

dated the 9th March, 1963, under sub-section (3) of section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954. [Placed in Library, See No. LT-1041/63.]

COMMITTEE ON PETITIONS

MINUTES AND FIRST REPORT

Shri Thirumala Rao (Kakinada): Sir, I beg to lay on the Table the Minutes of the third and fourth sittings of the Committee on Petitions held during the current Session.

Sir, I beg to present also the First Report of the Committee on Petitions.

12.02 hrs.

DEMANDS FOR GRANTS—Contd.

MINISTRY OF LABOUR AND EMPLOYMENT—contd.

Mr. Speaker: The House will now take up further discussion and voting on the Demands for Grants under the control of the Ministry of Labour and Employment. The hon. Minister may continue his speech.

The Minister of Planning and Labour and Employment (Shri Nanda): Mr. Speaker, Sir, yesterday, when the House rose, I was in the midst of a clarification regarding the place of wages in the cost structure of industries. I tried to make out that labour costs were not such a burdensome element in the cost structure of industries. I propose to offer some figures in support of that figures of wages and salaries as a percentage of gross output in manufacturing industries. There has been a consistent decline in the ratio of wages and salaries to the total cost of production. In 1953 it was 20.3, and in 1960 it is 15.5.

Shri Indrajit Gupta (Calcutta South West): Is this the average of all manufacturing industries?

Shri Nanda: Yes, it is the manufacturing industries. These are the Reserve Bank figures. There is another set of figures derived from the census of manufacturing industries which is more or less the same or even a little better from the point of view of the workers.

I want to point out that there is corroborative evidence of this trend from another source. It is the index of productivity and the index of money earnings. Money earnings have been increasing, naturally, but productivity has outpaced the increase in money earnings. There is an increase in money earnings to the extent of 24 per cent during this period—the period which I mentioned—as against a rise of 32 per cent in productivity during the same years. The ratio of wages to gross output which I have given relates to wages and salaries together. If we take salaries out of this figure, the wages constitute about 12 per cent. When we take the wages by themselves over a period of years and compare their proportion to cost of production, the conclusion is even more convincing that wage as an element has been favourable to industry, and not otherwise.

The other aspect of it from the point of view of workers is their level of living. The money earnings may go up but, in the meanwhile, the cost of living increases. After making allowance for the increase in the cost of living, there is still a certain improvement in the real earnings of the workers. The consumer price index moved up from 100 to 117 in 1960 and 119 in 1961 since 1953 and, therefore, the increase in real earnings was just about 6 per cent in 1960 and round 7 per cent in 1961.

It leads us to another very important development which occurred during recent years, and that is the acceptance by the Indian Labour Confe-

*Moved with the recommendation of the President.