

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063**

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25<sup>th</sup> February 2010

To all the Zonal/Divisional/State/Regional Units:

**UNRELENTING PRICE RISE**

The recommendation of the Parikh Committee to decontrol petrol and diesel prices and link it to international prices, as also the anti-people recommendation to increase price of cooking gas by Rs. 100.00 per cylinder are going to add to the agony of the people. Central Government is trying to use this as an excuse to hike prices of petroleum products which is not acceptable. Such a step will have a cascading impact on rising prices of essential commodities which are already at an all time high and will lead to a further burden on the people. In her address to the joint session of the Parliament on 22<sup>nd</sup> February 2010, President Smt. Pratibha Patil said that highest importance was being given by her government to ensuring relief to the common man on food prices.

But the reason for the utter failure of the Central Government to control prices lie precisely in the wrong policies of the government which have led to this situation of high food inflation. A major reason for price rise is the severe weakening of the public distribution system by a drastic cut in allocation for so-called above poverty line people.

The sugar shortage and subsequent high prices are a direct result of the refusal of the government to maintain a buffer stock when there was high sugarcane production and instead incentivised exports. The sugar mills and sugar companies have made huge profits in this period while farmers and consumers have had to suffer. The Central Government has stubbornly refused to ban futures trading in essential commodities. In May 2009 it had lifted the earlier ban on wheat futures trade.

The government should bring in a food security legislation which ensures a universal right to food, with a 35 kg family allocation of foodgrains at Rs 2 a kilo. More essential commodities at subsidised prices should be included in the PDS through central government subsidies.

These solutions are not there just for asking. These are to be clinched through struggles. Workers who may feel a little comfortable because of the regular release of DA slabs would be in for an attack once the DA payments reach an uncomfortable level for the rulers. It is time the workers join in a decisive way in the struggles on the issue of price rise.

**The central trade unions called for "Satyagraha" on 5<sup>th</sup> March 2010 on the issues of Price Rise, Disinvestment, Employment Generation, Social Security for the unorganised sector workers and implementation of labour laws. This occasion provides an opportunity to the workers to raise their collective voice and demand the government to act now. We request all our units to hold lunch hour demonstrations on 5<sup>th</sup> March 2010 on these demands. We also request our units to coordinate with the local units of Central Trade Unions and participate in the rallies and other activities being organised on the issues of Price Rise, Disinvestment and other issues of the workers across the country.**

Comradely yours,

  
General Secretary.