

are passing through great difficulties. It is a period of transition in these countries as it was in our own country. There is the question of Africanisation. As my hon. friend, Shri Gupta, had said, we were also anxious to have Indianisation at the time of our independence. But all these things can be settled if we tackle the problem carefully, discuss it with them and not bring emotion in it, because it is the most dangerous thing that can happen—to link it up emotionally, in which we treat all of them as Indians and more or less make it impossible for them to stay.

17.02 hrs.

#### REVISION OF DEARNESS ALLOWANCE\*

**Mr. Deputy-Speaker:** Before we begin the half-an-hour discussion, I would ask the hon. Finance Minister to make a statement for two or three minutes to help the discussion.

**The Minister of Finance (Shri T. T. Krishnamachari):** In order to facilitate the discussion, I may state that the question of revising the rates of dearness allowance admissible to Central Government employees as a result of the average for 12 months of the working class consumer price index reaching the figure of 135 in the month of January 1964, is already under the consideration of the Government in accordance with the recommendation of the Second Pay Commission on the point which is accepted by Government. I hope to be able to announce Government's decision in the matter in about a week's time. The revised rates will have effect from the 1st February 1964. The price index for the month of January being available only in the third week of March, we were not able to deal with it earlier.

I might also add that the figure of average price index registered a sudden rise as a result of the change in the indices for the cities of Bombay and Ahmedabad on the reports of the

Committees set up by the Governments of Maharashtra and Gujarat. This has raised the index figure by two points. Otherwise, perhaps the effect would not have come in the month of January, as it has in the present case.

**Shri S. M. Banerjee (Kanpur):** I am really surprised to hear this announcement. I thought that the announcement would contain a declaration about the enhanced dearness allowance. Probably the Finance Minister thought that an impression might go round the country that he would be making some announcement because of this discussion. I shall not try to score a victory or point over this matter.

A question was put by me on the 30th April, to which the hon. Deputy Minister replied:

"At the moment, it is being finalised and the hon. Member will know very soon the decision taken in the matter".

I am happy that the hon. Finance Minister, realising the growing discontent among the Central Government employees has come out in this House with a statement that an announcement will be made within a week.

**Shrimati Renu Chakravartty (Barackpore):** After Parliament adjourns.

**Shri S. M. Banerjee:** I would have liked him to make a statement tomorrow or the day after on the floor of the House. Anyhow, even after the figure of 135 was reached in February, 1964, his approach to the problem was just like that of moody Hamlet, to revise or not to revise, but today he has been able to make up his mind, and some revision is likely to take place just after a week.

**Shri U. M. Trivedi (Mandsaur):** Just after a week, or just after two days?

**Shri S. M. Banerjee:** To help the Finance Minister to take a decision, I will try to impress upon him what should be the quantum or the correct basis in arriving at a correct decision.

[Shri S. M. Banerjee]

Today, when I initiate this debate on dearness allowance, I have before me a clear picture how 22 lakhs of Central Government employees are groaning with anger and meaning with frustration because of Government's failure to control or check the prices. Not only the Central Government employees, but the bank employees, insurance employees and all others working people of this country, whose backbone has been completely broken by the high prices, are agitated, and they want a 20 per cent increase in basic wage as an interim relief.

The main reason which led to the unfortunate strike of the Central Government employees in 1960 was the refusal of the Government to neutralise the rising cost of living by dearness allowance or to have a rational formula that would provide timely and automatically full neutralisation of rise in the cost of living.

The First Pay Commission formula was acceptable to the Government employees, but the Second Pay Commission formula which was not accepted, for which there was a strike in July, 1960, was thrust on the Central Government employees by bringing an ordinance, putting 17,000 Central Government employees behind the bars, suspending about 27,000 and terminating the services of so many. But the conditions of even that recommendation of the Second Pay Commission, which was not liked by the Central Government employees, to justify an increase in dearness allowance, were fulfilled in 1961, but what happened? In 1961, only Rs. 5 and Rs. 10 were given to the Central Government employees. The Confederation of the Central Government Employees and its constituent units wanted the whole question to be referred to arbitration because the Second Pay Commission recommendation has not given a clear formula, or the quantum of rise in the dearness allowance when the conditions laid down by it had been fulfilled. So,

again from 1-7-1963 another increase was made of Rs. 2, Rs. 5 and Rs. 10. What we wanted was that up to Rs. 125 full neutralisation should have been given right from 1st November, 1961. If it was a part of the full neutralisation according to the Finance Minister, then these amounts of Rs. 2, Rs. 5 and Rs. 10 should have been given from 1st November, 1961 instead of from 1-7-1963.

Even according to the adverse recommendations of the Second Pay Commission, the average of 125 points was reached in November, 1961, and the employees have been deprived of their arrears for 21 long months by a stroke of the pen. We have been writing letters to the Finance Minister clarifying the position, but there was no answer to this. If there was to be neutralisation up to 125 points, I am afraid that should have been done in all seriousness and earnestness from 1-11-1961. The Central Government employees should have got arrears of Rs. 2, 5 and 10 from 1-11-1961 and not from 1-7-1963.

**Shri U. M. Trivedi:** How long are we sitting?

**Mr. Deputy-Speaker:** This is half-an-hour discussion.

**Shri U. M. Trivedi:** There is no quorum.

**Shri Nambiar (Tiruchirapalli):** For half-an-hour discussion it is not necessary.

**Shri U. M. Trivedi:** Why not? There are hardly 29 Members.

**Mr. Deputy-Speaker:** Quorum is necessary.

**Shri Nambiar:** The hon. Speaker has called all these Members to the various committees which are meeting and therefore, many are attending it.

**Mr. Deputy-Speaker:** When quorum is challenged, I have to take the count. There is no quorum now. Let the Bell be rung—now there is quorum. He may continue.

**Shri S. M. Banerjee:** It is found that the average of all-India consumer price index has crossed 135 points in February 1964 even though 135 points were physically reached in July 1963. The employees are suffering an erosion of more than ten per cent of the wages which are already below the minimum level. There is no reason why the Government should still hesitate to grant full neutralisation upto 135 points retrospectively. My point is this. Neutralisation upto 125 points must be done from 1-11-1961 and whatever amount was paid, Rs. 2, 5, 10 should be paid retrospectively from 1-11-1961. The full neutralisation upto 135 points should also be done retrospectively with effect from 1-7-1963.

There is another point about the rectification of all-India consumer price index. The decision of the experts to revise the price indices of Bombay, Ahmedabad, etc. has clearly established a *prima facie* case for examining the All India Consumer price index and its components of the 27 centres. It is stated that the findings of these committees are not being implemented correctly by the Government. The expert committees of Bombay and Ahmedabad had corrected the index of 1960. But the All India consumer Price index is being corrected from current months.

I thought that I should raise these issues here and impress upon the Finance Minister that another Rs. 2 or Rs. 3 may not be given. According to my calculation, the minimum rise of dearness allowance should have been Rs. 10. I do not know what is going to be circulation of the Finance Minister but it should be a minimum of Rs. 10. Government has miserably failed to bring down the prices. If dearness allowance is not increased, I think there will be more frustration among the Central Government employees. This may result in an all-India agitation. So, it is better, I thought, that before the Finance Minister gives his reply, I should speak on these points.

Apart from this announcement which he has made—which is good—I request that he should kindly tell us something, give his mind to us, as to what is going to be the quantum of dearness allowance and how it is going to be calculated, because there is no sound basis on which the dearness allowance can be calculated. When we discuss the question of dearness allowance, I would also like to know from the Finance Minister whether he is going to increase the ceiling from Rs. 400 to Rs. 1,000, because a question was asked in the other House where it seems that the Finance Minister—I speak subject to correction—that this matter was also receiving consideration. I would like to know from him whether the ceiling is likely to be raised from Rs. 400 to Rs. 1000.

Then, another question which I would like to put here is the question of raising the dearness allowance of pensioners. Assurances after assurances in this House were given that pensioners will also be given dearness allowance. I am told that they were given only Rs. 20 subject to the limit of 320. Even on that, I do not know whether orders have been issued or not. I would like to know from the Finance Minister what he is doing about pensioners and whether their dearness allowance is going to be raised.

With these words, I would request the hon. Finance Minister to tell us to tell this House, whether a sound basis is going to be evolved for the future also, so that the Central Government employees are not required to agitate for suggesting let there be a common accepted formula by which dearness allowance can be raised, whenever the prices go up or the Index figure shoots up. I hope the Finance Minister will definitely tell us the quantum of dearness allowance which is in his mind.

I have given a sound basis, namely, that there should be full neutralisation up to 125, and that is the formula which is acceptable to the Central Government employees; not only to them but to the working people of the country as a whole.

**Shri Nath Pai (Rajapur):** Mr. Deputy Speaker, Sir, may I avail myself of this opportunity of welcoming the statement which the Finance Minister has made though a little belatedly. I do not know whether he thought it fit to make the statement to take away the wind out of the sail of this debate. He is a very great tactician in that he has already made a statement which we wanted him to make, I welcome the statement, but I would like to put a few questions nonetheless.

**Mr. Deputy Speaker:** Only one question.

**Shri Nath Pai:** We are among those people who have been agitating on this problem for a long period, and so I request that the rules should not be so rigidly applied. You know how seriously we feel on this matter. I would like to know what is going to be the formula that is going to be applied. If he can give an indication, that will relieve much anxiety in the minds of the employees and their unions. I would like to know whether he is aware that some of the things he is trying to do are being watered down by the fight the unsuccessful fight, he is waging against the rise in Prices.

It is no use telling us that in a developing economy the prices invariably rise. I think he knows that UAR is also considered a developing country. It is to the credit of the UAR—I do not admire everything that is done there—and does he know that during the past ten years in the UAR, the price of bread has been the same that the overall index so far as the living cost index in the basic commodities is concerned, has gone down as against the performance in this country, and that there is a gradual depreciation of the living standard of the employees of the Government here because of the failure of the Government to hold the priceline?

Therefore, apart from giving these reliefs, may I also know whether it is under contemplation to give such benefits like hospitalisation, grain benefits—which was earlier indicated in a private talk of his—cheap grain

shops subsidised by the Government? and finally, I would like to know from him—this question was raised by my hon. friend Shri Banerjee also—whether the Government is thinking of giving some relief—I do not like to use that expression with regard to any section of our countrymen—to those unfortunate pensioners. I would like to cite the evidence of his colleague in the Government of Maharashtra, Mr. Barve, who admitted in reply to a question that there are pensioners whose pension in the case of some of the former employees of Deccan State is the unspeakable figure of 8 annas and in other cases Rs. 1.75 nP. May I know whether he is thinking of any comprehensive scheme whereby, not only by giving this DA, but by other socially-oriented measures, he tries to stabilise the standard of living, if not increase it?

**Shri Nambiar (Tiruchirapalli):** In view of the fact that the prices have gone up so high during the last two years, may I know whether the question of paying the arrears of DA with retrospect effect at least from 1st April, 1962 will be considered? May I also know whether the question of linking DA with the cost of living increase on an automatic basis, on the basis of a formula, will be considered, so that whatever is granted by way of an increase from time to time need not be deprived of by a sudden increase in prices in the market, so that the increase may be automatic and the employees may get the benefit without the market or businessmen knowing what increase is being given? Will the Government consider that aspect as well?

**Shri Daji (Indore):** I want to know whether the arrangement that the Finance Minister is contemplating will be such an arrangement that it will also apply in future, so that every time there is an increase of 10 points, this question of agitation may not arise and whether they will evolve a method which can be applicable in all such cases. Secondly, may I know whether the Government will also in-

clude in their consideration correcting of the anomaly of educational allowance which is paid to the children when the children are away from the parents, but not when they are living with them? Will Government also announce this correction next week?

**Shri T. T. Krishnamachari:** On the basic question of prices, I have really no difference of opinion with the hon. Member. I completely agree with him that the question of prices running away is something which has to be tackled. My difficulty is that while the other agencies of Government, notably the State Governments, are in agreement on the general principle, on the question of action I find it difficult to get them to go with it. I feel, about this question of prices rising, about which Mr. Nath Pai pointed out, the step being taken in UAR is something that we cannot postulate.

Hon. Members must realise that any increase that is given, even as a partial neutralisation, would mean anything like Rs. 20 crores or more. That means an additional burden on the tax-payer. When we are trying to, sort of, get Rs. 3 crores here or Rs. 4 crores there in order to minimise the gap in the budget, this continuous increase in Government's commitments seems inevitable if things that are now governing obtain for all the time. On that issue I am completely at one with the hon. Members. But I do hope that Members of Parliament, all of them, irrespective of a party affiliations, realise that we have to sit down and put pressure on those concerned, so that the spiral of price increase must stop. Secondly, the people who take advantage of any increase to these low-paid people to raise their prices should also be dealt with. On these matters, there can be no difference of opinion whatsoever.

In regard to what we have to do as a matter fact, I would not say, as Shri Nath Pai mentioned, it is a matter which I am sympathetic about. No. As a matter of fact I sense the sufferings of people the lower income

groups not only the government servants but also the other fixed income groups whose position is that notwithstanding the rises in their salaries or emoluments, adequate or inadequate they might be more than compensated by these increase in prices, increase in house rents, increase even in transport and so on.

What shall we do about it? I have been for quite some time engaged in this task as to how we could afford some kind of solace or mitigation in suffering by indirect methods instead of direct method of increase so that the shopkeeper would not take it. That is our main trouble. We have been thinking of what we can do to bring benefits like security benefits, health benefits etc, which would help them. We are also thinking of other benefits some of which have been catalogued by hon. Members. But we have to work with other Ministries and also with the Planning Commission. So the social objective in regard to our ultimate plan is something which we cannot miss, and it is a question of reconciling two claims.

As I have said in my Budget Speech notwithstanding the fact that we must progress faster and resources must be found for a bigger plan, we cannot ignore the social objectives that we have in mind, namely, that the people who are living on marginal and sub-marginal levels need a considerable amount of assistance to raise them up to levels which would be satisfactory.

I may assure my hon. friend that there is no question of any fighting against them in regard to who is going to get the credit. Of course, hon. Members may raise these discussions and Government may not respond. So when I made the statement I really wanted hon. Members to sort of, pinpoint what they wanted to say instead of going into the whole question. It is not intended to score a debating point at all. I wish I had been able to complete my work and get the appro-

[Shri T. T. Krishnamachari]

val of my colleagues in the Cabinet and place it before the house before it rises. It is not possible. I cannot get a Cabinet meeting before Thursday and it is only after the House rises that I shall be able to get a decision of the Cabinet on this question. The Finance Minister is certainly not a free agent on these matters.

**Shri Nath Pai:** On these matters the Cabinet will accept what you recommend. Yet, I agree, the formality has to be gone through.

**Shri T. T. Krishnamachari:** Some of the paying departments are a little difficult. I am not saying they are not as sensitive to what is happening around but still when their own particular department has to bear the brunt the trouble comes.

The quantum of increase, as I said is a matter which is under consideration. My hon. friend raised this question of people below Rs. 1000 and said that they should be compensated with regard to the increase. Well, I can assure him that it will be a little too much even for me, but we are trying to see if we cannot raise the limit to some extent, and that investigation is going on.

One factor I would like to mention. I do not want hon. Members to get away with the feeling that I have accepted everything. In regard to full neutralisation the Government are, in one sense guided by the recommendations of the Second Pay Commission. Even that has not recommended full neutralisation because the cost of full neutralisation is considerable. I cannot assure hon. Members here that we can adopt full neutralisation now.

**Shri Nath Pai:** They have left it to you discretion.

**Shri T. T. Krishnamachari:** The point again is this. On the question of delays, I can certainly tell the hon. Members that I do not want to be, sort of, goaded, into doing a particular

action. This is a matter which we have been considering. Even after the last increase, unsatisfactory as it may be, a committee of officials has been sitting and discussing this matter, to see whether we cannot give in-built concessions which may reduce the cost of living so that we need not add the dearness allowance, but we have not been able to come to a conclusion merely because everybody does not think the same way. I think in one way; others don't. Maybe, others are right and I am wrong. I do not lay any claim for being omnipotent in this matter.

So, I can assure hon. Members that so long as I am here, I need not be goaded into taking any action. If the figures rise to that particular point, we will take whatever action is possible and appropriate according to the circumstances of the case. As I said in that short statement that I made, it might be, as I was looking into these figures from November, December, January onwards very possibly the need for action might not have arisen until probably April but for the change in the working of the indices by Bombay and Ahmedabad, which have raised it by two points, so far as we are concerned. There is nothing wrong about it, but I am offering that by way of explanation why we have not been a little alert, may be probably a month earlier. We had these figures, as I said, only towards the end of March and that is where the delay comes. It is not my intention to delay anything; whatever we have to give, we must give.

**Shri S. M. Banerjee:** Are you going to announce it next Monday?

**Shri T. T. Krishnamachari:** I think I will try, while I would not make it a promise.

Then, Shri Nath Pai asked some other question. As I said, full neutralisation is not possible, but we will do it to the extent we can. The Pay Commission has given us a formula. Well, I may say, I wish we could agree, like the UAR, I wish I could give, at least one foodgrain not only

to Central Government servants but to the State Government servants and compel the employers also to fall in line so that at least one foodgrain would be fully subsidised. It is a matter which we are investigating. I do not know if we would be successful. Personally, I am in favour of it, but the mechanics of it is something which we have to study a little more.

A mention was made of pensioners. We did something to the low-paid pensioners last year. I know it is quite low and I do not say it is very satisfactory from my point of view. My only difficulty in this matter is not the disinclination on my part to help a section of the community which is undoubtedly needy but my inability to find adequate resources without impinging on something which is part of the Plan. That is my difficulty. Therefore, I cannot give any promise. But it is a matter which I will certainly bear in mind.

On the other point which is mentioned, we are really thinking in terms of what we could do in other directions. Somebody mentioned about educational allowance. Others also mentioned something more or less on the same lines. I think we will be able to do something about it and it would not be a very heavy burden because most of the States are coming forward with free education up to a particular point. So, that is a thing which we could do.

I also wish I could say something in regard to the journey to work. I was not very happy when I saw about this agitation on increase in fares. It seems a conspiracy of forces which is not merely hurting this class of people who cannot be hurt but is also hurting the government in finding additional resources. So that, I need some sympathy from hon. Members opposite because this question of finding resources is not easy; it gets increasingly difficult. While I should certainly accept responsibility to look after the lot of the low-income group of people, there is a limit to the gov-

ernment raising resources which cannot altogether be ignored.

Lastly, I would like to assure hon. Members that I have been benefited by the remarks of hon. Members. I am very grateful for the manner in which they put down the case. As Shri Banerjee pointed out at the outset, we want guidance a sort of line of action. I have carefully noted the remarks of hon. Members and to the extent it is possible I would like to accommodate all that has been said, but there are very serious limitations to the range of possibility, so far as the finance is concerned.

17.34 hrs.

#### MISTAKEN ENTRY BY RAJYA SABHA MEMBER INTO LOK SABHA

**Mr. Deputy-Speaker:** Earlier in the day a non-Member came to the House a question was raised and I promised to look into the matter.

**Shri Hari Vishnu Kamath (Hosangabad):** You mean a stranger?

**Mr. Deputy-Speaker:** Yes. The Speaker has received the following letter:

"I am a newly nominated Member to the Rajya Sabha. This afternoon, I entered the Lok Sabha Hall by mistake, thinking that it was Rajya Sabha. No sooner than I realised my mistake, I came out of the House for which I sincerely apologize."

**An hon. Member:** What is the name of the Member?

**Mr. Deputy-Speaker:** Shri M. Ajmal Khan. In view of this letter, I think the matter should be treated as closed.

**Some hon. Members:** Yes.

17.35 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, May 5, 1964/Vaisakha 15, 1886 (Saka).