

To

THE SECRETARY TO THE GOVERNMENT OF INDIA
IN THE FINANCE DEPARTMENT.

The Chairman and Members of the Central Pay Commission have the honour to report as follows:—

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INTRODUCTORY

1. *The reference and its scope.*—The Resolution [No. F II (11)-E.11/46, dated the 10th May 1946] appointing the Commission required them “to enquire into and report on—

“(a) the conditions of service for the Class I, Class II and Subordinate Central Services as well as establishments now designated as inferior who are subject to the Civil Services (Classification, Control and Appeal) Rules, or the Railway Services (Classification, Control and Appeal) Rules and Railway servants, as defined in paragraph 101, State Railway Establishment Code, Vol. 1 with particular reference to:—

“(i) the structure of their pay scales and standards of remuneration, with the object of achieving rationalisation, simplification and uniformity to the fullest degree possible;

(ii) the extent to which the present leave terms should be altered and simplified; and

(iii) conditions of retirement and the extent to which the existing regulations in regard to pensions and contributory provident funds require simplification;

“(b) the machinery for negotiating and settling questions relating to conditions of service which may arise out of differences between Government and its employees;

“(c) the principles on which the remuneration of industrial workers and daily rated employees of Government should be based”.

By a Resolution dated the 3rd July 1946, “civilian Government servants whose pay is charged to the Defence Services estimates” were also brought within the scope of the reference. By letter No. D. 293-Est. (Spl.)/46, dated the 6th November 1946, the Finance Department communicated to the Commission the desire of the Home Department that when submitting their report, the Commission should also make recommendations regarding the pay scales for the new all-India Administrative Service and all-India Police Service which it was proposed to form. Letter No. F. 42-48/45-E.1, dated the 23rd November 1946, from the Department of Education asked for the advice of the Commission in regard to the fixation of scales of pay for the Principal and Vice-Principal for the Central Training Colleges to be set up in connection with the post-war development plan. By U.O. No. D. 6705-E./46, dated the 30th November 1946, the External Affairs Department asked for proposals from this Commission in respect of a basic scale of pay for the proposed Indian Foreign Service*.

*As the note asked for an early reply, the substance of paragraph 64 of this report was communicated to the Finance Department and the External Affairs Department by letters dated the 20th December 1946.

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At the first meeting of the Commission, a letter from the Government was placed before them suggesting that, if convenient, their recommendations in regard to the revision of pay scales might be made available to Government as early as possible, in advance, if necessary, of the recommendations on the other points included in the terms of reference*. In answer to a query as to whether the Finance Department expected the Commission to fix the pay of each post which is charged to civil estimates, or it would suffice if their report indicated generally the rates of pay for different Services and for particular classes or categories of posts, the Chairman was informed that the Finance Department favoured the latter alternative, it being left to the administrative department to decide, in consultation with the financial authorities, the question of gradation or classification of posts and their allocation to particular categories for which pay scales had been suggested by the Commission. This was confirmed by the Finance Department in their letter No. D. 316-Est. (Spl.)/46, dated the 29th November 1946, addressed to the Commission.

2. *Scheme of this report.*—After giving an account of the procedure adopted by the Commission, the report briefly describes the background of the enquiry, the steps leading to the present pay structure and pay scales of the Central Services, the events which led to the appointment of this Commission and the circumstances in which they have to make their report. Part II of the report deals with the main aspects of the problem, so far as they are common to all departments of the Central Services. In particular, it deals with questions like (i) classification of the services (paragraphs 19 to 33), (ii) criticism of the existing pay structure (paragraphs 34 to 41), and (iii) the necessity for increasing the present rates of pay and the lines on which new scales of pay should be determined, including a discussion of various suggestions as to the minimum and the maximum pay to be fixed (paragraphs 42 to 60). In paragraphs 61 to 67 some typical scales of pay for the four main classes of the services have been suggested. Claims for various allowances (including dearness allowance) have been dealt with in paragraph 71 to 90. A variety of matters suggested as coming under the general head of "conditions of service" have been discussed in paragraphs 106—135. Amendments to the existing rules relating to leave, age of retirement and retirement benefits have next been considered (paragraphs 136—199) and proposals for ways and means to settle or prevent disputes between the services and the Government have also been made (paragraphs 200—220). Part II concludes with some observations bearing on the question of the remuneration of industrial workers and daily rated employees of Government. Part III makes detailed proposals in respect of the salaries to be paid to, and the redress of grievances of, the employees of each of the principal sections of the public service in the light of the general conclusions reached in Part II. A summary of the Commission's recommendations is given at the end.

3. *Procedure.*—Immediately after the announcement of the appointment of the Commission, all public servants of the Central Government and all other persons interested were invited by a Press Note to communicate their views or suggestions on the topics covered by the terms of the reference to the Commission. All Departments of the Government of India were asked to furnish for the information of the Commission full particulars regarding all appointments under their administrative control. Provincial Governments were also requested to afford the Commission every facility in the conduct of their enquiry.

*Advance copies of portions of this Report have accordingly been sent to the Finance Department as and when they became ready.

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In response to the public invitation above referred to, the Secretary to the Commission received more than 950 representations from service associations and individuals setting forth the lines on which (in their opinion) their pay and conditions of service should be improved. The Commission assembled at Delhi on the 10th July 1946 and at this meeting the main lines on which the enquiry was to be conducted were agreed on. During the sittings between the 11th and the 15th July 1946, a detailed questionnaire (Appendix A) was prepared in the light of the representations that had been received from service associations and of other materials then available. As it was represented to the Commission that some public servants hesitated to send in their representations because of the restrictions imposed on them by the Government Servants' Conduct Rules, the Secretary was asked to address the Government in the matter; and the Government agreed to afford ample facilities to their employees to send in representations to, or give evidence before, the Commission on matters falling within the terms of their reference. Between the 20th and the 25th July 1946, more than 1,500 copies of the questionnaire were sent to persons or bodies who had sent in representations to the Commission and to all associations of employees known to the Government. Copies were sent to the members of the Central Legislature and to prominent public men; copies were also made available to the public and to the press. Replies to the questionnaire have been received from more than 370 associations and individuals.

4. For further elucidation of the material points and at the instance of the Services themselves, the Commission decided to give to some public men, to several heads of departments and to the representatives of numerous associations of service men, an opportunity of supporting, by oral evidence, the points stressed in their replies. Tentative programmes were prepared from time to time indicating the associations and persons to be called in to give oral evidence. To obviate any suggestion that certain groups or associations had been left out, opportunity of appearing before the Commission was given to all associations who had sent in representations or given replies to the questionnaire or had expressed a desire to be heard. To save time, all associations or persons with common interest were summoned to appear at the same time. Between the 9th September and the 21st December 1946, the Commission devoted more than 50 sittings to this part of their task and examined more than 400 persons including heads of departments or representatives of associations.

5. When the Provincial Governments were notified of the appointment of the Commission, they were informed that though the Commission's enquiry was to be confined to the Central Government's employees, the findings of the Commission might be of use to the Provincial Governments also in the event of their undertaking any revision of the scales of pay of the Provincial Services. Such revision was, in fact, undertaken by several Provincial Governments and one of them desired that an opportunity might be given to it to lay its views before the Commission, as it was desirable that the scales of pay for members of Services belonging to both the Central and Provincial Governments serving in the same area should, as far as possible, be correlated. The Commission decided that it would be best to hold an informal Conference with the representatives of the Provincial Governments so as to facilitate an exchange of views between the members of the Commission and the Provincial Governments.

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Eight Provinces responded to the Commission's invitation and the Conference was held on the 16th and 17th October 1946. The substance of the views expressed in the course of the Conference has been placed on record (Appendix B).

6. *The historical background.*—To understand and appreciate some of the criticisms urged and the claims made before the Commission, a brief review of the steps that led to the fixation of the present pay structure and pay scales of the Central Services may be found helpful. Till nearly the end of the 19th century, the Superior Services in British India were manned almost exclusively by Europeans most of whom belonged to what were known as the "Covenanted Services". Public opinion was then pressing for the Indianisation of these Services and not much attention was paid to the Uncovenanted or Subordinate Services. Indianisation of the higher Services was desired for two reasons, (i) political, and (ii) financial. It was felt that the proper thing was for the nationals of the country to have an increasing share in its administration. It was also considered that the scales of salaries fixed on the assumption that high scales were required to attract Europeans to service in India imposed an unnecessarily heavy burden on the finances of the country.

7. The Aitchison Commission (1886-87) made recommendations in respect of both the Covenanted and the Uncovenanted Services. It is sufficient here to say that they suggested that, from out of the appointments theretofore reserved for the Imperial Civil Services, some should be transferred to a local service to be called the "Provincial Civil Service" to be recruited for in India in each Province and that below the Provincial Civil Service a lower service to be called the "Subordinate Civil Service" should be formed. Dealing with the relation between the Imperial and the Provincial Civil Services, the Commission recommended that the salaries of members of the Provincial Civil Service should be fixed on independent grounds and should have no relation to those attached to appointments in the Imperial Civil Service but, as regards status, the members of the Imperial and Provincial Civil Services should, as far as possible, be placed on a footing of social equality and (when holding similar offices) be graded together on the official precedence list. The recommendations of the Commission were not given effect to in the spirit in which or to the extent to which they expected them to be acted upon. Circumstances compelled further consideration of these and connected questions by the Islington Commission (1912—15).

8. The Islington Commission was asked to examine and report on the conditions of service, salary, leave and pension governing the I.C.S. and other civil services (Imperial and Provincial), the limitations that still existed in respect of the employment of non-Europeans and the working of the existing system of the division of services into Imperial and Provincial. The Commission's enquiry was limited to the higher services. Exploring the possibilities of wider employment of Indians in the superior services and the proper method of their recruitment, the Commission grouped the services under three heads:—

- (1) Those which in their opinion required a preponderating proportion of British officers (*e.g.*, the Civil Service and the Police),
- (2) those services in which it was thought desirable that there should be an admixture of both Western and Eastern

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elements (*e.g.*, education, military, finance, medicine, telegraph engineering, railways and survey of India), and

- (3) the scientific and technical services where they held that there were no special reasons for having a large number of officers recruited from Europe.

For the first, they decided that recruitment should continue to be made exclusively in England; for the second, they recommended that recruitment might be made both in England and in India; for the third, they were of the opinion that it should be the aim *eventually* to recruit in India for their normal requirements.

9. The question of salaries was discussed at some length by the Islington Commission. They did not concern themselves directly with the problem of increase of pay on account of rise in prices. Dealing with the general question of the emoluments payable to public servants, they laid down the broad principle that Government should pay so much and so much only to its employees as was necessary to obtain recruits of the right stamp and to maintain them in such a degree of comfort and dignity, as would shield them from temptation and keep them efficient for the term of their service. Elaborating the application of this principle to the three kinds of recruits above referred to, they made some observations on the then prevalent salary system and stated "The advantages of equal pay for all officers who do the same work are obvious. Under such a system there can be no suspicion that Europeans are favoured at the expense of Indians, whilst the danger of racial friction in the services is reduced to a minimum. On the other hand, to set in India for the public services a standard of remuneration which is in excess of what is required to obtain suitable Indian officers is to impose for all time on the country a burden which she ought not to bear***. If young men who are statutory natives of India are paid at European rates owing to the accident of their electing for a service in which a certain number of Europeans are required, then young men who elect for other services like the Post Office for which Europeans are not imported will need to be paid similarly if recruits of the same class are to be obtained as at present. The circle of financial obligation will thus go on widening and will finally touch the private market, particularly in the engineering and educational fields. The choice is thus between the two evils of inequality on the one hand and disregard of economy on the other." They seem to have thought that their recommendations were calculated to avoid both these evils as far as possible. So far however as the Indian Civil Service, the Indian Medical Service and certain other Services were concerned, the Commission felt that they should take "existing facts" into account and they accordingly allowed that the members of these services should draw the same pay, whether they were Europeans or Indians. For the services to be recruited for in India, they drew up separate scales of pay for Europeans and Indians respectively.

They expressed strong disapproval of the graded system of remuneration then in vogue and recommended the substitution of an incremental system subject to the proviso that no increment should be given as a matter of right. Even among time-scales, they expressed a preference for what they called the compartment system under which "separate scales are fixed for separate groups of officers in each department and a process of selection

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takes place before an officer can pass from one scale to another or from any scale into a selection post". In the light of the views expressed by them, they suggested the following as reasonable scales of pay for Indians in the higher services :—

Rs. 250—40/3—450—50/3—500 per mensem for all the higher services recruited from the average graduate class and Rs. 300—50/2—500—50—1,050 for services requiring higher initial qualifications;

beyond these, they provided selection scales or posts.

10. The Commission considered that the expression "Provincial Service" was misleading when applied to persons holding office in departments directly under the control of the Central Government and doing the same kind of work as was done by members of the Imperial Service. They accordingly recommended the amalgamation of the Imperial and Provincial Sections into a single Service. They however recognised that "Where there is a large body of work of a less important character to be done, though of a kind which cannot be performed by a subordinate agency, it would be obviously extravagant to recruit officers to do it on the terms required to obtain men for a higher class of duty. In such circumstances, there must be two services or two classes of one service and the lower service or class must occupy a position inferior to that of the higher one". In the result, they suggested that over and above the subordinate services there should be two classes in the services under the Government of India to be described as Class I and Class II. This apparently is the genesis of the present classification of the Central Services, though the nomenclature, Class I and Class II, seems to have come into vogue only in or about 1926.

We have referred to the recommendations of the Islington Commission at some length, because they are mainly responsible for the system of classification and pay scales now obtaining in this country. Though their report was signed in August 1915, its consideration had to be deferred for the duration of the war. Final orders on their proposals were passed only during 1919-1920; and in doing so, the authorities took into account the further rise in prices that had taken place between 1912 and 1920.

11. The recommendations of the Islington Commission did not go far enough to fulfil the expectations of those who pleaded for Indianisation for financial reasons. (See the remarks of Mr. Chaubal in paragraph 36 of his minute.) Adverting to this aspect of the matter, the Montague-Chelmsford Report said "We think that the standard scale for all services should be fixed with reference to Indians recruited in India at rates sufficient to attract the best men available and to give them an income appropriate to their position. It may seem inconsistent that Indians recruited in Europe should be given the same allowance as Europeans but this is the practice in the I.C.S.". The question was again raised before the Lee Commission, "whether a basic pay lower than that which obtains at present for both Europeans and Indians should be fixed for future recruits, Europeans receiving an addition thereto in the form of overseas pay." Paragraph 43 of their report refers to the "sharp cleavage of opinion between the services and the politicians", political opinion insisting that "whilst a high rate of pay may be necessary to attract Europeans, the best Indian candidates could be secured on considerably lower terms". Viewing the needs of India (as they say) "from a detached and somewhat wider standpoint", the Commission came to the conclusion that "it would be

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inadvisable in present circumstances to reduce the basic pay of the services'. It is unnecessary to refer here to the allowances granted by the Commission to the European members of the services, except to say that they show the over-optimistic view which the authorities then entertained as to the unlimited potentialities of Indian finance. This in some measure explains the claims for higher pay put forward by and allowed to the other services in India about that time.

12. Turning for a moment to the services classified as "subordinate" and "inferior", comparatively little information is available as to how their emoluments were fixed or revised from time to time. There is however enough to show that they were being readjusted to changing economic and social conditions, though, as an early report says, "concessions were frequently given less to those whose claims were the strongest than to those who could make their voices most effectively heard". As can be seen from the observations of the Islington Commission, earlier opinion and practice seem to have been definitely in favour of a graded system of pay and against the incremental system; and it may be of interest to know that a Salaries Commission appointed in Bengal in 1884 (to consider the strength of ministerial establishments) recommended twenty grades of fixed salary starting from Rs. 20 and going up to Rs. 250. In 1905-06, before another Committee dealing with the question, a Judge of Patna is said to have remarked that "The custom and feeling of the country is in favour of a large staff on low pay" and he thought that the dissatisfaction which a reduction of staffs was likely to cause would be greater than the satisfaction which an improvement in pay might give. The Committee did not, however, share this view which they thought "a counsel of despair".

13. In 1908, a Committee presided over by Sir James Meston (as he then was) dealt with the pay and prospects of clerks in the Secretariats of the Government of India and certain other offices. About this time, the clerical establishments of the Secretariat seem to have been divided into two divisions (first and second), "the former to comprise all those clerks who are required to deal with the higher class of clerical work and the latter those who are employed on work of a routine character". The recommendations of the Committee were made on this footing. The Committee found that the cost of foodstuffs and other necessities of life, house rents and wages of domestic servants had greatly increased by that time, that the standard of living had also advanced and continued to advance and that except in the Finance Department from which clerks occasionally received promotion to the enrolled list, clerks in the Government of India Secretariat had practically no hope of securing executive appointments, such as were open to clerks in Provincial Secretariats and other offices under Local Governments. They accordingly held that the proper course would be to render the conditions of clerical service in the Secretariat sufficiently good to offer to its members a career not appreciably less attractive than that which was afforded to men of equal educational qualifications in other branches of the public service. They felt that there was much to be said in favour of making the secretariat clerical service one to which its members would be proud to belong and of fostering an *esprit de corps*. In view of the cost of living and the need for attracting the proper type of men, they fixed the initial pay for first division clerks at Rs. 140. Having regard to the value of his work, his experience and standing and more particularly to the emoluments of non-selection grades in executive branches of the Government service, they

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held that a clerk of 25 to 30 years' service, who for no fault of his own had not risen to a superintendentship, should get a maximum pay of Rs. 400. The second division they regarded as standing on a different footing because its work was assumed to be of a simple or routine character. Its recruitment was therefore held to be subject to the ordinary laws of demand and supply. They therefore fixed the initial pay for this division at Rs. 60 and the maximum at Rs. 200, adding a personal allowance of Rs. 25 or Rs. 50 after the 28th and 30th year of service. They were opposed to the incremental system and proposed that in each division there should be a considerable range of grades at short intervals of pay. Referring to Registrars and Superintendents, they said "It is a matter of high importance that both these classes of officers should be liberally paid not only on account of the responsibilities of their work but because these appointments are practically the only goals towards which the ambition of the first division can press". They accordingly suggested Rs. 800 for the Registrar and three grades of Rs. 500, 600 and 700 for Superintendents. In recognition of the importance and responsibility of the work done by the Superintendents whom they described as the repositories of the experience and traditions of their departments, analogous to the senior members of the permanent Civil Service in England, the Committee recommended that they should be granted the rank of gazetted officers. They emphasised that the Secretariat stood on a footing of its own different from any other offices in India and that it required in its clerical staff a higher degree of intelligence, a broader outlook and a more discriminating critical faculty than would be expected in other offices. We have referred at length to the views and sentiments expressed by the Meston Committee because it has been strongly urged before us by representatives of what are known as the "attached and subordinate offices" that they are entitled to the same scale of pay and the same privileges as those serving in the Secretariats. We shall deal with this claim in due course.

14. Between 1908 and 1928, all classes of public servants under the Central Government seem to have had their emoluments increased, in some instances more than once. When the economic crisis of 1929-30 set in, Government had to review the whole position. To meet the immediate emergency, certain percentage cuts were made in the salaries of most public servants for four years. On the suggestion of a Retrenchment Advisory Committee, the question of revision of rates of pay for "future entrants" was taken up. Recommendations in this behalf were made by certain sub-committees of the Retrenchment Advisory Committee; and Mr. (now Sir Tenant) Sloan was placed on special duty to examine the subject and make proposals. As the system introduced at this revision has been the subject of strong criticism, it is necessary to refer to it in some detail.

Stressing the need for reduction of expenditure in view of the continued deterioration in the financial position of the Government, Mr. Sloan harked back to the argument that the scales of pay for the higher services had been fixed at rates calculated to attract Europeans and that Indians of suitable qualifications could be had at lower rates. As there had lately been a great fall in prices and as the constitutional proposals then under discussion were expected to lead to radical changes in the administration, he thought that the time was opportune "for an attempt to place the scales of pay on a definitely indigenous basis". Comparisons were drawn between the salaries prevailing in India and those prevailing in other countries in the West and in the East. Nevertheless, it was finally

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resolved that Government should proceed on the basis of the existing pay structures and should not attempt to revise the scales of pay except from the point of view of an all-round reduction. It was said that the Government as then constituted should, as far as possible, maintain existing standards, though the position might become different with the change from a bureaucratic to a responsible form of government. A uniform percentage reduction was considered undesirable; it was felt that it would be better to make heavier cuts at the top. Some co-ordination between the Central and the Provincial Services was considered appropriate and a sub-committee of a conference of Provincial representatives (in May 1931) seems to have concluded that the pay of Class I officers should be fixed at Rs. 300 to 1,000 per mensem, that the pay of administrative heads of the biggest departments should be fixed at Rs. 1,600 to 2,000, the pay of heads of other departments at Rs. 1,450 to 1,750, and of deputy heads at Rs. 1,250 to 1,500. Uniformity of scales as between different departments was not considered practicable. In the light of these considerations, a revised scale of salary was drawn up involving a reduction of over 20 per cent. in the minimum and of nearly 30 per cent. in the maximum of the existing salaries.

The question then arose as to the officers to whom the revised scales were to be made applicable. Though the revised scales were settled only late in 1933, they were made applicable to all persons who had entered service after 1st July 1931, because it had then been announced that all appointments thenceforth to be made must be deemed to be on the footing that they would be subject to the new scales. As regards persons already in service, it was, after some discussion, decided that the new scales should not be made applicable to them, either in respect of offices then held by them or even in respect of offices to which they might be promoted in due course. There thus came into vogue the system of two scales of pay—referred to as the old and new scales—according to which among two sets of persons working side by side and doing the same kind of work, one set of people have been drawing salaries according to the higher scale and the other set are being paid according to a lower scale.

The Railway and the Post and Telegraph departments are numerically the biggest departments that we have to deal with; they raise a variety of problems which we propose to deal with in two separate Sections. It will be convenient to postpone to that stage the history of the pay structure in those departments and the account of the revision of salaries that took place therein during the years 1931—34.

15. *War-time measures.*—The new scales of pay (of 1931—34) which were halfheartedly accepted by some sections of the services even at the time when they were introduced, proved inadequate to meet the conditions created by the war. The Government of India had to formulate measures to protect their employees against the hardships caused by the rise in prices. About the middle of 1940, they sanctioned a scheme of grain compensation allowance for their lowest paid employees. Under this scheme the Central Government employees stationed in the various Provinces received the same benefit as the respective Provincial Government employees and the scale of benefit was dependent on the actual market price of foodgrains. In course of time, it was found that allowances based on Provincial schemes which lacked uniformity were unsuitable for employees of the Central Government whose conditions of service were more or less uniform. With prices continuing to rise, it was felt that

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the question should be tackled on an all-India basis; and in August 1942, the Government of India devised a scheme of dearness allowance which replaced the grain compensation allowance scheme with effect from 1st August 1942. As relief under the new scheme was granted even to the higher categories of public servants whose cost of living was dependent on several factors besides the cost of foodgrains, it was considered no longer necessary to link the relief to the price of foodgrains. The whole country was divided into three areas (A, B and C) in accordance with the difference in the cost of living. The classification followed an existing arrangement adopted by the Posts and Telegraph Department for purposes of pay scales. Subsequently, a number of towns which showed a marked rise in cost of living have been upgraded. The beneficiaries were divided into two classes, those receiving Rs. 40 per mensem and above and those receiving less. In view of the difference in the wage and standard of living between the two categories, a slightly lower rate of dearness allowance was adopted for persons drawing less than Rs. 40. This scheme of dearness allowance was also commended to the Provincial Governments for adoption in respect of their staff and is still being followed by them, with minor changes to suit their requirements.

In the first instance, dearness allowance was granted only to non-gazetted employees. Later on, the rate of allowance as well as the maximum pay limits of the persons entitled varied from time to time but the increases sanctioned were in no way proportionate to the rise in prices. Later still, it was thought proper to grant some relief even to higher officers and a war allowance equal to $17\frac{1}{2}$ per cent. of the pay was sanctioned with effect from the 1st July 1944 for all married gazetted officers up to certain pay limits and for non-gazetted officers drawing pay above the maximum limits fixed for eligibility to dearness allowance. The rate of allowance was however restricted to $7\frac{1}{2}$ per cent. of pay in the case of unmarried gazetted officers. The maximum pay limit up to which war allowance is granted to married officers is Rs. 2,000 per mensem and in the case of single officers it is Rs. 1,000. This allowance is subject to a minimum of Rs. 50 per mensem and a maximum of Rs. 263 per mensem in the case of married gazetted officers and a minimum of Rs. 30 per mensem in the case of single gazetted officers.

In the Railways, officers drew dearness allowance on the scale of war allowance fixed for Government officers. As regards subordinate employees, the Government of India, after consultation with the All-India Railway Men's Federation, decided on the following scales:—

Bombay and Calcutta including suburbs—Rs. 3 to those drawing Rs. 60 per mensem and below.

Industrial areas—Rs. 2-8-0 to those drawing Rs. 50 per mensem and below.

Other areas—Rs. 2 to those drawing Rs. 30 per mensem and below.

Certain grain shop concessions were also allowed to the subordinate employees of railways. Subsequent increases in the rates of dearness allowance were also made in consultation with the Federation on an *ad-hoc* basis to meet the rise in prices. The rate of relief as well as the maxima of pay of the persons entitled to relief were raised from time to time. Similar changes took place in the scheme of dearness allowance for other employees of the Central Government. The arrangements made

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for the relief of employees in the Posts and Telegraph Department are described in paragraphs 106 to 118 of Mr. Justice Rajadhyaksha's award dated 15th July 1946.

16. *Circumstances leading to the appointment of this Commission.*—As conditions of life became more and more difficult during the later years of the war, claims, representations and protests from several sections of the services increased. Final orders in respect of some of these matters were being deferred till after the termination of the war. Certain groups of employees who felt conscious of the strength of numbers and organisation threatened to go on strike. As early as August 1940, a Court of Enquiry was constituted under Section 3 of the Trade Disputes Act, to investigate questions raised by workmen employed on the G. I. P. Railway in respect of the grant of dearness allowance. As the recommendations of this Committee were not implemented by the Government for a long time, a general strike of railwaymen was threatened and a settlement by negotiation was arrived at in June 1946. The hardships and grievances of the employees of the Posts and Telegraph Department (some of whom had resolved to give notice of strike) were sought to be ventilated in the Legislative Assembly; on 7th February 1946, the Secretary, Posts and Air Department, announced in the Legislative Assembly that Government intended to appoint "a Commission to go into the whole question of scales of wages, pensions and other conditions of service for the whole class of Central Government servants, suitable in post-war conditions, as also the question of setting up some machinery for negotiation between Government and its employees, somewhat on the lines of the Whitley Councils in the United Kingdom". Certain disputes raised by the employees of this Department were also dealt with first by a Committee presided over by the Postmaster General, Bombay and later they formed the subject of an award by Mr. Justice Rajadhyaksha on a reference under rule 81-A of the Defence of India Rules. Before this award was made (in July 1946), certain sections of the Posts and Telegraphs employees actually went on a three weeks' strike and their claim was also settled for the time being by negotiation. Apprehending that the grant of benefits as above to the railwaymen and to the employees of the Posts and Telegraphs Department might create discontent among the underpaid employees in other departments, the Government granted some interim relief to these latter also, pending the revision of pay scales in the light of this Commission's recommendations [see Finance Department Memorandum No. F. 11 (3)-E.II/46, dated the 13th August 1946].