

APPENDIX A

MINISTRY OF FINANCE

(DEPARTMENT OF EXPENDITURE)

RESOLUTION

No. F. 1(8)-E.II(B)/66(I)

New Delhi, the 26th July, 1966.

WHEREAS representations have been received on behalf of the employees of the Central Government that the revised rates of dearness allowance granted from 1st December 1965 on the 12-monthly average of the All India Working Class Consumer Price Index having reached 165 are inadequate in respect of employees drawing pay below Rs. 400 per month;

AND WHEREAS the Government had announced its intention that if the employees are dissatisfied with the extent of neutralisation of the rise in the price index effected by the grant of dearness allowance, the Government would refer the matter for impartial settlement;

Now, therefore, the Government of India have decided to set up a Commission (consisting of Shri P. B. Gajendragadkar as Chairman and Shri M. V. Rangachari and Dr. B. N. Ganguli as Members) to examine whether the rates of dearness allowance now admissible to Central Government employees drawing pay below Rs. 400 per month are adequate keeping in view the broad principles formulated by the Second Pay Commission in Chapter IX of their Report and if they are not adequate in its opinion, to recommend at what rates and from what date revised dearness allowance should be granted to the said employees.

The Commission will devise its own procedure. It may call for such information and take such evidence as it may consider necessary. The Ministries and Departments of the Government of India will furnish such information and documents as may be required by the Commission. The Government of India trust that the Staff Associations and others concerned will also extend to the Commission their fullest cooperation and assistance.

The Commission will make its recommendations within 3 months from the date hereof.

ORDER

Ordered that the Resolution be published in the Gazette of India, Part I, Section 1.

Ordered also that a copy of the Resolution be communicated to the Ministries and Departments of the Government of India, State Governments and all others concerned.

(Sd.) G. C. KATOCH

Joint Secretary to the Government of India

APPENDIX B

MINISTRY OF FINANCE (DEPARTMENT OF EXPENDITURE)

RESOLUTION

No. F. 1(8)-E.II(B)/66(II) *New Delhi, the 26th July, 1966*

The Government of India have decided to set up a Commission composed of the following:—

Chairman

Shri P. B. Gajendragadkar.

Members

1. Shri M. V. Rangachari.
2. Dr. B. N. Ganguli.

2. The terms of reference of the Commission will be as follows:—

- (1) To examine the principles which should govern the grant of dearness allowance to Central Government employees in future, having regard among other relevant factors to the repercussions on the finances of State Governments, public sector undertakings, local bodies etc.
- (2) To consider and recommend alternative forms of assistance which might be given to ensure real benefit to Government employees without necessarily increasing inflationary pressures on the economy.
- (3) To review the existing formula for the grant of dearness allowance as recommended by the Second Pay Commission, and to recommend what changes, if any, in this formula are desirable and feasible.
- (4) Specifically, to report on the following issues:—
 - (a) Considering that the non-plan Revenue expenditure of State Governments gets reflected in the financial assistance given by the Centre on the recommendations of the Finance Commissions and in the annual plan allocations, and having regard to the existing disparities between the pay scales of Central and State employees, is it justifiable to follow a different policy at the Centre from the States and to treat the employees of the former more liberally in the matter of dearness allowance?
 - (b) Any relief which the Central Government gives to its employees entails a burden on the rest of the community, particularly other vulnerable sections with fixed incomes. To what extent should Government give preferential treatment to that section of the community which is directly under its employ?

- (c) Is it justifiable to compensate Government employees for rise in prices due to taxation and other policy-induced causes, or to occasions such as a severe crop failure or a threat to national security necessitating higher levels of expenditure?
- (d) Should the capacity of Government, and therefore of the community, to pay be the determining factor for granting relief to Government employees? To what extent can this be reconciled with the concept of dearness allowance as a device to protect, to a varying degree, the real income of salaried employees from the effects of rise in prices?
- (5) To examine and report on such further questions as may be referred by Government.

3. In making its recommendations, the Commission will take into account the historical background, the various causes of the rise in prices, the impact of increased emoluments on prices, the state of the economy with particular regard to the requirements of developmental planning and national security, and other relevant circumstances such as the benefits admissible in addition to dearness allowance and the capacity of the low-paid employees to bear price rise burdens.

4. The Commission will make its recommendations as soon as practicable. It will devise its own procedure and may appoint such advisers as it may choose for any particular purpose. It may call for such information and take such evidence as it may consider necessary. Ministries/Departments of the Government of India will furnish such information and documents and render such assistance as may be required by the Commission. The Government of India trust that the State Governments, Public Sector Undertakings, Staff Associations and others will extend to the Commission their fullest cooperation and assistance.

ORDER

Ordered that the Resolution be published in the Gazette of India, Part I, Section 1.

Ordered also that a copy of the Resolution be communicated to the Ministries and Departments of the Government of India, State Governments and all others concerned.

(Sd.) G. C. KATOCH
Joint Secretary

APPENDIX C
No. F. 3(1)-DAC/66
GOVERNMENT OF INDIA
DEARNESS ALLOWANCE COMMISSION
L-I BLOCK, NEW DELHI

New Delhi, the 18th August, 1966.

To

THE SECRETARY (E),
MINISTRY OF FINANCE,
NEW DELHI.

SUBJECT:—*Clarification of the scope of terms of reference contained in Resolution No. F. 1(8)-EII(B)/66(I) dated 26. 7. 66.*

DEAR SIR,

Kindly refer to the communication No. F. 12(DA) dated 16. 8. 66 from the National Federation of P&T Employees regarding the terms of reference of the D. A. Commission. The Commission has examined the submissions made by the Federation contained in the Note attached to the letter referred to above, with reference to Resolution No. F. 1(8)-EII(B)/66(I) dated the 26th July, 66 on the question of the rates of Dearness Allowance now admissible to the Central Government employees drawing pay below Rs. 400 p.m. The Commission is of the view that both the points contained in the submission referred to above are within the scope of the terms of reference pertaining to this matter. In particular, the Commission is of the view that if during the course of deliberations of the Commission, the 12-monthly average of Consumer Price Index rises by 10 points beyond 165, it is within the competence of the Commission to determine the relief to be given to the employees with reference to that level of the Index within the framework of the broad principles formulated by the Second Pay Commission in Chapter IX of their Report.

2. They are also of the view that consideration can also be given to the representation that D.A. to be determined by the Commission can take into account the entire 65 points (or more) of rise over 100 points of Consumer Index.

3. The Commission would be grateful for the confirmation of the Government of their understanding of the terms of reference as clarified above.

YOURS FAITHFULLY,
(Sd.) T. R. S. MURTHY
Secretary

APPENDIX C. 1
No. 1(8)-EII(B)/66
GOVERNMENT OF INDIA
MINISTRY OF FINANCE

New Delhi, the 19th August, 1966.

To

THE SECRETARY,
DEARNESS ALLOWANCE COMMISSION, NEW DELHI.

SUBJECT:—*Clarification of the scope of terms of reference contained in Resolution No. F. 1(8)-EII(B)/66(I), dated the 26th July 1966.*

DEAR SIR,

I am directed to refer to your letter No. F. 3(1)-DAC/66 dated August 18, 1966 on the above subject and to point out that the terms of reference required the Commission, if in its opinion the rates of dearness allowance now admissible are not adequate, to recommend at what rates and from what date revised dearness allowance should be granted. In determining the quantum of revised dearness allowance the method of calculation to be adopted has thus been left to the Commission.

2. As regards the first point relating to the competence of the Commission to determine the relief in the event of the average of the Consumer Price Index rising by 10 points beyond 165, I am to say that this situation was not visualised when the terms of reference were finalised. The matter is now under active consideration of Government and a further communication will follow within the next few days.

YOURS FAITHFULLY,
(Sd.) G. C. KATOCH
Joint Secretary

APPENDIX C. 2
No. F. 1(8)-EII(B)/66
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)

New Delhi, the 30th August, 1966.

To

THE SECRETARY,
DEARNESS ALLOWANCE COMMISSION, NEW DELHI.

SUBJECT:—*Clarification of the scope of terms of reference contained in Resolution No. F. 1(8)-EII(B)/66(I), dated the 26th July 1966.*

SIR.

In continuation of this Ministry's letter dated 19th August, 1966, on the above subject, I am directed to say that the Government of India agree with the view that if during the course of deliberations of the Commission the 12-monthly average of the All India Working Class Consumer Price Index rises by 10 points beyond 165, it is within the competence of the Commission to determine the relief to be given to the employees with reference to that level of the Index subject, of course, to the broad principles formulated by the Second Pay Commission in Chapter IX of their Report being kept in view.

YOURS FAITHFULLY.
(Sd.) G. C. KATOCH
Joint Secretary (Per)

APPENDIX D

LIST OF ASSOCIATIONS WHICH HAVE SENT MEMORANDA TO THE COMMISSION

1. All India Defence Employees Federation.
2. Indian National Defence Workers' Federation.
3. All India Railwaymen's Federation.
4. National Federation of P&T Employees.
5. National Federation of Indian Railwaymen.
6. Civil Aviation Department Employees' Union.
7. Income Tax Employees' Federation.
8. All India Audit & Accounts Employees' Association.
9. C. P. W. D. Workers' Union.
10. Federation of Central Secretariat and Allied Office Employees.
11. Bhartiya Railway Mazdoor Sangh.
12. Defence Accounts Association (C. B.) Poona.
13. All India E.M.E. Civilian Personnel Association.
14. All India Association of the Non-Gazetted Officers of the Ordnance and Clothing Factories and Inspectorates.
15. Eastern Railwaymen's Union Calcutta.
16. All India Association of Clerical Employees of Ordnance Factories, Kanpur.
17. Rashtriya Press Kamgar Union.
18. All India Posts & Telegraphs (including RMS) Administrative Offices Association, Central Headquarters, Ambala.
19. The Southern Railwaymen's Union.
20. The Central Secretariat Stenographers' Service Association.
21. All India Defence Civil Clerks' Association.
22. A.O.C. Clerks' Association.
23. India Security Press Ministerial Union, Nasik Road.
24. Uttar Railway Karamchari Union.
25. The Cochin Port Trust Association.
26. The Coordination Committee of Defence Employees Union.
27. All India Defence Medical Employees' Union.
28. India Security Press Staff Association.
29. Coffee Board Employees' Association.
30. All India Federation of Central Excise and Land Customs Officers.
31. Madhya Railway Karamchari Sangh.

32. Central Railway Swatantra Kamgar Sangh.
33. Rail Mazdoor Sahayak Sabha, Yamuna Nagar.
34. All India Railway Stenographers' Association.
35. Western Railway Employees' Union.
36. Loyal Workers Association (Class IV and Mail Guards).
37. Port Khalasis Union, National Port Trust Employees' Union and Hindustan Shipyard Labour Union (INTUC).
38. O. N. G. Commission Employees' Union Eastern Region, Sib-sagar.
39. The Mysore Customs and Central Excise Class IV Employees' Association.
40. All India Guards' Council Bezwada Division.
41. The Poona Central Excise Collectorate Ministerial Officers' Union.
42. The Madras Port Trust Subordinate Officers Supervisory & Staff Association.
43. Western Railway Mazdoor Sangh.
44. Government Metallurgical Employees' Union.
45. Staff Council of All India Radio Tirunelveli.
46. Bombay Central Excise non-gazetted Executive Officers Union.
47. Southern Railway IVth Class Staff Committee.
48. Indian Railways Foremen Association.
49. All India Archaeological Service Association.
50. Western Railway Employees, Bombay.
51. Madhya Pradesh Colliery Workers Federation (INTUC).
52. All India Guards' Council S. Railway.
53. Central Excise Ministerial Officers Association.
54. Ordnance Karamchari Union (Regd.).
55. All Assam Military Engineer Service Workers Union.
56. Divisional Ministerial Staff Association Works, Br. S. Railway.
57. Technical Staff Association, Labour Bureau, Simla.
58. Central Excise and Land Customs Ministerial Officers Association, Shillong.
59. Southern Railway Brakesmen's Association.

APPENDIX E

LIST OF ASSOCIATIONS WHICH WERE REPRESENTED AT THE HEARINGS FROM 1ST TO 3RD OCTOBER 1966

1. All India Defence Employees' Federation.
2. Indian National Defence Workers' Federation.
3. All India Railwaymen's Federation.
4. National Federation of P&T Employees.
5. National Federation of Indian Railwaymen.
6. Civil Aviation Department Employees' Union.
7. Income Tax Employees' Federation.
8. All India Audit & Accounts Employees' Association.
9. C.P.W.D. Workers' Union.
10. Federation of Central Secretariat and Allied Office Employees.
11. Bhartiya Railway Mazdoor Sangh.
12. Defence Accounts Association (C.B.) Poona.
13. Eastern Railwaymen's Union Calcutta.
14. All India Association of Clerical Employees of Ordnance Factories, Kanpur.
15. All India Posts & Telegraphs (including RMS) Administrative Offices Association, Central Headquarters, Ambala.
16. The Central Secretariat Stenographers' Service Association.
17. All India Defence Civilian Clerks' Association.
18. A.O.C. Clerks' Association.

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