram
Mishra, Shri Bibhuti
Mishra, Shri Jagannath
Modi, Shri Shrikishan
Mohammad Tahir, Shri
Munsi, Shri Priya Ranjan Das.
Murmu, Shri Yogesh Chandra
Murthy, Shri B. S.
Naik, Shri B. V.
Negi, Shri Pratap Singh
Oraon, Shri Tuna

Paimuli, Shri Paripoornanand
Palodkar, Shri Manikrao
Pandey, Shri Krishna Chandra
Pandey, Shri Narsingh Narain
Pandey, Shri Sudhakar
Parashar, Prof. Narain Chand
Paswan, Shri Ram Bhagat
Patel, Shri Natwarlal
Patel, Shri R. R.
Patil, Shri Krishnarao
Patnaik, Shri Banamali
Peje, Shri S. L.
Raghu Ramaiah, Shri K.

Rai, Shri S. K.
Rai, Shrimati Sabodrabai
Ram Singh Bhai, Shri
Ram Surat Prasad, Shri
Rao, Shri Jagannath
Rao, Shri M. S. Sanjeevi
Rao, Shri Nageswara
Rao, Shri P. Ankineedu Prasada
Rao, Shri Pattabhi Rama
Rathia, Shri Umed Singh
Reddy, Shri K. Ramakrishna
Reddy, Shri M. Ram Gopai
Richhariya, Dr. Govind Das
Rohatgi, Shrimati Sushila
Roy, Shri Bishwanath
Saini, Shri Mulki Raj
Samanta, Shri S. C.
Sangliana, Shri
Sankata Prasad, Dr
Sarkar, Shri Sakti Kumar
Savant, Shri Shankerrao
Shailani, Shri Chandra
Shambhu Nath, Shri
Shankaranand, Shri B.
Shukla, Shri B. R.

Siddheshwar Prasad, Prof.
Sinha, Shri Dharam Bir
Sinha, Shri R. K.
Sokhi, Sardar Swaran Singh
Stephen, Shri C. M.
Subramaniam, Shri C.
Surendra Pal Singh, Shri
Suryanarayana, Shri K.
Tiwary, Shri D. N.
Tula Ram, Shri
Verma, Shri Balgovind
Verma, Shri Sukhdeo Prasad
Vidyalankar, Shri Amarnath
Virbhadra Singh, Shri

MR. DEPUTY-SPEAKER: The result* of the division is: Ayes 22, noes 104.

The motion was negatived.

MR. DEPUTY SPEAKER: The question is:

"That the Bill to amend the Additional Emoluments (Compulsory Deposit) Act, 1974, be taken into consideration."

The motion was adopted.

MR. DEPUTY SPEAKER: We take up clause-by-clause consideration of the Bill.

Clause 2—(Amendment of section 6)

SHRI DINEN BHATTACHARYYA:

I beg to move:—

Page 1, line 7,—

for "three years" substitute—

"two years and one month".

(4)

This is a very simple amendment. In clause 2, it is stated:

*The following Members also recorded their votes: Ayes: Shri Mohammad Ismail;

Noes: Sarvashri Hari Singh and P. R. Shenoy.

(Shri Dinen Bhattacharyya)

"In section 6 of the Additional Emoluments (Compulsory Deposit) Act, 1974, in clause (b) of sub-section (1) for the words "two years", the words "three years" shall be substituted."

I have suggested that let it be for "two years and one month".

MR. DEPUTY SPEAKER: You have made your point.

SHRI C. SUBRAMANIAM: For "one month", I would not have troubled the House. I don't accept the amendment.

MR. DEPUTY SPEAKER: Now, I put Amendment No. 4 moved by Shri Dinen Bhattacharyya to Clause 2 to the vote of the House.

Amendment No. 4 was put and negatived.

MR. DEPUTY SPEAKER: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted

Clause 2 was added to the Bill.

Clause 3—(Amendment of section 9)

SHRI DINEN BHATTACHARYYA: I beg to move:—

Page 2, line 26,—

for "five" substitute "two". (5)

MR. DEPUTY SPEAKER: I put Amendment No. 5 moved by Shri Dinen Bhattacharyya to Clause 3 to the vote of the House.

Amendment No. 5 was put and negatived.

MR. DEPUTY SPEAKER: The question is:

"That Clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

18 hrs.

SHRI C. SUBRAMANIAM: I beg to move:—

"That the Bill be passed."

MR. DEPUTY SPEAKER: The question is:

"That the Bill be passed."

The Lok Sabha divided:

Division No. 8) AYES (16.61 hrs.

Division No. 8]

Austin, Dr. Henry

Awadhesh Chandra Singh, Shri Azad, Shri Bhagwat Jha

Basumatari, Shri D.

Bhargava, Shri Basheshwar Nath

Bhatia, Shri Raghunandan Lal

Bhattacharyya, Shri Chopalendu

Bisai, Shri Narendra Singh

Brahmanandji, Shri Swami

Chaudhary, Shri Nitiraj Singh

Chavan, Shrimati Premalabai

Chhotey Lal, Shri

Daga, Shri M. C.

Dalbir Singh, Shri

Darbara Singh, Shri

Das, Shri Dharnidhar

Desai, Shri D. D.

Dhamankar, Shri

Dhusia, Shri Anant Prasad

Dixit, Shri G. C.

Dixit, Shri Jagdish Chandra

Dube, Shri J. P.

Gandhi, Shrimati Indira

Gautam, Shri C. D.

Gill, Shri Mohinder Singh

Hanada, Shri Subodh

Jamliurrahman, Shri Md.
 Jitendra Prasad, Shri
 Kalidas, Dr.
 Kakodkar, Shri Purushottam
 Kamla Kumari, Kumari
 Kaul, Shrimati Sheila
 Kinder Lal, Shri
 Kisku, Shri A. K.
 Kulkarni, Shri Raja
 Kureel, Shri B. N.
 Lakkappa, Shri K.
 Lakshminarayanan, Shri M. R.
 Laskar, Shri Nihar
 Mahajan, Shri Vikram
 Mahajan, Shri Y. S.
 Maharaj Singh, Shri
 Malaviya, Shri K. D.
 Mandal, Shri Jagdish Narain
 Manhar, Shri Bhagatram
 Mirdha, Shri Nathu Ram
 Mishra, Shri Jagannath
 Mohammad Tahir, Shri
 Munshi, Shri Priya Ranjan Das
 Murthy, Shri B. S.
 Naik, Shri B. V.
 Negi, Shri Pratap Singh
 Oraon, Shri Tuna
 Painu'i, Shri Paripoornanand
 Pandey, Shri Krishna Chandra
 Pandey, Shri Narsingh Narain
 Pandey, Shri Sudhakar
 Paokai Haokip, Shri
 Parashar, Prof. Narain Chand
 Paswan, Shri Ram Bhagat
 Patel, Shri Natwarlal
 Patel, Shri R. R.
 Patil, Shri Krishnarao
 Patnaik, Shri Banamali
 Peje, Shri S. L.
 Raghu Ramaiah, Shri K.
 Rai, Shri S. K.
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Rai, Shrimati Sahodrabai
 Ram Singh Bhai, Shri
 Ram Surat Prasad, Shri
 Rao, Shri Jagannath
 Rao, Shri M. S. Sanjeevi
 Rao, Shri Nageswara
 Rao, Shri P. Ankineedu Prasada
 Rao, Shri Pattabhi Rama
 Rathia, Shri Umed Singh
 Reddy, Shri K. Ramakrishna
 Reddy, Shri M. Ram Gopal
 Richhariya, Dr. Govind Das
 Rohatgi, Shrimati Sushila
 Roy, Shri Bishwanath
 Saini, Shri Mulki Raj
 Samanta, Shri S. C.
 Sangliana, Shri
 Sarkar, Shri Sakti Kumar
 Savitri Shyam, Shrimati
 Shailani, Shri Chandra
 Shambhu Nath, Shri
 Shankar Dev, Shri
 Shankaranand, Shri B.
 Shenoy, Shri P. R.
 Shukla, Shri B. R.
 Siddheshwar Prasad, Prof.
 Sinha, Shri Dharam Bir
 Sinha, Shri R. K.
 Sokhi, Sardar Swaran Singh
 Stephen, Shri C. M.
 Subramaniam, Shri C.
 Surendra Pal Singh, Shri
 Suryanarayana, Shri K.
 Tiwary, Shri D. N.
 Tula Ram, Shri
 Verma, Shri Balgovind
 Verma, Shri Sukhdeo Prasad
 Vidyalankar, Shri Amarnath
 Yadav, Shri Chandrajit

NOES

Banerjee, Shri S. M.
 Bhattacharyya, Shri Dinen
 Bhattacharyya, Shri Jagadish
 Bhattacharyya, Shri S. P.
 Chandrappan, Shri C. K.
 Chatterjee, Shri Somnath
 Chowhan, Shri Bharat Singh
 Das, Shri R. P.
 Deshpande, Shrimati Roza
 Gupta, Shri Indrajit
 Halder, Shri Krishna Chandra
 Joarder, Shri Dinesh
 Krishnan, Shrimati Parvathi
 Mehta, Shri P. M.
 Mohammad Ismail, Shri
 Mukherjee, Shri Samar
 *Pandey, Shri Tarkeshwar
 Reddy, Shri B. N.
 Reddy, Shri Y. Eswara
 Saha, Shri Ajit Kumar
 Sambhali, Shri Ishaque
 Sen, Dr. Ranen

MR. DEPUTY-SPEAKER: The result of the division is. Ayes 106; Noes 22.

The motion was adopted.

16.02 hrs.

LIFE INSURANCE CORPORATION
 (MODIFICATION OF SETTLEMENT)
 BILL

MR. DEPUTY-SPEAKER: Now, we take up the Life Insurance Corporation (Modification of Settlement) Bill.

Mr. C. Subramaniam.

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Mr. Deputy-Speaker, Sir, the Life Insurance Corporation (Modification of Settlement) Bill was introduced in the House on the first of last month. I beg to move:

"That the Bill to provide for the modification of the settlement arrived at between the Life Insurance Corporation of India and their workmen, be taken into consideration."

Hon. Members are aware that the Payment of Bonus Act does not apply to LIC, GIC and the nationalised Banks. When the Bonus Act was recently amended, Government simultaneously took certain decisions in respect of ex-gratia payment to be made to institutions outside the scope of the Bonus Act. The employees of these institutions can now be paid ex-gratia amounts upto ten per cent of their salary, this payment being admissible only to those drawing a maximum salary of Rs. 1,600 per month. The maximum amount of payment is also restricted to that calculated for the salary of Rs. 750 per month. In other words, the maximum payment is limited to Rs. 900

However, in the case of LIC, under subsisting agreements between the management and Class III and Class IV employees, the amount payable by the Corporation to these categories of employees is at the rate of 15 per cent of their annual salary (basic pay, special pay and dearness allowance)

*Wrongly voted for NOES.

†The following Members also recorded their votes for AYES:

Sarvashri Hari Singh, Lutfal Hague, S. N. Singh Deo, Bibhuti Mishra, Shankarrao Savant, Manikrao Palodkar, Tarkeshwar Pandey, Shrimati Maya Ray, and Dr. Sankata Prasad.