

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Wednesday, 18th March, 1953

The House met at Two of the Clock

[MR. DEPUTY-SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

3-9 P.M.

PAPERS LAID ON THE TABLE

STATEMENT *re* RECOMMENDATIONS OF  
DEARNESS ALLOWANCE COMMITTEE

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of the statement regarding Government's decision on the recommendations of the Dearness Allowance Committee. [Placed in Library. See No. S-13/53.]

STATEMENT *RE* RECOMMENDATIONS OF  
DEARNESS ALLOWANCE COMMITTEE

The Minister of Finance (Shri C. D. Deshmukh): With your permission, Sir, I would make a brief statement about the recommendations of the Dearness Allowance Committee.

As the House is aware, a Committee under the Chairmanship of Shri N. V. Gadgil was appointed in July last year for examining and reporting to Government what portion of dearness allowance at present granted to Government servants should appropriately be treated as pay. The Committee submitted its report on the 4th October, 1952 and a summary of the salient features of the Report was placed on the Table of the House on the 12th November, 1952. The Government have now

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considered the recommendations and I have laid on the Table of the House a statement showing the recommendations of the Committee and Government's decisions thereon. Sufficient number of copies of the Report are placed in the Library for the use of hon. Members.

The main recommendation of the Committee is that 50 per cent. of the dearness allowance at present granted to Government servants in various pay groups up to a pay of Rs. 750 per mensem should be treated as pay for the purposes of retirement benefits, travelling allowance, compensatory allowance, house rent allowance and recovery of rent from those employees who are in occupation of Government quarters. The Committee also recommended that the *ad hoc* increases in dearness allowance granted since 1947 to employees in the lower pay groups should not be reduced until the All-India cost of living index reaches the figure of 303. This in effect means that the basic minimum pay of the Central Government employees becomes Rs. 50 per mensem. These recommendations have been accepted by Government. The concessions relating to retirement benefits will cost about Rs. 4.2 crores per annum and will have effect from the 15th July, 1952. There are certain relatively minor concessions relating to the grant of higher allowances etc. as recommended by the Committee which have also been accepted. As the recalculation and readjustment of these allowances from a retrospective date would involve undue waste of time and labour which would be incommensurate with the results, it has been decided that these concessions would be applied with effect from 1st April, 1953.

I should like to take this opportunity of placing on record Government's appreciation of the valuable work done by the Committee in resolving this very complicated matter.

Shri Nambiar (Mayuram): This statement has been placed on the Table