

COMMON CAUSE

VOICE OF "COMMON CAUSE"

OUR ACTIVITIES & PROGRAMMES

The activities of COMMON CAUSE range over a wide field. These comprise practically the entire gamut of the problems which are encountered these days by middle class persons living in the urban areas.

Demand for our services has continued to expand. Dependence of citizens on the organisation for handling and solving their problems places on it an onerous responsibility. It is a matter of gratification that the citizens are themselves participating in and supporting its activities and programmes. Members of COMMON CAUSE are spread all over the country. They help to carry to their friends its message for securing their participation in it.

The organisation retains its basic character, of being a non-political, non-profit and voluntary organisation. Its membership is open to everybody, without any restriction of caste, community or creed. Dedicated persons are devoting their time and energy to its activities. They do not draw any remuneration. Its expenses are incurred only on the basic essentials, of printing, typing, cyclostyling, stationery and postage and inescapable requirements of office, research work, legal assistance for pursuing public interest cases in courts

We are grateful for the help of all those persons who send us information from various parts of the country and bring to notice the inequities, anomalies, discriminations, distortions and aberrations in various laws and rules and in their operation as well as in the operations of the functionaries charged with the responsibility of administering the laws. The initiatives of all such persons is most welcome; their help is invaluable. Increasingly we are receiving from them comprehensive material based on detailed study of individual problems, which makes it possible for us to effectively pursue the problems.

We request your help to further expand the membership of the organisation and thereby expand the area of support to the organisation. We request you also to help us collect funds for setting up a small office building, for which we have applied to the Government of India for allotment of a small plot of land in New Delhi.

Contd. on Page 22

**Our Pension Commutation Case
Pension Trust Fund Mooted
House Tax Still Hounds**

**Consumers Movement
Noise Pollution
TV & Nation Building**

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Our Pension Commutation Restoration Case

We have for long been near the end of our Pension commutation Restoration case but the final end has not yet reached. Somehow it has kept on deluding us. The Government put forth the formula, of 70 years or 15 years after retirement "whichever is later." We submitted that it contained inequity. We explained the reasons, particularly on behalf of the defence pensioners who, in the lower ranks, retire very early, in their 30's and 40's. Government put forth some actuarial tables, to show that on the basis of "capital" and "interest" it was immaterial whether the retirement took place at 35 years, 55 years or 58 years; the commutation factor had been so worked out on the principles of life insurance, that the capital extinguished only at the age of 69/70; therefore, they were justified in putting forth the above formula. The matter has now to come up before the Supreme Court on the 16th July 86.

Meanwhile, we have taken a number of steps in this connection. The letters written by the Director of COMMON CAUSE to Mr. Arun Singh, Minister of Defence, Mr. P. Chidambaram, Minister of Personnel & Training, and the further written submissions to the Supreme Court, are reproduced here. In addition, letters have been written to about 130 retired generals, air marshals, and admirals, and a large number of them have addressed letters to these Ministers conveying the dissatisfaction of ex-servicemen. Mr. Chidambaram has also been separately requested that the government could, pending the final decision of the case, at least have issued orders in respect of all those old Pensioners who are already above 73 years of age because they have in any case become eligible for the restoration of full pension even according to the present formula.

Letter to Mr. Arun Singh, Minister of Defence

"Through this letter I bring to your notice a matter of serious consequence relating to the Defence pensioners.

You might be aware that through the initiative of COMMON CAUSE we have succeeded in getting Supreme Court verdicts in two cases relating to pensioners. One case benefited about two million civil and defence pensioners, extending to them the benefits of 1979 liberalisation which were previously denied to the pre-1.4.79 pensioners. The other case has benefited over 100,000 widows by extending to them the family pension privileges which had been denied to them because their husbands had retired prior to 1964 when the family pension scheme was introduced by the government.

It is about a third case of pensioners that I am

writing this letter. This case relates to the problem of restoration of pension commutation. The pensions of old pensioners, in their 70's, 80s, and even 90's, continue to be subjected to deduction proportionate to the commutation they secured on retirement. This is very hard on them. Where a pensioner has lived long the government has taken back from him 2-3 times the amount which he was given on commutation. Nine State Governments recognised this inequity and have, over the last 4/5 years, restored their full pensions on attaining the age of 70 years.

After failing to evoke response from the Government of India in respect of central pensioners, civil as well as defence, we took this matter also to the Supreme Court. After three years' struggle the Government of India, in the Ministry of Personnel, Training & Pensions, filed a decision in the court

on the 20th March agreeing to restore the pension, but the formula they gave through the Attorney General incorporates features which are causing extreme resentment and disquiet among the defence pensioners. The formulation incorporated in the decision is that the commuted value of pension will be restored after 15 years of superannuation or on attainment of 70 years, "whichever is later". We had suggested that the pension should be restored after 12 years or on attainment of 70 years, *whichever is earlier*. In suggesting this formula we had in view particularly the problem of defence pensioners who in the lower ranks retire very early, in their 40's and even 30's. The formula given by the pensions department will work to the extreme disadvantage of those defence pensioners who retired at early ages and who will have to wait for 30/35 years before their full pension is restored. The stipulation of restoration on completion of 15 years "from the date of retirement on superannuation" will also involve serious difficulties for those who retire on disability pension as distinct from superannuation.

The restoration of full pension should have been related to the "years of purchase" rather than fixing the arbitrary period of 15 years. We considered that it would be appropriate that the restoration should take place, say, two years beyond the "years of purchase". Suitable formula can be evolved to meet the requirements.

This matter was vociferously highlighted in the speeches made at the recent rally of ex-servicemen at Bahadurgarh in Rohtak district where about 15,000 ex-servicemen were present and which was also attended by the three Chiefs of Staff. All the speakers referred inter alia to this hardship. One retired brigadier went to the extent of saying that patience of ex-servicemen had totally exhausted and that their grievances would erupt like "Jawalamukhi" volcano.

We earnestly hope that this matter will be suitably rectified. You would be in the best position to take the initiative to secure this rectification, in consultation with the Finance Minister and the Minister of Personnel, Training & Pensions.

When this formula was presented by the Attorney General in the Court on 20th March we had represented that it would work to the serious disadvantage of defence pensioners. The Chief Justice of India and his two companion judges had thereupon asked the Attorney General to get the matter re-examined by the government to determine whether the formula would safeguard the interests of defence pensioners".

Letter to Mr. P. Chidambaram,
Minister of Personnel & Training.

"I forward copy of a letter which I have written to Mr. Arun Singh. It is self-explanatory. It seeks to convey a problem which arises from the formulation presented on behalf of the Department of Pensions in the Supreme Court on the 20th March and which will operate to extreme disadvantage of the defence pensioners and is accordingly causing them great concern.

We earnestly hope that you will kindly devote personal attention to this problems in order to satisfactorily rectify it for presentation of the solution to the Supreme Court at the next hearing.

I would be most willing to come over to explain the ramifications of this problem and the alternative solution.

With the very best wishes and warm regards".

Another Letter to Mr. P. Chidambaram,
Minister of Personnel & Training.

"In connection with the pending case of pension commutation I convey one request.

It was communicated to the Supreme Court by the Department of Pensions, vide the letter dated 20th March '86 addressed to the Attorney General that "Government have taken a decision that recovery from pension in relation to commutation would stop on the completion of 15 years from the date of retirement on super-annuation or on the pensioner completing the age of 70 years whichever is later.

While the question of this formulation in respect of details is still under consideration in the Court I

write to request that the Government may kindly consider issuing orders in respect of those pensioners who have attained the age of 73 years. There are very old pensioners in their 80's and 90's, and in late 70's, who are eagerly looking forward to the restoration of their full pension. They have in any case completed 15 years since retirement and are over 70 years age. They are in the late evening of their lives, and it is cruel that they should have to wait till the matter is sorted out in respect of the somewhat younger pensioners.

The Government can obviously issue the orders, as a gesture to these very old pensioners, to restore their pensions with effect from 1.4.86 as already decided, pending finalisation of the entire matter. I earnestly hope that the Government has not made it a "take-it-or-leave-it" matter in relation to the pending court case, because these old pensioners deserve all the sympathy and consideration. You have done so much for the pensioners; kindly do this also".

Letter addressed to a number of retired Generals Admirals, Air Marshals etc.

"You would be aware of our Pension Commutation Writ Petition which is pending in the Supreme Court. You may have also read the information which we have incorporated on this subject in the April issue of our journal.

It is most unfortunate that the Govt. of India has put forth before the Supreme Court a formulation which will be to the extreme disadvantage particularly of the defence pensioners. This formulation is that the Government will restore the full pension on completion of 15 years after retirement or on attainment of 70 years age, whichever is later. We had suggested that the restoration should be effected on attaining the age of 70 years or after 12 years of retirement whichever is earlier. We will continue pursuing this problem and hope to put forth before the Supreme Court a very convincing picture of how this formulation is defective and why it must be rectified.

Defence personnel, particularly at the lower ranks, retire very early, even in their 30's and 40's. It would be callous to make them wait till the attainment of the age of 70 years for restoration of the full pension, and meanwhile to go on extracting from them substantial portion of the pension, aggregating the deduction to double, and more, of the amount which they were given as commutation.

This matter has been severely criticised recently also by the Chiefs of Staff. They have communicated their views on this subject to the Defence Ministry. We have knowledge of this fact because in a letter addressed to the President of Indian Ex-Services League by the Chief of Personnel (Vice Admiral S. M. Gadihoke) it has been stated that "the proposal for restoration of commuted pension on completion of 15 years after retirement or 70 years of age whichever is later did not appear to the Chiefs of Staff to be fair, equitable or suitable to the need of defence pensioners who perform have to retire at much younger ages".

I am addressing this letter to senior retired defence officers with the request that they should address strong letters to (i) Mr. Arun Singh, Defence Minister (South Block, Secretariat, New Delhi - 1) and (ii) Mr. P. Chidambaram, Minister of Personnel & Training and Pensions (Room No: 102, North Block, Secretariat, New Delhi-1). They should kindly consider conveying their views to these Ministers, stating how this type of formulation totally disregards the interests of defence pensioners, how upset the defence pensioners feel about it, and how this type of attitude can cause demoralisation among the defence personnel.

This is a very important cause for all retired officers to forcefully take up. While we from COMMON CAUSE will continue pursuing this matter in the Supreme Court till we can find appropriate solution, and while we have separately addressed these Ministers and also the Prime Minister, we request you to kindly lend your weight to this cause. I am sure you will recognise that the letters from senior retired officers should issue in their own

words, and that such letters based on a draft will lose their effectiveness. Therefore, we are not forwarding any draft.

This matter is very urgent. We want the Government of India to soon realise that they cannot disregard the interests of defence pensioners. The matter will come up again before the Supreme Court on 16th July, after the vacation, but we want that the Government should be compelled to modify their formulation well before this date.

I convey the very best wishes from COMMON CAUSE. Kindly send me copies of the letters you address to the Ministers".

JANVANI PROGRAMME

When it was announced that Mr. P. Chidambaram, Minister incharge of Personnel, Training and Pensions, was to appear in Janvani Programme on 17th June '86 a letter was forthwith sent to Janvani seeking opportunity to ask the Minister why the Government has not hitherto issued orders of commutation restoration at least in respect of those who have already crossed 73 years of age.

DOORDARSHAN did not have the courtesy even to acknowledge the letter. It was of course not expected that the question would be allowed to be asked. Letter sent to Janvani is reproduced below. It was sent on 3.6.86.

"In the Janvani Programme Mr. P. Chidambaram, Minister of State for Personnel, Training & Pensions, will appear on the 17th June.

On the problem of Pensions we have made comprehensive study, and have in fact been instrumental in taking to the Supreme Court three cases, two of which have been won and over two million pensioners have benefited. In the third case the Government of India has recently made a statement in the Court that they have decided to restore the pension "commutation" where a pensioner has attained the age of 70 years or completed 15 years after retirement, whichever is

later. I wish to complement, the Government through the Minister for this decision, and urge that while some connected matters relating to this case (which cannot of course be discussed as it is sub-judice) are still to be decided, the Government should forthwith issue orders relating to the decision that has already been taken. It is unfortunate that this is not being done pending the final decision of the case. The issue of orders will help about 1,00,000 old and infirm pensioners in their 70's, 80's and some 90's who have for years been waiting for this decision and who are in the late evening of their lives.

This is a matter of great importance for the very old pensioners. I would be grateful if I am permitted to put the question to the Minister as to why the Government is delaying the issuing of the requisite order when decision to this effect has been taken"

Further written Submissions to the Supreme Court for hearing of the case on 16th July, 1986

1. On 20.3.86 a letter on behalf of the Respondent (Union of India) from the Department of Pensions of the Ministry of Personnel & Training was produced in the Hon'ble Court wherein it was stated that the government had "taken a decision" that the recovery from pension towards commutation would be stopped "on the completion of 15 years from the date of retirement on superannuation or on the pensioner completing the age of 70 years, whichever is later". It was also stated in the letter that this decision would take effect from the 1st April 1986.

2. It was submitted on behalf of the Petitioners that this formulation would be very disadvantageous to the interests particularly of defence pensioners, who comprise over 60 percent of the total number of central government pensioners, specially in the lower ranks who retire in their 30's and 40's and who constitute 80/90 percent of the

defence pensioners; these pensioners will have to wait 25/35 years before their full pension is restored. This point was elaborated in the Propositions filed on behalf of the Petitioners on 21.4.1986.

3. Following formulation was suggested in the Propositions filed on 21.4.1986 on behalf of petitioners.

Column I Year of retirement	Column II Average of multiplier	Column III Full pension after following number of years after retirement
Between 35 years and 40 years	16.30	18 years
41 to 44 years	15.27	17 years
45 to 49 years	14.09	16 years
50 to 54 years	12.65	14 years
55 to 56 years	11.57	13 years
57, 58 years	10.94	12 years

It was suggested that recovery from pension payable every month towards commuted value should stop on completion of the years mentioned in column III from the date of retirement on attaining the age stated in column I. This was considered to be the most equitable from the point of view of the government as well as the pensioners, taking into account that more than 15 years have by now elapsed since commutation table of 1971 came into operation and the averages of column II have been worked out on the basis of this table, and for the respective age groups a reasonable margin was provided whereafter the commuted portion of the pension would be restored. Our contention has been that the full pension should be restored from the date of filing the Writ Petition (July 1983).

4. The Chiefs of Staff (Chief of Army Staff, Chief of Naval Staff and Chief of Air Staff) have since considered the above mentioned formulation submitted on behalf of the Respondent. Their view has been communicated to the Defence Ministry, as will be evident from the Annexure that "the proposal for restoration of commuted portion on completion of 15 years after retirement or 70 years of age which-

ever is later, did not appear to be fair equitable, or suitable to the need of defence pensioners who perforce have to retire at much younger ages".

5. In paragraph 17 of the Writ Petition the Petitioners had furnished information about the orders issued by certain State Governments whereby they have already restored the commuted portion of the pension. Relevant particulars of the orders were furnished. Since then we have received information that similar orders have been issued by the State Governments of Orissa, Andhra Pradesh, West Bengal and Rajasthan. On 2.5.1986 it was stated on behalf of the Respondent that in the order issued by the Rajasthan Government providing for the restoration of commuted portion of the pension, the words "whichever is later" have been used. The words "whichever is later" appear also in the orders issued by the Karnataka Government, quoted in our Writ Petition towards the end of paragraph 17. The problem in relation to the pensioners of Central Government is, however, different from that of the State Governments because the State Governments have only civil pensioners whereas the pensioners of Central Government include civil as well as defence pensioners. The civil pensioners previously retired at the age of 55 years; now they retire at 58 years. The lower ranks of defence personnel, however, retire very early, in their 30's and 40's and only personnel of officers' rank retire in 50's. These facts necessitate that in the case of Central Government pensioners the formulation should be such which will not be disadvantageous to those who have perforce to retire early in life.

6 On 2.5.1986 a note was submitted before the Hon'ble Court on behalf of the Respondent wherein it has been contended that "commutation value has been so calculated that at whatever age the commutation takes place, the commutation factor enables the capital payment to last till the age of 70 years at least". Different tables have been attached to the note, based on commutation factors operative at different ages 35 and above, to establish that taking into account the interest rate of 4.75% and the capital

repayment over the respective periods, the capital amount given on commutation remains relevant till the attainment of the age of 69/70" and that accordingly it is justifiable for the Respondent to propose the commuted portion to be restored after 15 years of commutation or 70 years, whichever is later.

7. This new note, submitted of behalf of Respondent, and its accompanying tables, have to be considered in the light of the following :

(a) Entire burden of arguments of this note is based on the stipulation : "In the case of those persons who die early a portion of pension entitlement they have been paid more, and this more payment is necessarily to come out from the persons who continue to live longer". It is stated in the note that "it is on the basis of this averaging the entire science of life insurance is based". (Para 2 of the note).

On behalf of the petitioners it has already been contended, in the counter and in the written submissions, that it is most unfortunate that a pensioner who lives longer has be made to subsidise for any loss which is stated to have accrued because another pensioner has died younger (in actual fact, the loss is not caused because the remaining portion of the pension of the pensioner dying younger, is saved to the Government). Our submission has throughout been that burden of the loss, if any, should not be put on the body of pensioners, but it should be borne by the society as a whole. The very premise of this note, which is in fact based on the theory of life insurance, is therefore totally fallacious in as far as its application to the social problem of old pensioners is concerned.

b) The considerations of interest and capital, which have been taken into account in relation to the tables accompanying this note, are incontrovertibly linked also to the factor of life expectancy. Over the past few decades life expectancy in the country has considerably improved. In 1921 the life expectancy at birth was 20. 2; in 1941 it was 31. 7; in 1961 it was 41. 1; and in 1981 it had improved to as much as 56.0. We have examined the commutation tables which have

over these decades, since 1930, been adopted by the Respondent for determining the commutation factor at the respective ages of retirement. It is evident from these commutation factors that they have not taken into account fully the improvement in life expectancy. Even at present the commutation table operative is the one that was framed in 1971 though the life expectancy at birth has increased from 46.4 in 1971 to 56.0 in 1981. Therefore, it is evident that these factors which were used as multipliers for determining the quantum of lump sum payment on commutation, operated to the disadvantage of pensioners. They would have been higher if life expectancy factor had been properly taken into account. Examination of commutation tables, in comparison to the life expectancy, shows that factors of interest and capital have weighted more with the Respondent than the factor of improvement of life expectancy. The commutation tables promulgated in a particular year assumed that life expectancy would remain practically constant at that particular level, whereas in actual fact that life expectancy has regreatly improved in the respective decades. To the extent, therefore, an average person lives longer, the government makes profit, in relation to the operation of commutation factor. In this connection it is necessary to repeat, what has been previously stated on behalf of the Petitioners, that the commutation factor determination was based, in the years prior to 1977, (which years are relevant in relation to the larger body of pensioners on whose behalf the present Writ Petition has been filed) on the result of rigid medical examination that every pensioner had to undergo before he was given any commutation. The rules prescribed in this behalf, which can be quoted, incontestably establish that if a pensioner was found to be of less than normal health, years were added to his age for determining commutation factor applicable to him. It is important in this connection to observe that even now all the defence pensioners go through the prescribed medical examination for determining their eligibility for commutation, through the requirement of medical examination has been abolished since 1977 for the civil pensioners.

c) We have in our counter-affidavits and in the written submission repeatedly emphasized that there could be no question of the commutation lump-sum being utilised by the pensioners for investment as has been contended on behalf of the Respondent. On the termination of service, and on sudden reduction of emoluments, the pensioner has normally to meet various family and social obligations, including the marriage of daughter, building a hutment, and in the case of pensioners of small pensions (they constitute 90% of the pensioners who got lump-sum amounts of only Rs. 3000/4000) there obviously could not be any question of their utilising the amount for investment, in those days when the bank interest rate was only about 3 percent as compared to the present interest rates.

d) In the context of increasingly longer life expectancy and increased interest rates, and in the circumstances relating to utilisation of commutation lump-sum amount for meeting social and family obligations, it is noticeable that the pensioner has in fact been a loser. He was given the lump-sum on the basis of a commutation factor calculated on a certain life expectancy, whereas his life span has since increased; he lives longer and continues to face deduction of his pension over a longer period than was envisaged. The old pensioners, who took commutation two to three decades ago have all along been losers and to this extent there is obvious fallacy in the tables attached to the note submitted on behalf of the respondent on 2-5-1986.

7. It is very unfortunate that the Respondent has throughout been emphasizing only the technical aspects although this problem is primarily a humane problem. This was remarked also by the Lok Sabha Committee on Petitions in their report submitted on 11-4-1977 in which they said, as reproduced in the Writ Petition in paragraph 15, that the Government needs to consider this aspect of the matter more from a humanitarian than a strictly legal point of view. The government gives lump-sum commutation to the pensioner on retirement to enable him to meet the immediate requirements which he faces on

sudden fall of his remuneration; in the case of persons of small pensions, who constitute the bulk of the pensioners, the amounts becoming available on commutation range from Rs. 3000/5000, and there is no question of these finding ways to investment.

8. To a sepoy, for instance, when he retires at the age of 36, the amount given on commutation is Rs. 5,019 if he effects deduction of Rs. 30 out of his pension (the commutation factor is 16.72 for the age of 36 years.) According to the formulation offered by the respondent he will become entitled to restoration of his full pension only on attaining the age of 70 years; therefore, he will have to wait for full 34 years after commutation before he will start receiving his full pension. In this period of 34 years he will have repaid to the Government the total amount of Rs 12,240, i e. more than double the amount that was given to him on commutation. It would obviously be difficult for anybody to convince him, on the basis of tables of the nature attached to the note submitted on behalf of the Respondent on 2-5-1986, that the continuing recovery of deduction from his pension for 34 years has been fair.

9. During the hearing on 2nd May '86 it was stated on behalf of the Respondent that the Report of IVth Pay Commission, to which the matter of restoration of pension commutation has inter alia been referred, was likely to be submitted by the end of June 1986. Information of the Petitioners is that the Commission's initial Report is not likely to deal with the matters of past pensioners and that the recommendations on these matters are not expected to be finalised for many months yet.

10. On these various considerations we urge that the Hon'ble Court may kindly examine the appropriateness of the suggestions which have been made on behalf of the Petitioners and which have been repeated in paragraph 3 of the present written submission in modification of the formulation presented by the Respondent in the above-mentioned letter of 20-3-86. We also submit that the restoration of full pension, on the basis of this formula, be effected

from July 1983 when the Writ Petition was submitted by the Petitioners. We have already separately urged the Respondent that in the case of those old pensioners who are already above the age of 73 years the restoration should have been effected when the decision of 20-3-86 was taken, because they in any

case fulfil the criteria laid down in the formulation; they could have been given the restoration provisionally with effect from 1-4-86 so that in the late evening of their lives they would have the satisfaction of drawing the full pension. It is sinilarly unfortunate that this has not hitherto been done by the Respondent.

PENSION TRUST FUND MOOTED

We have submitted to the Finance Minister and the Minister of Personnel & Administrative Reforms a comprehensive proposal for revamping the entire concept of pensions in the country. It is unfortunate that this matter, which has such enormous importance, has never been given proper consideration and that pensions have continued to be regulated and governed by ad hoc measures, which have now got enmeshed under the weight of multifarious rules and regulations. The only enactment relating to pensions is the Pensions Act of 1871, over a century old, which in the present circumstances is totally archaic and an anachronistic legislation.

Importance of this subject will be evident when one takes account of the nature and dimension of the problem. There are presently about 25 lakh central government pensioners, including defence and civil pensioners. The pensioners of state governments approximate the same figure, and possibly more. Added to these are pensioners of banks, insurance companies, municipal authorities, universities and educational establishments, public sector enterprises, private sector companies, and various other organisations and associations. The rough estimate is that there are not less than about 80 lakh pensioners; and each year approximately three lakh pensioners are added to this number. The civil and defence establishments of central government alone yield about one lakh pensioners each year, 60,000 out of them from defence forces. These are the people who gave the best years of life to the service of their employers, and to whom the employers owe obligation to look after them in the fall of life. When one takes into account

that there are at least five to six persons of each family who are interested in a pensioner, it is evident that almost about four crores of persons have close interest in the problems and welfare of pensioners. They are dispersed all over the country, in the rural areas well as well as the urban centres. In the latter there is larger concentration, and consequently it would not be an exaggeration to say that practically one in every ten persons in the towns has close interest in the problems of pensioners. Their welfare means such great lot to the general morale: the welfare of defence pensioners obviously has direct reference to the morale of the serving personnel.

The present system of pensions has got riddled with numerous anomalies, discriminations, distortions and aberrations. These have led to great lot of dissatisfaction among the pensioners. COMMON CAUSE took the initiative of taking the important anomalies and discriminations to the Supreme Court and has already secured favourable verdicts in two cases. One has resulted in direct benefit to lakhs of pensioners of the central government, and has led to extension of similar benefits to the pensioners of most of state governments; this has achieved the distinction of being the only case in the world which through one judgement has benefited the largest number of persons anywhere. Second case has given benefit of family pension to over one lakh widows of pensioners. Another important case of COMMON CAUSE, concerning the restoration of pension commutation, is at present pending pending in the Supreme Court.

NEW CONCEPT

The new concept of pensions suggested by us to the Government of India comprises the following elements :

- (i) A Pensions Trust Fund should be created. In this Fund should be credited the entire pension quantum of a person immediately on his retirement. The pension quantum should be calculated on the basis of realistically prepared present life expectancy actuarial tables.
- (ii) The Fund should guarantee the minimum of ten per cent interest on the pension quantum; this interest amount should be paid in monthly instalments to the pensioner. It should be ensured that the monthly interest payments are not less than the normal pension which would have otherwise been paid to the pensioner ; in fact in actual practice these monthly interest payments will work out to more than the normal pension. For instance, if the pension of a person works out to Rs. 500, the aggregate pension quantum, based on his life expectancy of even 12 years, will be of the order of Rs. 72,000, and the monthly payments from it, even at the minimum interest of 10% will be more than the normal pension of Rs. 500.
- (iii) The Pension Trust Fund should be administered by a high level Board of Trustees who should have among them persons of status and experience in investment. Investments from the Fund should be made in public and private enterprises in such a manner that they yield the maximum advantage to the pensioners.
- (iv) On the demise of pensioner, half the quantum at his credit should be made available to the widow/legal heirs for facilitating processes of re-adjustment of the family. The remaining half should remain in the Trust Fund, and the family should continue to derive the benefit of its interest in monthly instalments which will be more than the paltry family pension which is at present being given,

the maximum limit of Rs. 250/-per month.

- (v) For compensating the pensioners against the rise in cost of living index, the government is at present giving dearness relief. This dearness relief should continue to be given to the pensioner as and when it is sanctioned. Of course, there is need of reconsideration about the quantum of dearness relief paid to the pensioners but that is a separate matter and we have taken it up with the concerned authorities.

The advantages of adoption of such new concept of pensions are obvious. The pensioners will greatly benefit from it. The aggregated pension quantum will remain the property of the pensioner; it will constitute a part of the Trust Fund which will continue to be invested to his best advantage yielding the maximum possible dividends to him; on his demise the family can exercise the option to withdraw the entire amount or keep half of it in the Fund, for enabling it to continue deriving the monthly instalments of interest. To the nation the Trust Fund, in course of few years, will yield an enormous potential of financial resource for investment in developmental activities. Taking the average at Rs. 400 p. m. of the pension, the aggregated quantum for a pensioner with life expectancy of 12 years will be Rs. 57,600, say Rs. 60,000. For 100,000 pensioners retiring every year, the total amount which will need to be put in the Fund will be Rs. 600 crores, which is approx. the amount spent every year on the pensions by the Government.

These arrangements will be operative for the future pensioners. For the existing pensioners appropriate ad-hoc criteria will need to be determined by which their pensions are aggregated on the basis of remaining life expectancy, with the assurance that they do not get monthly amount less than the present normal pension or family pension etc. Special consideration will have to be given in the case of the few pensioners who are presently at ages which may be more than the life expectancy based on actuarial tables.

HOUSE TAX STILL HOUNDS

The problem of House Tax assessment still continues to hound the people. The Delhi Municipal Corporation has over the years gained significant notoriety in causing harassment to the assesseees through blatant disregard of the provisions of the law. The matter was taken by COMMON CAUSE to the Supreme Court. The judgement of the Supreme Court, of December 1984, expounded specific principles for assessment of various categories of properties, namely, rented premises, self-occupied premises, partly rented and partly self-occupied premises, recently constructed premises, premises constructed in stages, and premises constructed on lease-hold land, etc. Even after the law thus laid down by the highest court of the land the MCD has continued to act in a manner which gives a general impression that they pay scant regard to the law and to the Supreme Court. This is obviously a very serious matter. A number of aggrieved assesseees have been contemplating taking the matter to the Supreme Court for launching contempt of court proceedings against the concerned MCD officers, and some colonies have been expressing desire to launch no-tax campaigns. We have counselled patience to all these people and have expressed that the new set-up of senior officers of the MCD should be given time to examine the matters and to set the operations on appropriate lines. In this connection, we reproduce below a letter the Director of COMMON CAUSE has written to Mr. V. K. Kapoor, new Commissioner of MCD. The points contained in the letter will continue to be pursued by us.

May 28, 1986

Dear Mr. Kapoor,

You would by now be aware of the problems which have over the past few years emerged in relation to House Tax assessment in MCD area. Some of these problems were previously handled in such manner by MCD officials that they caused great resentment and alienation in the minds of assesseees. The assesseees felt vindicated in their stand in the judgement of the Supreme Court of December 1984 in matters such as the arbitrary use by MCD of S. 9 (4) of Rent Control Act, valuation of free-hold and lease-hold lands, determination of standard rent after five years of first rental, assessment of partly rented and partly self-occupied premises, etc.

In this letter I wish to bring to your notice certain remaining problems which need to be sorted out. I have every confidence that you would be able to take objective and unbiased view of these problems and that you would be able to resolve them. I am sure their appropriate resolution will not adversely

affect the revenues of MCD; in fact, the revenues may increase; resentment of the people against MCD will abate; objections against assessments will reduce; and litigation which of late has been mounting will also abate.

Following problems need to be dealt with :

- (i) Discriminations and distortions, which presently abound in the assessments, cause great resentment. For instance, the assessments of houses of similar accommodation constructed on adjacent and same-sized plots, and utilised in the same manner (i.e. on rental, or self-occupied or partly rented and partly self-occupied) carry vastly different assessments merely because one house was constructed say 15 years ago and the other house was constructed recently. MCD authorities justify that the distortion arises from the basis of calculation, involving the price of land which has over the years enormously increased, and also the

increased cost of construction. This justification may be based on the law as it exists, but the distortion inevitably causes great frustration and resentment, because both the houses enjoy the same civic amenities and breathe the same air, and the affected assessee cannot see any justification whatsoever for the discrimination. Some remedy to this problem has to be found. I have been advocating that this problem can be overcome, within the provisions of the law, by prescribing that in the case of recently constructed premises the land price and construction cost should be taken as they existed in the year 1971-72. It was from this year onwards that the land prices and construction cost started escalating. This is the year that has consequently been adopted for the Wealth Tax purposes by the Govt. of India. The adoption of the year 1971-72 as the basis for the purposes of land price and construction cost, for premises constructed thereafter, will obviate all difficulties which are being encountered by MCD as well as the assessees. This can be done by executive decision, within the terms of Section 6 and other related provisions of the Delhi Rent Control Act. I am sure that the adoption of this suggestion will greatly mitigate the hardships presently felt by the assessees, reduce the spate of their objections against the assessments, and bring down the litigation. Total effect of this measure will be that revenues of MCD will increase instead of decreasing.

- (ii) These discriminations and distortions are markedly evident also in relation to the assessment of DDA flats-Janata, LIG, MIG and HIG. There is absolutely no justification why within the same category of these flats there should be vast differences of assessments. These differences arise

because some colonies of these flats have been constructed recently and others have been in existence for longer years. This problem too will be mitigated once a formula on the above lines is adopted, for determining the cost on 1971-72 basis and not on the basis of price charged for the flats which over the years has very substantially increased within the same category and accommodation of the flats.

- (iii) One important problem relates to recently constructed self-occupied accommodation. As contrasted to the rented accommodation, the self-occupied accommodation does not yield any income to the owner. If the assessment of recently constructed self-occupied accommodation is made on the basis of present land price and construction cost, the position becomes totally impossible for the owner. For instance, in a colony like Vasant Vihar, the plot may have been allotted 20 years ago, but for reasons of posting or family problems etc. the house could not be constructed earlier and has been constructed now. The assessment of such self-occupied premises, on the basis of present land price of over Rs. 2500 per sq. yd (for 500 sq. yds. Rs. 12.5 lacs), and escalated construction cost of Rs. 200 per sq. ft., would lead to house tax of Rs. 35,000/40,000 per annum for a modest house, including the education cess, fire tax, and conservancy tax. This problem was envisaged in the Supreme Court judgement. In the case of such self-occupied recently constructed premises the Supreme Court has given a very clear verdict that their standard rent should not exceed the standard rent of similar accommodation in the vicinity. Relevant extract of the Supreme Court judgement is given in the annexure of this letter. If the MCD correctly applies this verdict the problems arising from the assessments of such self-occupied recently cons-

tructed premises will be solved.

- (iv) Another problem relates to the cases where construction has taken place in stages. Supreme Court has in its judgement given very clear verdict on this matter, stating that the price of land cannot be taken twice over where construction has come about in stages. It is most unfortunate that this verdict is being side-tracked by MCD officials. Even through this matter has been taken by COMMON CAUSE to the Supreme Court for seeking clarification, and is still pending there, I would strongly urge that it should be objectively examined by you, looking beyond the plea that has been taken on behalf of MCD in their submission made to the Court. In this matter too my suggestion would be that you should explore the possibility of adopting 1971-72 as the basis for land price and construction cost, for the subsequent additions to the premises. This measure will mitigate the problems of the assesseees and reduce the spate of objections and court cases.

These are at present the important problems relating to House Tax assessments which are bothering both the MCD as well as the assesseees. I strongly believe that these problems can be resolved, leading to an era of development of better relationship between the assesseees and the MCD. You will have earned the gratitude of the people by taking these problems in hand and finding solutions for them. I will be ready to discuss any of these matters with you in case you consider further discussion necessary. I am meanwhile sending a copy of this letter to the Assessor & Collector to facilitate his examination of the problems and the above suggestion

EXTRACT FROM THE JUDGEMENT OF HON'BLE
SUPREME COURT DATED 12.12.86

"If this basic principle is borne in mind, it would avoid wide disparity between the rateable value of similar premises situate in the same locality, where some premises are old premises constructed many years ago when the land prices were not high and the cost of construction had not escalated and others are recently constructed premises when the prices

of land have gone up almost 40 to 50 times and the cost of construction has gone up almost 3 to 5 times in the last 20 years. The standard rent of the former category of premises in the principles set out in sub-section (1) (A) (2) (b) or (1) (B) (2) (b) of Section 6 would be comparatively low, while in case of latter category of premises, the standard rent determinable on these principles would be unduly high. If the standard rent were to be the measure of rateable value, there would be huge disparity between the rateable value of old premises and recently constructed premises, though they may be similar and situate in the same or adjoining locality. That would be wholly illogical and irrational. Therefore, what is required to be considered for determining rateable value in case of recently constructed premises is as to what is the rent which the owner might reasonably expect to get if the premises are let out and that is bound to be influenced by the rent which is obtainable for similar premises constructed earlier and situate in the same or adjoining locality and which would necessarily be limited by the standard rent of such premises. The position in regard to the determination of rateable value of self-occupied residential and non-residential premises may thus be stated as follows: The standard rent determinable on the principles set out in sub-section (2) (a) or (2) (b) or (1) (A) (2) (b) or (1) (B) (2) (b) of section-6, as may be applicable, would fix the upper limit of the rateable value of the premises and within such upper limit, the assessing authorities would have to determine as to what is the rent which the owner may reasonably expect to get if the premises are let to a hypothetical tenant and for the purpose of such determination, the assessing authorities would have to evaluate factors such as size, situation, locality and condition of the premises and the amenities therein provided. The assessing authorities would have to take into account the rent which the owner of similar premises constructed earlier and situate in the same or adjoining locality, might reasonably expect to receive from a hypothetical tenant and which would necessarily be within the upper limit of the standard rent of such premises, so that there is no wide disparity between the rate of rent per square feet or square yards which the owner might reasonably expect to get in case of the two premises.

CONSUMERS MOVEMENT

The activities of COMMON CAUSE broadly cover the areas which are of serious concern inter alia to the consumers. We have also taken up a large number of subjects which are of direct interest to the consumers. These include, for instance, malfunctioning of telephones (regarding which our comprehensive writ petition is pending in Supreme Court), wrong electricity bills relating to unclaimable arrears (our writ petition on this matter is pending in the Delhi High Court) inappropriate system of allotment of Maruti Cars (on this subject we had filed the first writ petition in Supreme Court), various problems of posts and telegraphs, problems of transport and accidents caused by public transport vehicles, environmental pollution, noise pollution, medical and health facilities, banking facilities, certain problems of insurance, and certain specific problems such as standardisation of stoves, problems of gas cylinders, quality control of electrical appliances and electric bulbs, and many others. Whereas all these problems are of direct interest to consumers, we have been taking up many other common problems and grievances of the people, which too, in one way or the other, are of close concern to the people, particularly the middle classes in the urban areas. These include, for instance, the problems of pensioners (in which matter we have already won two major cases in the Supreme Court, yielding benefits to over two million pensioners and to over 1,00,000 widows of pensioners, and are awaiting the final decision of the Supreme Court on the third case, of restoration of pension commutation), the problems of house tax assessments (in which too we have succeeded in getting the verdict of Supreme Court on certain major issues which were causing harassment to the assessees), problems of judicial reform and participation in the programme of Lok Adalats, the problems of antiquated rent control law (in relation to which we have highlighted the issues for harmonious settlement between the owners and tenants), problems relating to general taxes (in income tax, wealth tax and gift tax certain important recommendations made by us have featured in the budgets over the past few years, and estate duty, which we had assiduously campaigned against, has been eventually abolished), and many such areas.

COMMON CAUSE has, thus, been as much concerned about specific problems of consumers as about the other common problems which people continue to encounter and which are also of direct interest to the consumers. Accordingly, our organisation is closely interested in consumer protection programmes. In the recent months, since the All-India Seminar on Consumer Protection was conducted at Delhi under the auspices of the Ministry of Civil Supplies, COMMON CAUSE had taken certain initiatives with the objective of knitting together, under the auspices an effective central umbrella organisation, all the 180 odd organisations of consumers which exist in various parts of the country. Initially, a model constitution of a consumers organisation was circulated to all these organisations so that they should get themselves properly organised and should get themselves registered under the Societies Registration Act, which had been prescribed by the Union Ministry of Civil Supplies as a condition precedent to their becoming eligible for any grants from the government. Later, draft constitution of a central organisation, under the name of Indian Council of Consumers Organisations, was circulated to all these organisations, inviting their comments and suggestions for any modifications in it. The response to this initiative was overwhelming. We have since prepared a finalised constitution, taking account of the various suggestions that had been received. The finalised constitution has since been circulated to all the consumer organisations all over the country, and in the coming weeks we hope that the efforts of COMMON CAUSE will bear fruit in launching the central organisation of consumers which effectively operates for providing a common platform to the organisations and for carrying forward the movement of consumer protection.

In this context we reproduce below, for general information, the forwarding letter with which the finalised constitution of Indian Council of Consumers organisations was sent to all the consumers organisations in the country :-

May 14, 1986

Dear Friend,

I wrote to you at the end of January '86 forwarding the draft constitution of the Indian Council of Consumers Organisations (ICCO) and inviting views and suggestions for making alterations so as to ensure the establishment of a really wide-based and effective central organisation for providing forceful momentum to consumer protection movement in the country. The letter and draft constitution were sent to the addresses of all the 181 organisations of consumers whose list had been secured from the Ministry of Food & Civil Supplies of the Government of India. The response to this letter from the organisations has been overwhelming and very satisfying indeed. Practically all the responding organisations have welcomed the proposal of setting up the proposed Indian Council of Consumers Organisation (ICCO), only two organisations communicating desire that efforts should be made to revive the IFCO instead of setting up the proposed new organisation, the efforts in which direction have already been made and have been unavailing. While communicating their endorsement of the proposal of establishing ICCO these various organisations have been kind enough to communicate certain suggestions in relation to details of wording and provisions of the draft constitution. I have taken note of all the suggestions and have effected certain important modifications in draft constitution. I convey my deep regrets that on account of my extreme preoccupations with the work of COMMON CAUSE including the pursuit of certain writ petitions in the Supreme Court, and also some indisposition, it could not be possible to finalise this matter earlier. I have now done this and am forwarding to you herewith the constitution as it has emerged after incorporating in it the valuable suggestions received from the organisations. I would be grateful if your organisation could kindly examine this finalised constitution in the light of the following :-

(i) I have tried to ensure that the organisations and associations etc. admitted to the membership of ICCO should be only those which are already established and are involved in and dealing with the problem

of consumers. It is agreed that it would not be appropriate to limit the membership only to those organisations which are registered under the Societies Registration Act, though it would obviously be to their advantage to get this done because otherwise they would not be entitled to any grants from the government. In any case, the power has been left in the hands of the Governing Body to determine whether membership should be accorded to any applying organisation. This would be best in the circumstances. Political and commercial organisations and associations would in any case not be entitled to membership.

(ii) The paramount consideration obviously is that the Governing Body of the central organisation should be so composed that it is representative of the different regions and states of the country and that possibility of dominance by any one particular state or area should be eliminated. This is sought to be done through appropriate wording of clause 3 of the rules and regulations. It has been provided that the Governing Body, with the approval of General Body, should formulate the rules for the election. It is possible that the Governing Body may eventually decide that there should be five regional councils (for north, south, east, west and north-east) and that these regional councils should also be simultaneously elected and that their representation should be secured on Governing Body of the central organisation through appropriate election process; alternatively, the Governing Body may decide, with the approval of General Body, to have direct election (including, of course, the provision for postal ballot), subject to the provision that the number representing any one region should not be more than a prescribed maximum. It has been felt that detailed rules of election should not be incorporated in the constitution itself and that these should emerge

on the basis of experience and collective deliberations of the representatives of the organisations.

- (iii) Provision has been made that there will be a President, a senior Vice-President and four Vice-Presidents. This has been done with the objective of ensuring that the different regions of the country are appropriately given recognition in the Council as well as its Governing Body. It has been provided that the President and Vice-Presidents will be elected for the period of three years. This has been done in the interest of continuity. One-third of the members of Governing Council will be elected every year. Procedure in this regard has been incorporated in clause 3 of the Rules and Regulations.
- (iv) I have deleted the provision for the appointment of Director. The executive office-bearers will be Secretary and Treasurer only; of course, they can be assisted by any joint secretaries or assistant secretaries etc. according as the work justifies. It has been provided that while the Secretary and Treasurer (who will be from among the representatives of the organisation members) will be members of the Governing Body, they will not be entitled to vote. They will be appointed by the Governing Body and will operate at the pleasure of the Governing Body. Their appointment will not be subject to the processes of election, because this will obviously be detrimental to the interests of continuity of executive functioning.
- (v) Provision has been made that the notice of meeting of the Governing Body will be of at least one month, and of General Body at least two months.

Most important other consideration is the determination of those organisations which should become the signatories of this Constitution for the purposes of its registration, i.e. those which will be the founder members of ICCO. I had expressed in my previous

letter that it would be appropriate to make this offer to the eleven organisations which are members of IFCO, who would, after participating in the launching of ICCO, obviously decide in favour of winding up IFCO. Accordingly, through this letter I am forwarding the request to them and would be grateful for their urgently signifying their willingness to be the signatories, and with the request for indication as to which persons on behalf of their respective organisations will sign the Constitution. Besides these IFCO members it has been decided after detailed consultations with the persons and organisations who have been contacted that additional organisations of the attached list should be the signatories of the Constitution. Through this letter, therefore, request is being communicated to these organisations to likewise urgently intimate their willingness to be taken to secure the signatures of all the authorised representatives on the main copy of the Constitution for the purposes of registration. It will be noticed that through this process the founder members of new organisation ICCO are sought to be made as wide-based as could be possible, taking account of the work being done by the concerned organisations, while communicating the offer also to the members of IFCO. Total number of the organisations signing the Constitution of IFCO for the purposes of registration will need to be in any case more than seven according to law; we will, of course strive to secure the signatures of as many organisations as possible out of those who send us their willingness.

I earnestly hope that all organisations will kindly consider these various aspects very carefully in the light of explanations furnished above. I would be happy to receive further endorsements of the Constitution and the above procedure from all organisations because that will constitute the strength of launching the Indian Council of Consumers Organisations. I will eagerly look forward to receive replies from the founder members of IFCO and from the above-named other organisations which are proposed to become the founder members of ICCO. I hope that the replies will be sent not later than 15 days from the date of receipt of this letter.

CONSUMER PROTECTION

On the problem of consumer movement we reproduced in the last issue of this periodical an article of the Director of COMMON CAUSE entitled "CONSUMER AMIDST JUNGLE OF LAWS". This article inter alia dealt with the proposed CONSUMER PROTECTION LAW which is being pursued for enactment by the Union Ministry of Civil Supplies and is likely to be placed before the Parliament in the coming months. In this context we reproduce below an editorial which appeared in "THE STATESMAN" of Delhi on the 2nd June '86 under the title "GOVERNMENT AS SELLER". It has been emphasised by COMMON CAUSE as well as by many consumers organisations that provision should be made in the Bill that public sector enterprises, which deal with a wide range of manufacturing and services, should also be brought within the provisions of the law and they should not remain exempt as they are at present from the provisions relating to unfair trade practices incorporated in the Monopolies & Restrictive Trade Practices Act and other laws dealing with consumer interests.

GOVERNMENT AS SELLER

"The Union Government's recent tentative moves to protect the public from unfair practices by trade and industry have produced a mixed response. The draft of a proposed Consumer Protection Bill, which was circulated among State Governments and consumer protection organisations early this year, seeks to prevent adulteration of commodities, production of spurious goods (especially drugs and edibles) and other forms of deception. It has also now been disclosed that the Centre proposes to make sweeping changes in the Monopolies and Restrictive Trade Practices Act-which was amended in 1984 to enable the MRTP Commission to define and curb unfair practices-further to protect consumers from the manipulations of manufacturers and large business houses. The unfair practices listed two years ago included misleading advertisements or representations

regarding standard or quality, empty promises of warranty or guarantees, misleading statements regarding prices, false bargain offers and other deceptive allurements. The aim now is to plug loopholes in provisions. But the complaint against these otherwise commendable measures is that they do not cover the public sector which is estimated to supply 70% of the country's goods and services. Government agencies are also the largest purchaser and their bulk orders amount to over Rs. 25,000 crores a year. No reform can be effective unless it prevents the unfair purchasing practices of official organisations, involving huge amounts in kickbacks, which vitiate the entire trading environment.

Nor can deliberate laxity by the Government's quality testing bodies be overlooked. Shoddy or spurious products are often certified for a consideration while producers of quality are harassed because they are not equally obliging. When complaints of fraud by monopoly houses were brought before the MRTP Commission for supplying sub-standard electronic goods like TV sets, they had to be let off because it was proved that State-owned companies indulged in precisely the same malpractices. According to a recent survey, consumer organizations claim that most of the complaints they receive relate to the public sector, more than 40% referring to services like the telephones, railways, state buses and power supply. They are also unhappy about proposed penalties in the Consumer Protection Bill such as publishing the errant company's name in the official gazette which nobody reads or a fine of up to 20 times the value of the goods sold which may be totally inadequate for the damage suffered by the consumer. To take an extreme example, if a patient dies because of a spurious drug that costs 10 paise, compensation of Rs. 2 would make a mockery of redress. It is pointed out that other issues such as

manipulation of prices, the creation of artificial scarcity, and poor or non-existent after-sales service should also be looked into. But the public sector's uneconomic, wasteful and corrupt practices are seen

as the chief cause of the all-round increase in prices, and opinion seems to be that the Bill should be thoroughly revised before it is introduced in Parliament during the monsoon session".

NOISE POLLUTION

In the context of concern having been voiced through these columns and by various organisations and public spirited citizens on the expanding phenomenon of noise pollution we reproduce below the editorial which appeared in "THE INDIAN EXPRESS" of Delhi on the 2nd June '86. This editorial is entitled "A NOISY SOCIETY". The threat posed by the mounting decibels in our cities is symbolised by the increasing spread of loud-speakers from temple tops, shrill and screeching horns of heavier automobiles, and the fast-growing reprehensible craze for observing whole-night "jagarans" with screaming loud-speakers. Organisations interested in public decorum and welfare should examine what measures they can take to stem this mounting nuisance. They should, in consultation with public spirited persons from the legal profession, explore ways of taking this matter to courts.

"A NOISY SOCIETY"

"The findings of a specialist committee, appointed by justice Sujata Manohar of the Bombay High Court, to study the extent of noise pollution in Bombay, confirms the worst fears of environmentalists. The average noise level in the city, ranging between 57 and 91 decibels, is much higher than the levels of 45 decibels (at night) and 55 decibels (during the day) recommended by the World Health Organisation. Bombay, however, is not the only city to have to contend with the menace. According to survey, 65 work sites in Delhi generated between 90 to 100 decibels. The situation is as bad in most other major Indian cities. This has serious implications. Abnormally high noise levels not only impair hearing but create nervous and emotional tension leading to high blood pressure, cardio-vascular diseases and other problems. Besides, medico-biological research in the Soviet Union has revealed that every decibel above the permissible level reduces labour efficiency by one percent and enhances the danger of hearing loss by 1.5 per cent.

Clearly, counter-measures are necessary, which in turn call for the identification of sources of noise

pollution. According to the Bombay report, loud-speakers are the principal source of mischief, their use raising the decibel level from an average of 60 to 105. The other factors are road and rail traffic, aircraft and industrial units. The report specifically mentions shrill pressure horns and fire-crackers and demands a ban on them as well as on cone-type loudspeakers. Those familiar with conditions in urban India will recognise that the sources identified by the Bombay committee are more or less ubiquitous. Few marriages, it seems, are complete without the entire neighbourhood being treated for long hours to raucous film music over blaring loudspeakers. Numerous places of worship and devotional gatherings use loudspeakers at all hours, as though the gods are deaf. Festivals, elections and processions are accompanied by fire-crackers which ignite like thunder. Administrative action like the strict enforcement of silence zones around hospitals, curbs on the use of loudspeakers between dusk and dawn, and limiting the use of motor horns may help. But the community itself must act. Citizen can and must organise to combat undue noise. Maybe the serious note the Bombay High Court has taken of the problem will restore national focus on noise pollution".

TV FOR NATION BUILDING

We reproduce below the tentative outline of a project which the Director of COMMON CAUSE has recently prepared and which contains the seeds of a comprehensive proposal of securing large-scale involvement of the business and industry of the country in projecting nation building programmes through the medium of TV and Video in the rural areas which have hitherto remained untouched in the utilisation of this powerful medium. This project has been forwarded to the Minister of Finance and the Minister of State for Information & Broadcasting, with copies to the concerned officers, for persuading the Government to consider extending the requisite incentives to the business and industry on the lines suggested in it. The matter will continue to be further pursued with the Government.

The audio-visual media of TV and VIDEO have suddenly emerged as the most powerful media for stimulating change and fostering development. There is paramount need of exploring the avenues of larger and appropriate utilisation of these media for enhancement of the quality of life and nation building activities in relation particularly to rural areas.

It is unfortunate that in the utilisation of these media the emphasis in the country has hitherto generally been on their potential of "information, education and entertainment". Occasional references are made to the attainment of social and economic objectives, elimination of poverty, battle against backwardness, integration of development and communication, but these have remained vague and unspecific.

In the context of the conditions obtaining in India, and the shape the utilisation of these media has taken, enormous anomalies abound. There are :

- (i) The claim that is being made of TV coverage of 70% the population i.e. about 480 million people, is obviously wrong and misplaced. The facts are : 340 million out of this number live in rural areas, and 140 million in the metropolitan and other centres. The reality is that the present reach of TV is only upto around 50 million people, and these are primarily of the metropolitan cities, certain other towns and the neighbouring rural areas.
- (ii) There are now about six million TV sets in

the country. Almost all of these are in the metropolitan areas and bigger towns. There are not more than about 25000 TV sets in the rural areas. Community viewing is thus practically nil, in comparison to the need.

- (iii) While TV has constraints of time slots and viewing time for rural areas, the VIDEO utilisation (through Video Cassette Players-VCP) which has such tremendous potential for education and transformation, has been hitherto totally nil in the rural areas. VCP utilisation till now has been only for entertainment, and limited in a small number only to the cities.
- (iv) There has been enormous investment in the expansion of TV. To the extent the investment has gone only to provide entertainment to the "new rich", and there has been substantial expansion of revenues from the urban biased commercial advertisements, there cannot be any doubt that TV has not served the purpose of nation's progress and development.
- (v) There will be, in the coming years, considerable expansion of VCP, and if the opportunity of this instrument is also not utilised to the maximum advantage in the areas of nation's progress and development, the investment of resources in this field will equally not be fruitful for the country's future.

Against the background of these facts, and for attainment of the objective of nation building, in relation primarily to the rural areas, following suggestions are offered :

Expansion of Community Viewing

- (i) We must secure the involvement of business and industry in the expansion of community viewing in the villages. It would be impossible to expect that the government, either at the centre or in the states, would be able to provide Colour TV (CTV) and VCP sets in the villages in any substantial number. Our suggestion is that the people in the industry and business should be induced to "adopt" villages for expansion of community viewing. They should provide the equipment (comprising CTV and VCP sets) in villages of their choice. They should take the responsibility of training school teacher or BDO or some selected person to operate the set and should also take responsibility of ensuring maintenance of the equipment and its regular use for community viewing. For providing inducement to do so, let the government provide to them the exemption on the lines previously available under the Income Tax Act, so that the expenditure incurred on providing the equipment, and ensuring the appropriate use and maintenance of the equipment, on a scale which can be fixed, will be allowed to them as revenue expenditure. An incentive of this nature will help to secure the participation of business and industry in this programme.
- (ii) Pre-excite minimum price of approved TV's (of 51 cm screen) is Rs. 4,100 and of VCP Rs. 5,500. Total pre-excite price of TV+VCP equipment is, thus, about Rs. 10,000. We suggest that where this equipment is installed by the business and industry for community viewing in the villages, it should be provided on the basis of excise exemption.
- (iii) For avoidance of misuse of this equipment

either by diverting it to any personal use or for video cassettes other than meant specifically for viewing, there can be possibility of providing the equipment with distinctive colour coding and specially shaped cassettes and matching tape decks. These measures should be adopted, and appropriate punitive law should also be enforced which would minimise the chances of such misuse.

- (iv) It is worthwhile mentioning here that the present estimate is that CVTs and VCPs manufactured in the country under appropriate quality control conditions have maintenance call rate of only 2 percent (imported equipment has maintenance call rate of only 0.2 percent). Therefore, one can tend to exaggerate the dangers of malfunctioning of the equipment and its remaining out of commission in the villages. The primary requirement will of course be of proper placement and use.
- (v) If the programme is effectively launched it is not impossible to expect that atleast about 1000 business and industrial enterprises, over the entire country, can thus be identified and induced; some of them may be able to provide even upto 1000 sets, of the equipment, others upto 100 sets; the average of 500 sets can be aimed at. In this way, 500,000 community viewing sets of the equipment can be got provided in about two years, which otherwise may not be possible to achieve in many years if this is to be operated on governmental basis. If the cost of each set of equipment (TV plus VCP plus training and maintenance) is taken as Rs. 15,000, the provision of 500,000 sets in the villages will involve total expenditure of Rs. 150 crores. For involving the business and industry in this programme of such enormous potential of nation building the government will have to forego (a) the excise duty on the 500,000 sets of the equipment and (b) income tax

related to treating this expenditure by the industry and business as revenue expenditure.

- (vi) Possibility of misuse of the proposed tax incentive can surely be minimised, particularly because the provision in this instance will be related to provision of hardware which is identifiable and verifiable. Measures should nevertheless be devised by the government for eliminating this possibility. In any case, it would be wrong to adjudge the merits of this project only from the viewpoint of its having any possibility of misuse of the tax incentive.
- (vii) Production of software for the community viewing will obviously be of paramount importance. While there will be need of developing appropriate programmes for TV telecasting, the main emphasis in the initial stages will need to be placed on the preparation of video cassettes. The requirements of community viewing will have to be considered in certain distinct areas : education curricula for the schools; imparting knowledge on various crafts for artisans and craftsmen; imparting information on various aspects of hygiene, health care and childcare; imparting knowledge and information on community participation in nation building activities; and meeting the requirements of entertainment suitable for rural audiences. For these purposes the production of video cassettes will have to be secured through professionals who are expected to considerably expand in the coming years for meeting such requirements. Video libraries of such material will need to be supplied for community viewing. In the preparation of video cassettes on selected subjects, and in the supply of video cassettes to the villages for community viewing, the industry and business should likewise be involved by extending to them the tax

incentives related to the expenditure incurred. It is envisaged that in the areas related to the fields of individual enterprises of industry and business, they would welcome the effort of preparation of cassettes and provide facilities for the purpose. Thus, for instance, manufacturers of leatherware, detergents, sanitaryware etc. would be interested in getting video cassettes prepared with the help of their facilities. The contribution of an enterprise in the preparation of a cassette will be acknowledged in it, but the product advertisement will be excluded.

- (viii) In can be envisaged that this audio-visual medium will be utilised for carrying the message and information inter alia on subjects such as these : propagation of re-designing chullahs, for greater efficiency of fuel utilisation and simple methods of preparing them with locally available material; utilisation of solar energy for heating water and for cooking; demonstration by appropriate visual methods, of the bacteria and worms etc. in polluted water, for dissuading people from drinking such water; family planning; functioning of midwives; breast feeding; vaccinations; demonstration of simple cures such as saline-sugar mixture water for treatment of diarrhoea in children; sulabh shauchalyas, the way of constructing and using them; pollution of water in wells by seepage of pollution from ponds; basics and essentials of tree plantation for creating enthusiasm of people's participation in the movement; programmes of land consolidation; appropriate land records; etc.
- (ix) Because of the problems of diversity of languages it would be appropriate that these cassettes should be prepared in such shape that the spoken dialogue is kept to the minimum, and greater reliance should be placed on commentary; this strategy would

enable dubbing to be effected in different languages for wider use of individual cassettes.

- (x) It is estimated that the cost of production of a cassette will range from Rs. 25000 to Rs. 75000 depending on the subject and the facilities utilisable for production. Effort in each case should be to produce sufficient number of cassettes for wider distribution in the villages; the cost per cassette will thereby be considerably brought down.

The project, thus, envisages the involvement of industry and business for securing their participation in this important endeavour of reaching out to the

rural areas for attaining the objective of their progress and development, firstly in the provision of sets of CTV and VCP in the villages of their adoption and choice, secondly, in the selection and training of appropriate persons to maintain and operate the equipment, and thirdly, in the measures for production of the software comprising the video cassettes as well as the programmes for telecasting on subjects specifically selected by teams of specialists. With the tax inducement from government, the business and industry can be expected to provide funds to the extent of providing CTV and VCP equipment to the villages on a scale which it will be impossible for the government to provide, and to secure their participation in an important programme of nation building.

(Contd. from Page 1)

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