

ALL - INDIA TRADE UNION CONGRESS

5-E Jhandewalan, Rani Jhansi Road, New Delhi

extra

MOST URGENT

28 October 1963

CIRCULAR TO ALL UNIONS

Sub: ALL-INDIA CONFERENCE ON D.A., REVISION OF INDEX AND MINIMUM GUARANTEED BONUS  
(Bombay, December 6-8, 1963)

Dear Comrades,

Experience of the last few months has shown that while prices are soaring at a feverish pace, the blackmarket flourishing in essential commodities like rice and sugar in many centres, all official declarations about Government's intention to "hold the price line" have become nothing more than empty talk.

It is now officially admitted that wholesale price index has risen by nearly five per cent in the course of one year since last September. Normally the consumer price index should be much higher than the wholesale price index but the manipulations in the index figures by the official agencies have depressed the index to much lower levels. When independent surveys have established that there is a rise of 15 to 40 per cent in the costs of living, the consumer price index in September 1963 is only 2 points more than the October 1962 pre-Emergency figure of 134.

Therefore, while the steep rise in prices is corroding deeply into the real earnings of the workers, by depressing the cost of living index artificially, the Government and employers are simultaneously defrauding the workers of crores of rupees of D.A. which they are entitled to get.

In Bombay textiles alone, the disparity between a properly-computed index and the figures issued by Government as consumer price index, has been estimated to vary between 50 to 100 points (on the 1934 base). By this technique of deflating the index alone, the millowners in Bombay would save a sum of Rs.5 to 6 crores a year, which should have been otherwise paid as increase in D.A. If a calculation is made about the gains accruing to employers because of the manipulated index in all industries and centres where there is some sliding scale arrangements for payment of D.A., they would amount to several crores of rupees.

Apart from capital gains flowing directly from inflationary conditions, the higher profits resulting from higher prices obtained for their goods, the super-profits of the monopoly bourgeoisie are further enriched by outright denial of the workers' D.A., by artificially manipulating the consumer price indices.

The official manipulations of the index, now clearly established in Bombay, have become an international scandal. Government moved to rectify the "faults" only after the Bombay workers moved for the Bombay Bandh general strike. Since then an Expert Committee has been appointed in Ahmedabad too. The Bombay Committee was to report within two months, i.e., by 22 October, but it has not done so. The delay in the work of the Experts Committee is causing great discontent among the workers.

. . . All trade union

All trade union centres are now agreed that D.A. should be linked with consumer price index numbers in all industries and services where such variable D.A. payments do not exist. This should become one of the main points of agitation in the present context.

The tripartite decision taken in the meeting on 5 August about opening fair price shops by employers in all factories and undertakings employing over 300 workers has not been implemented in most cases. While employers have been refusing to implement this decision, the Government has also not been forthcoming with facilities to supply foodgrains and other essential commodities to the fair price shops. There is therefore no likelihood of prices being held to any reasonable extent by the mechanism of fair price shops.

Expectations of the workers are high on bonus, as that would bring at least limited relief in these days of high prices. The Bonus Commission may or may not submit a unanimous report and it is to be expected that as in the previous cases, it would require workers' action even to get the recommendations enforced, if the report is unanimous.

The attitude of the public sector managements on all these questions has been particularly retrograde. In no public sector undertaking is the D.A. linked with the consumer price indices and fixation of D.A. rates is itself most arbitrary. There is no uniform practice even where bonus is paid. A majority of the workers do not get any bonus at all.

It is therefore necessary that all-India slogans and all-India actions have to be evolved by the trade unions, to reach a settlement on these basic issues.

The AITUC has decided to convene an all-India Conference to discuss these questions. It is proposed to convene this conference in BOMBAY from DECEMBER 6 to 8, 1963.

Every trade union is requested to send at least one delegate to the Conference. The bigger unions should send not more than three delegates each.

The Action Committee of the AITUC unions in Bombay which led the Bombay Bandh strike of 20 August, will act as the Reception Committee of the Conference.

The unions should inform whether they are sending delegates together with their names to:

Com. S.G. Patkar,  
Secretary,  
Action Committee of Trade Unions,  
Dalvi Building, Parel, BOMBAY 12


Further details of the conference will be sent in a subsequent circular.

With greetings,

Yours fraternally,

Copy to: All Members of  
General Council of AITUC

All STUCs

  
(S.A. DANGE)  
General Secretary

for information and necessary action

29 October 1963

PRESS COMMUNIQUE

I

In a circular to affiliated unions, Shri S.A.Dange, General Secretary, AITUC, has directed the unions to send delegates to a conference convened by the AITUC in Bombay on 6-8 December 1963 to formulate all-India slogans and plans of action on demands relating to D.A., revision of the cost of living index and bonus.

Copy of the circular is attached.

II

On "Meeting of "Sponsoring Countries" for Afro-Asian  
T.U. Conference in Jakarta

The Secretariat of the All-India Trade Union Congress has issued the following statement:

The AITUC has received by sea mail a statement dated 26 September 1963 issued by the Joint Secretariat of Indonesian Trade Union Federations. In this statement, there is a mention of a "Meeting of Sponsoring Countries" to be held from 27 October to 2 November 1963 in Jakarta.

The AITUC has also received a message soliciting the presence of our delegates at the proposed meeting of the "sponsoring countries".

The statement of 26 September issued by the Indonesian TU centres mainly attacks the initiative taken by the Afro-Asian People's Solidarity Organisation to convene an Afro-Asian TU conference under its auspices.

In this connection, the AITUC Secretariat would like to state that there is no justification for the present hurried steps being taken by the Indonesian trade union centres in convening what they call a meeting of the "sponsoring countries". If a genuinely united move is what the Indonesian centres propose, then this would not possibly fit in with their anxiety to arrogate to themselves to choose as to who should be or who should not be the "sponsoring" countries. An Afro-Asian Trade Union Conference, if it is to be prepared as a conference of unity, should be prepared for by all the trade union bodies in the region and, if a preparatory committee is to be set up, such a committee should include representatives of all trade union centres in the two continents who would be willing to participate.

In the present case, the Indonesian trade union centres have not only set up a Preparatory Committee, choosing at random or at their convenience a group of TU centres or countries who should act as "sponsors" but they have also gone ahead to draft a "political platform" of the proposed Afro-Asian conference. This document called "Proposed General Outline

and Basic Themes of the Asian-African Workers' Conference" has been drawn up solely by the Indonesian TU centres (possibly consulting only some of their closest friends in a leading Asian country) and they did not bother to elicit the opinion of even the few "sponsoring countries" before drafting such a document.

In view of the highly one-sided and objectionable manner in which the Indonesian trade union centres (among whom is the SOBSI, an affiliate of the WFTU) are preparing for convening the Afro-Asian TU Conference, to which the AITUC and others objected, the World Federation of Trade Unions had called a meeting of affiliated national centres in these two regions for a consultative meeting last July. It was decided at this meeting that the points made in the discussions during the consultative meeting would be referred to the Executive Committee of the WFTU and that the affiliated national centres in Asia and Africa would abide by the advice given by the Executive Committee.

The WFTU Executive Committee has not yet met since and recommended a course of action for the affiliates in connection with the conference. Therefore, the present steps taken by the Indonesian TU centres, including the WFTU affiliate, SOBSI, are clearly against the spirit of the decisions reached in the consultative meeting held last July.

In the course of discussions, some members of the Indonesian trade union centres had with AITUC representatives in Delhi, it was communicated to us that the trade unions of the Soviet Union would be invited to participate as a sponsoring country. It is learnt that the Indonesian centres sent invitations only to the trade unions of the Asian republics of the Soviet Union, ignoring the central body of trade unions in the USSR - the All Union Central Council of Trade Unions (AUCCTU). The Soviet republican trade union centres have informed the Indonesian centres that they strongly disapprove of this action, which is wholly disruptive in nature. No delegation from the Soviet Union would therefore be participating in the Jakarta meeting.

The General Council of the AITUC at its last meeting in April this year had made it clear that our organisation would join the move for holding an Afro-Asian TU Conference only if: (1) The conference is held under the guidance of the WFTU, instead of being sponsored by any group of countries as proposed at present; and (2) the Soviet trade unions should not be excluded from participation in it.

Since the Indonesian trade union centres have now decided to proceed with the preparations without waiting for the advice of the WFTU and the participation of the Soviet trade unions, the AITUC Secretariat obviously could not send a delegation to the proposed meeting in Jakarta. Moreover, the present move of the Indonesian centres is not conducive to Afro-Asian solidarity at any level, much less on TU level. Especially when the Afro-Asian People's Solidarity Organisation (AAPS0) has decided to take steps to convene a wider conference of trade unions of the two continents, the AITUC Secretariat feels that the Indonesian trade union centres should postpone their proposed conference and join hands with the WFTU and the Afro-Asian centre to prepare for a united conference accepted to all. If the Indonesian centres do not act in such a manner, they would only be harming Afro-Asian solidarity.

*Satish Loomba*  
(Satish Loomba)  
Secretary, AITUC

Copy of the letter No. CA 3/16/464 dated January, 1963 from the Secretary, D.C.M. Union, addressed to the Statistical Officer, Delhi Administration, Bureau of Economics & Statistics, 13, Alipur Road, Exchange Building, Delhi.

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For Personal Attention of Mr. D.K. Gupta

Working Class Consumers'  
Price Index Numbers

We are in receipt of your letter No. F.85(1) BES/62/342 dated the 9th January, 1963 and thank you for the same.

In the first paragraph of your letter under reference, you have mentioned that the reason for variation in Consumers' Price Index numbers (Base 1944-100) for the month of October, 1962, as supplied vide your letters of even No. dated 16.11.1962 and 20.12.1962 is that the two Index numbers were calculated on two being estimated from base 1960-100-  
Successor of old series based on 1944 on 1944-100.

*different basis  
the former one*

From the above fact it is clear that the index number as given by you in your memorandum No. SS(I)BES/150/7-59 dated 20.12.1962 for the month of November is not actual but estimated from base 1960-100. As already explained to you, even a minor change in the index number based on 1944-100 affects our Dearness Allowance (paid to about 20,000 employees of Delhi Cloth Mills and Swatantra Bharat Mills, Delhi), we would therefore, request you to kindly let us know the actual Index number for the month of November and in future also it should be an actual figure and not an estimation.

We hope you will realise the importance of this point and won't mind taking extra labour in calculating the actual index number based on 1944-100 in the interest of about 20,000 employees of Delhi Cloth Mills & Swatantra Bharat Mills.

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Copy of the letter No. CA 3/16/456, dated January, 1963 addressed to the Statistical Officer, Delhi Administration, Delhi from the Secretary, D.C.M. Union. \*\*\*\*\*

We are in receipt of your memorandum No. SS(I)BES/15017-59 dated 20th December, 1962 and thank you for the same.

On going through it we find that the Index Nos. given for the month of October differ from Index Nos. given for the month of October, in your Memorandum No. SS(I) BES/13321 dated 16-11-1962.

As already informed to you vide our letter No. CA-3/16/446 dated 10/12.12.1962, Our Dearness Allowance is calculated according to the index No. based on 1944-100 is changed slightly it affects our dearness allowance.

In your Memorandum No. SS(I) BES/13321 dated 16.11.1962 the index No. for October on the basis of 1944-100 is 173.36 while this index number is given as 171 in your memorandum dated 20.12.62 referred to above. We think you have given approximate index number ~~XXXXXXXXXX~~ in the latter memorandum. We would, therefore, request you to please note to give the exact index ~~XXXXXXXXXX~~ number based on 1944-100.

Also please let us know the exact index number based on 1944-100 for the month of November, 1962 at your earliest so that we could calculate correct dearness allowance.

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Copy of the letter No.F55(1)BES/62/343 dated 9th  
January, 1963 from Statistical Officer (Shri.D.K.Gupta),  
Delhi Administration, Delhi addressed to the  
Secretary, D.C.M. Clerks' Association, New Delhi.

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Subject:- WORKING CLASS CONSUMERS' PRICE  
INDEX NUMBERS.

I have the honour to invite a reference to  
your letter No.C.A.3/16/456, dated 2.1.1963 on the  
above subject and to say that the reason for the  
variation in consumers' Price Index Numbers  
(Base 1944-100) for the month of October, 1962 as  
supplied vide this office letters of even No. dated  
16.11.1962 and 20.12.1962 is that the two Index  
numbers were calculated on two different basis.  
The former one being actual and the latter being  
estimated from base 1960-100 - successor of old series  
based on 1944-100.

The consumers' price index numbers based on  
1944-100 for the month of November, 1962 has already  
been supplied to you vide this office letter of  
even No. dated 20.12.1962.

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Copy of the letter No.10/3/63-NCPI, dated 2.3.1963 from Shri. A. Basu signed for Director, Labour Bureau, Simla-4 (Govt. of India ~~XXXX~~ Ministry of Labour & Employment ) addressed to the Secretary, D.C.M. Clerks' Association (Regd), Karol Bagh, New Delhi-5.

Subject:- Working Class Consumers' Price Index Numbers for Delhi Centre.

-:o:-

With reference to your letter No.CA/3/16/474, dated the 12/14th February, 1963, I am to say that any series of consumer price index numbers becomes technically imperfect after a period of years with changes in consumption pattern, etc., and has to be replaced by a new series of index numbers based on up-to-date consumption pattern. This is an internationally accepted practice which has to be followed in this country also. Accordingly a new series of index numbers for the Delhi Centre on base 1960 has been started and it will be technically incorrect to continue the old series. In view of the fact that many of the users will continue to require index numbers on the base of the old series at least for some time, an arrangement has been made to publish estimated index numbers on the old base also. The method for such estimation has been approved by a Technical Advisory Committee of the Government of India. The arrangement for publication of estimated figures on the old base after the discontinuance of the old series has been fully approved by the Standing Labour Committee in which the interests of employers and employees also are ~~represented~~ represented. Even in countries like U.S.A., U.K., etc it is the usual practice to give estimated index numbers on old ~~XXXX~~ base for the benefit of ~~XXXX~~ users when a new series replaces the old. You will, no doubt, therefore, appreciate that to avoid confusion and technical inaccuracies it will not be proper to continue the old series of index numbers on base 1944-100 and the estimated index numbers on this base, as are being published at present, will have to be used, as agreed to by all interests concerned.

It may also be stated that no significance should be attached to the fact that the October-index in the old series was slightly higher than the estimated figure on old base for that month. The position may just be reverse in some other month. What is important is that the procedure to be followed should be scientific being based on correct technical principles and arrangements made fulfill this consideration.

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We acknowledge with thanks the receipt of your letter No.21/6/63 NCPI dated 24.5.1963 and note the contents carefully.

We are glad to note that your office has now adopted a new Scientific procedure of calculating consumer price index based on correct technical principles. We shall feel obliged, if you could let us have a copy of the previous base as well as the new base pointing out to us the derivations from the old one. If you could illustrate it by an example by giving actual calculations for the month of October, 1962 as to how the index 108 (based on 1960-100) and 173.36 (based on 1944-100) was arrived at so that we may also study the same and if need be, we may acquire of our employer to to revise the D.A. rules so that our D.A. also be calculated on more Scientific principles.

You have mentioned in your letter under reference that the estimated consumer price Index for Delhi on Base 1944-100 is derived by multiplying the actual index on base 1960-100 by 1.58 which is the average index for the calendar year 1960 on the base 1944-100 divided by 100. Further in para 2 of your letter No.10/3/63 NCPI dated 2.3.1963, you have stated that no significance should be attached to the fact that the October, Index in the old series was slightly higher than the estimated figure on the old base for that month; the position may just be reverse in some other month. To judge the actual position, we therefore, give below the montly figures from January, 1961 to December, 1961 on base 1960-100, the same multiplied by 1.58 and the actual index numbers on base 1944-100.

Month.	Index No. on base 1960-100	Estimated index No. multiplied by 1.58.	Actual index No. on base 1944-100.
Jan. ' 61.	101	159.58	161.13
Feb. 61	101	159.58	162.92
March 61	102	161.16	163.52
April 61	103	162.74	165.34
May. 61	102	161.16	163.52
June 61	104	164.32	167.19
July 61	103	162.74	171.16
Aug. 61	103	162.74	171.18
Sept. 61	103	162.74	169.24
Octo. 61	104	164.32	168.06
Nov. 61	105	165.90	169.34
Dec. 61	106	167.48	171.25
Total:-	<u>1237</u>	<u>1954.46</u>	<u>2003.75</u>

On comparing the above figures you will please find that to arrive at the estimated index Number on base 1944-100 if the index number on base 1960-100 is multiplied by 1.58 then the figure is always less than the actual index number on base 1940-100. Further the total of the index numbers for twelve months from January, 61 to december, 61 of the two column "Estimated

AMOUNT OF DEARNESS ALLOWANCE PAID IN DELHI TEXTILE INDUSTRY  
BASED ON 1944 (Estimated and revised since October, 1962.)

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FOR THE YEAR 1962

<u>Month.</u>	<u>Amount of</u> <u>D.A. paid.</u>	<u>Index number</u> <u>on which paid.</u>	<u>Month of</u> <u>index No.</u>
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January	74.93	170.85	Nov '61
February	76.09	171.25	Dec '61
March	72.06	170.32	Jan '62
April	73.20	169.67	Feb '62
May	73.20	170.04	Mar '62
June	75.48	169.70	April '62
July	72.56	167.29	May '62
August	74.93	171.38	June '62
September	76.05	175.04	July '62
October	77.08	177.40	Aug. '62
November	75.34	175 .92	Sept '62
December	76.11	173.36	Oct '62.
		(Revised. 171.00 )	

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Average of 1962

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	<u>FOR THE YEAR 1963</u>	(Revised)	
January	74.93	171.00	Nov '62
February	74.86	169. 00	Dec '62
March	72.61	171.00	Jan '63
April	72.61	171.00	Feb '63
May	74.93	171.00	Mar '63
June	77.93	174.00	April '63
July	75.48	174.00	May '63
August	77.93	174.00	June '63
September	76.05		July '63
October		177.00	Aug '63
November		179.00	Sept '63

contd.....2.

FORMULA APPLIED FOR COMPUTING D.A. IN DELHI TEXTILE INDUSTRY.

D.A. fixed at Rs.44.75  
at 120 points based on 1944

Additional points x Working days x 4.37 pias  
of Factory  
in a month

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192

For example if working days = 25  
and if there is rise of one  
point over 120, the D.A.  
would be:-

$$\frac{1 \times 25 \times 4.37}{192} = 0.56 \text{ N.P.}$$

$$\text{FIXED D.A.} = \underline{44.75}$$

$$\text{TOTAL AMOUNT} = \underline{\underline{45.31}}$$

Note:- D.A. up to December, 1962 has been paid on actual indices. D.A. in January, 1963 and onwards paid on estimated ~~indices~~ or revised indices.

Copy of the letter No.21/6/63-NCPI, dated the 24th May, 1963. from Shri. A.R. Rao, for Director, Govt. of India, Ministry of Labour & Employment, Labour Bureau, addressed to the Secretary, D.C.M. Clerks Association (Regd) New Delhi.

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Subject:- Working Class consumer Price Index  
Numbers for Delhi Centre.

-:0:-

With reference to your letter No.CA3/16/496 dated 9th May, 1963, I am to say that the estimated Consumer Prime Index for Delhi on Base 1944-100 is derived by multiplying the actual index on base 1960-100 by 1.58 which is the average index for the calendar year 1960 on base 1944-100, divided by 100. For example, the index for April, 1963 on the new base (1960) is 110 and the estimated index for April, 1963 on the old base (1944) will be derived therefrom as  $110 \times 1.58 = 173.80 = 174$  on rounding to the nearest integer.

As for the differences in the figures compiled directly on base 1944-100 and the estimated figures derived from the index on base: 1960-100, it has already ~~been stated~~ been stated vide para 2 of this office letter of even number dated 2.3.1963 that no significance should be attached to the same. The estimated ~~GI~~ figures will follow the trend of the new series which has been constructed on scientific lines and on an improved basis as compared to the earlier series which has been discontinued. Hence, there need be no doubt that the index figures will correctly reflect the general trend in consumer prices for industrial workers in Delhi.

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Copy of the letter No.C A3/16/519 dated 8/10.6.1963  
 from the Secretary, D.C.M.Union addressed to the  
 Director, Labour Bureau, Simla-4.

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We acknowledge with thanks the receipt of  
 your letter No.21/6/63 NCPI dated 24.5.1963 and note  
 the contents carefully.

We are glad to note that your office has now  
 adopted a new Scientific procedure of calculating  
 consumer price index based on correct technical  
 principles. We shall feel obliged, if you could let  
 us have a copy of the previous base as well as the  
 new base pointing out to us the derivations from the  
 old one. If you could illustrate it by an example by  
 giving actual calculations for the month of October,  
 1962 as to how the index 108(based on 1960-100) and  
 173.36 (based on 1944-100) was arrived at so that  
 we may also study the same and if need be, we may  
 acquire of our employer to to revise the D.A. rules  
 so that our D.A. also be calculated on more Scientific  
 principles.

You have mentioned in your letter under  
 reference that the estimated consumer price Index for  
 Delhi on Base 1944-100 is derived by multiplying the  
 actual index on base 1960-100 by 1.58 which is the  
 average index for the calendar year 1960 on the base  
 1944-100 divided by 100. Further in para 2 of your  
 letter No.10/3/63 NCPI dated 2.3.1963, you have stated  
 that no significance should be attached to the fact  
 that the October, Index in the old series was slightly  
 higher than the estimated figure on the old base for  
 that month; the position may just be reverse in  
 some other month. To judge the actual position, we  
 therefore, give below the montly figures from  
 January, 1961 to December, 1961 on base 1960-100, the  
 same multiplied by 1.58 and the actual index numbers on  
 base 1944-100.

Month.	Index No. on base 1960-100	Estimated index No. multiplied by 1.58.	Actual index No. on base 1944-100.
Jan. ' 61.	101	159.58	161.13
Feb. 61	101	159.58	162.92
March 61	102	161.16	163.52
April 61	103	162.74	165.34
May. 61	102	161.16	163.52
June 61	104	164.32	167.19
July 61	103	162.74	171.16
Aug. 61	103	162.74	171.18
Sept. 61	103	162.74	169.24
Octo. 61	104	164.32	168.06
Nov. 61	105	165.90	169.34
Dec. 61	106	167.48	171.25
Total:-	<u>1237</u>	<u>1954.46</u>	<u>2003.75</u>

On comparing the above figures you will  
 please find that to arrive at the estimated index Number  
 on base 1944-100 if the index number on base 1960-100  
 is multiplied by 1.58 then the figure is always less  
 than the actual index number on base 1940-100. Further  
 the total of the index numbers for twelve months from  
 January, 61 to december, 61 of the two column "Estimated

index No. multiplied by 1.58 " and the actual index No. on base 1944-100" shows that the former is shorter by 49.20 which divided by 12 comes to 4.2. per month. This means, in case you would have started this new estimated system from January, 1961, we would have been roughly getting the monthly index number less by 4.2.

From the above fact it is quite clear that the Scientific and improved basis favours the Industrialists and not the workmen. We will, therefore, anxiously await your comments in this respect.

In the mean time, we would like to point out that it is not justified to arrive at the index for the base 1944-100 by multiplying the index figure based on 1960-100 by 1.58 ( average of 1960 indexes based on 1944-100 ). We feel that it will be more appropriate if we take index figures of both the above basis for the period January, '61 to December, '61 which have been actually calculated by you, as under:-

		<u>1944-100</u>	<u>1960-100</u>
Jan.	'61	161.13	101
Feb.	61	162.92	101
March	61	163.52	102
April	61	165.34	103
May	61	163.52	102
June	61	167.19	104
July	61	171.16	103
Aug.	61	171.18	103
Sept.	61	169.24	103
Oct.	61	168.06	104
Nov.	61	169.24	105
Dec.	61	171.25	106
Total:.....		<u>2003.75</u>	<u>1237</u>
Average per month		166.98	103

From the above you will find that if the Average Index based on 1960-100 is 103 per month. It is 166.98 per month, if it is based on 1944-100. If it is 100 based on 1960-100 it will be 162 based on 1944-100, as may be observed from the following calculation:-

~~XX~~

If it is 103 (1960-100), on the basis of 1944-100-

"	1	"	"	"	168.98
"		"	"	"	<u>166.98</u>
"	100	"	"	"	103
				"	<u>166.98x100</u>
					103

- 162

If we divide it by 100, it will come to 1.62. You should, therefore, multiply the index arrived at on the basis of 1960-100 by 1.62 to calculate the index on the basis of 1944-100.

We hope you will find the above in order and let us have the revised figures duly calculated on the above basis from November, 1962 till date so that we may get justice at your hands and correct D.A. is given to the thousands of employees of Delhi. It is needless to mention that this formula will come into force immediate effect.

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Copy of the letter No.24/5/63/LWI-II from Shri. K.D. Hajela, Under Secretary to the Govt. of India, Ministry of Labour & Employment addressed to the Secretary, D.C.N. Clerks' Association, (Regd), Delhi. 10935-Dorivalan, Mandir Road, Karol Bagh, New Delhi., the letter dated the 24th July, 1963.

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Subject:- Working Class Consumer Price Index Nos. for Delhi Centre.

11:10:57

I am directed to refer to the correspondence relating with your letter No.CA3/16/519 dated the 10th June, 1963 on the subject mentioned above, which you have been having with the Labour Bureau, Simla and to say that from this it appears that you would like to continue to have Consumer Price Index Nos. on base 1944-100, that you do not agree that the linking factor 1.5% for purpose of conversion of indices based on 1960-100 into 1944-100 is correct and that generally the system followed by the Labour Bureau does not favour workers. The matter has been carefully gone into in consultation with the Labour Bureau, Simla and it may be stated that the entire matter of construction of C.P.I. Nos. for Industrial workers on an All - India Basis with base 1960-100 has been gone into thoroughly in consultation with Technical Advisory Committee and the proposals have had the approval of this Body. As the association may be aware, the Standing Labour Committee is a tripartite body in which the workers are also represented. As such the system followed by the Labour Bureau for the construction of Index Nos. is not only scientific but impartial. As regards the linking factor for conversion of Index Nos. from one base to the other, it may be again stated that this was also approved by the technical experts of the Government of India. As for the question of continuing for Delhi Centre the publication of Index Nos. on base 1944-100, it may be stated that old series cannot be continued any longer, once the new series have been constructed and these are being maintained. This position is in complete accord with the international practice and as stated earlier, has the approval of the Standing Labour Committee.

2. Regarding the deviations between the estimated and the actual figures of Index Nos, it may be stated that these arise owing to structural difference, viz. differences in coverage of items, difference in pattern of consumption and expenditure etc. As for the figures furnished by you in support of the contention that the actual figures for 1944-100 are higher than the estimated ones, the Association have given figures only covering up to December, 1961. If this is extended till October, 1962, it may be seen from the figures given below that the estimated figures for April and May, 1962 are higher than the actual numbers for the same base:

.....2.



Month	Index No. on base 1960-100	Estimated index on base 1944-100.	Actual index base 1944-100
Jan. 1962	106	167.48	170.32
Feb. 1962	107	169.06	169.67
Mar. 1962	106	167.48	170.04
Apr. 1962	108	170.64	169.70
May. 1962	107	169.06	167.29
June 1962	107	169.06	171.36
July 1962	109	172.22	175.04
Aug. 1962	110	173.80	177.40
Spt. 1962	109	172.22	175.92
Oct. 1962	108	170.64	173.36

3. I am also to add that the linking factor of 1.62 suggested by you in your letter to the Director, Labour Bureau, under reference, is based on an arbitrary comparison of the annual averages for 1961 in the two series-old and new- for Delhi. The linking of the old series with the new will be done at the base year of the latter, viz., the Calendar year, 1960, uniformly for all centres, including Delhi, as decided by the Technical Advisory Committee.

7 Sept 1963

Prof. D.T.Lakdawala,  
Director,  
Department of Economics,  
University of Bombay,  
BOMBAY

Dear Sir,

The notification appointing your Committee was issued by the Government of Maharashtra on 22 August. Thereafter, your Committee must have given consideration to the question as to how to proceed in the matter of re-valuation of the old index and its link up with the new. On behalf of the AITUC, we are prepared to give you all the cooperation that you may ask from us in this matter.

To us, the most urgent question is the revaluation of the old index on which the present D.A. demands are based. The old index is vitiated by several factors of which you may be aware and which have been, from time to time, put before the Government and the employers by almost all central trade union organisations. May I suggest that you should undertake to carry out a quick check up of the prices that are actually paid by the working class in the City of Bombay and the prices that are exhibited as "controlled prices" by the various shopkeepers. Most probably, the Labour Office collection of prices is dependent only on the controlled lists and do not reflect the actual payments made by the purchaser. In order to carry out some verification on this question, it would be better if you request the Gokhale Institute to lend you a band of their trained investigators who can carry out a quick survey on this question. The Rashtriya Mill Mazdoor Sangh of which Shri Ambekar is the General Secretary as also the Mumbai Girani Kamgar Union of which Shri S.G.Patkar is the General Secretary and other organisations including the HMS and the Hind Mazdoor Panchayat can also lend their hand in this question of verification and revaluation.

As already two weeks have passed since the announcement of the Committee and since the Committee is expected to report within two months on ~~xxx~~ this question, I hope you will take all the necessary steps as quickly as possible because the fate of over a million workers depends in your investigation and report. And as you can appreciate, the matter of payment of correct D.A. cannot be delayed any longer.

Yours faithfully,

*S.A. Dange*  
(S.A. Dange)  
General Secretary

address your letters intended for the AITUC  
myself to our Delhi address.

My dear Ambekar,

As you know, the Government of Maharashtra appointed the Lakdawala Committee for the readjustment of the old index and the question of its link-up with the new. As you know, the main task just now is to get the old index revised. On this question, you yourself have very clear ideas which you had expressed in the tripartite meeting on 18 August when we met the Government of Maharashtra. The Committee was appointed on 22nd and already two weeks have passed. My request to you is that you should do something to activate the committee, especially on the question of the revaluation of the old index to which our present DA is linked.

I hope you will do the needful in the matter.

With regards,

Yours sincerely,

*S.A. Dange*  
(S.A. Dange)

Shri G.D. Ambekar,  
General Secretary,  
Rashtriya Mill Mazdoor Sangh,  
Bombay

REGARDING UNRELIABILITY OF COST OF LIVING INDICES FOR  
DELHI (consumer Price Index) PUBLISHED BY THE GOVT.

.....

Extreme unreliability of the cost of living Indices (now called Consumer Price Indices) has been a subject-matter of one of the main grievances of the workers in Delhi, which has led to the frequent agitations and major disputes in the various industries. Till the year 1948 Delhi had no cost of living indices for the workers. It was in that year for the first time that the Govt started publishing the working Class cost of living Indices for Delhi. The base year adopted for this series was 1944, during which year a family budget survey of Delhi workers was carried out by the Labour Bureau. The results of this survey were later embodied in what is known as 'Deshpande Committee Report' on the family expenditure of Delhi workers.

The workers' organizations have all along maintained that the consumption pattern of ~~an~~ a working class family as disclosed by the above report was substantially below the actual level. In fact the author of that report has himself admitted the possibility of having taken into account a standard pulled down due to war and scarcity conditions. The serious shortcomings of the series of C.L.I. constructed on such a faulty basis have been too manifest. It left out a large number of items of expenditure, which, even in the year of compilation (1944), formed an essential part of the family expenditure of a common worker, not to speak of expenditure items which got added to his budget as compulsory items of expenditure from year to year after 1944. Such, for example, were the deductions on account of P.F. & E.S.I.C. contributions. As in the case of

.....2.

indices published for other major centres, there was considerable 'under-weighting' of essential items of expenditure such as those appearing under the heading 'House rent', 'miscellaneous expenditure' and also in respect of a number of individual items constituting major groups of expenditure particularly 'Food', with the allround ever rising price level and extremely defective method of collecting price data from month to month, the gap between the actual expenditure and that represented by the index published by the Govt steadily developed and mounted out of all proportion to the price increase represented by the said index.

Consequently workers in major industries, in particular those in which payment of Dearness Allowance was linked to the Working Class Cost of Living Index- e.g. Cotton Textiles, Heavy Chemicals, etc.- found to their amazement, the indices and the amount of D.A. linked to them lagging far behind their mounting family expenditure. This led to the persistent demand for a fresh enquiry into family budgets or consumption pattern of the workers in Delhi.

The announcement made by the Govt. that a fresh family budget survey was going to take place, was a heartening one under such circumstances.

## कपड़ा मजदूर एकता यूनियन (रजि०)

## KAPRA MAZDOOR EKTA UNION (Regd.)

(Affiliated to A. I. T. U. C.)

Goushala Gate, Kishanganj Mill Area, DELHI.

गोशाला गेट, किशनगंज, मिल एरिया, दिल्ली।  
Ex. DLY-U.P.C.

Ref. No. B: 8/63/105

- (1) The Secretary,  
Govt. of India, Ministry of Labour & Employment,  
NW Delhi. Dated. 24... 10..... 1963.
- (2) The Statistical Officer, Bureau of Economics and  
Statistics, Delhi Administration, Delhi, New Delhi.
- (3) The Director,  
Labour Bureau (Govt. of India),  
Simla -4.

Subject:- Working Class Consumer Price Index  
Numbers-publication of new series.

\*\*\*\*\*

Dear Sir,

We have to refer you to the correspondence that has been taking place between you and the D.C.M. Clerks' Association, Delhi, on the above subject.

As you are perhaps well aware that the D.A. payable to over 24,000 workers employed in the Cotton Textile Industry of the Union territory of Delhi, is linked to the 1944 series of Cost of Living Indices. The ceasing of publication of this particular series and publication instead of 'estimated' figures of Index based on 1960-100, has resulted in considerable financial loss to the workers, as it has been found that the 'estimated' figures are almost constantly below the actual figures with base 1944-100.

The Clerks' Organisation named above has tried hard to persuade the Govt. to resume publication of the old series of Index Numbers for Delhi, based on 1944-100, but unfortunately the Govt. has failed to appreciate the financial hardship caused to the workers as a result of their unjustified and arbitrary attitude in the matter.

contd..p .2.

The matter has now been referred to this Union by the D.C.M. Clerks' Association. As an Industrial Union representing an overwhelming majority of Cotton Textile workers in Delhi, we hereby approach you with the urgent request that you will kindly furnish us the following information and data with regard to the composition or structure of the new Series of Index numbers with 1960 as the base year, with a view to enable us to asses, both the short-range as well as long range effects of the change on the living standard of the workmen. We may at once state that the reasoning so far advanced by the Government in favour of acceptance of 1960 series as a more reliable index of measuring the fluctuations in the cost of living of a working class family in Delhi, and more representative of its consumption pattern, as compared to the 1944 Series, is belied by facts and figures ~~and~~ available to us. We could, therefore, be hardly expected to accept silently such arithmetical manipulations which result in depriving thousands of workers of their rightful quantum of D.A. and are instrumental in depressing their current living standards which are already subnormal.

Information required:

(1) Details of average monthly family expenditure or consumption of a worker accepted by the Government as the basis for constructing the new Index- grouped separately under (a) Food (b) Fuel and lighting (c) House rent (d) Clothing, bedding & foot-wear (e) Miscellaneous. Every single item constituting each of the groups should be shown.

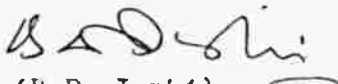
(2) Average Prices of Commodities or Services entering into the above family budget during the year 1960;

(3) Weights determined on the basis of above estimate of family expenditure;

- (4) The composition of a working Class family-  
number of earners, dependents, etc;
- (5) Average income per family;
- (6) Extent of indebtedness per family.

We again wish to make it clear that the Union refuses to accept the "estimated" figures of Index numbers with 1944-100 as a reliable means of measuring the fluctuations in the prices of commodities and services consumed by an average Textile worker. Pending the receipt of the information asked for by us above and pending assessment and evaluation of the same by us, we would impress upon you to resume publishing the actual figure of Index numbers with 1944-100. We understand that similar demand of Textile workers of Bombay has been acceded to by the Government.

Yours faithfully,

  
(B.D. Joshi)  
General Secretary

Copy forwarded for  
information to:-

1. The Labour Commissioner, Delhi Administration, Delhi.
2. The General Secretary, A.I.T.U.C. ✓
3. The Secretary, Delhi State Committee of A.I.T.U.C.

  
(B.D. Joshi)  
General Secretary



ALL - INDIA TRADE UNION CONGRESS

5-E Jhandewalan, Rani Jhansi Road, New Delhi 1

29 October 1963

MOST URGENT

To All STUCs

Sub: All-India Conference on D.A., Revision of  
Index and Bonus (Bombay, 6-8 Dec. 1963)

Dear Comrades,

As you will find from the enclosed circular to unions, we are convening an All-India Conference in Bombay to discuss the pressing demands relating to revision of the cost of living index, D.A., and minimum guaranteed bonus.

You are requested to take necessary organisational steps to mobilise the workers and unions around the demands and to send delegates to the Conference in Bombay. The STUCs may issue circulars immediately to the affiliated unions in the State, collect reports and send them to the AITUC office for the campaign preparatory to the Conference.

On our mobilisation for this conference would naturally depend the success of further all-India agitation and action. STUCs wherever possible may convene their Executive Committees to take necessary steps for the success of the proposed conference. It is true that there is not adequate time for large-scale preparatory work but, as you will realise, the issues are such that we cannot afford to delay the proposed conference to formulate all-India slogans and plan all-India action.

Publicity in the local press about the preparations for the conference may also be arranged by the STUCs.

Please send us reports on the action you are taking on this circular.

Depending on the situation in your State, attempts should be made to get the participation of unions and individuals belonging to other political views or affiliation. If necessary, the Reception Committee in Bombay may be asked to send formal invitations to such unions or individuals to participate in the conference.

With greetings,

Yours fraternally,

*Satish Loomba*  
(Satish Loomba)  
Secretary

Encl:

Bombay Conference D.A.R.1

29 Oct 1963

Dear Com.Patkar,

I am sending herewith the copy of the circular issued to unions on the Conference in Bombay on December 6-8, 1963. Com.Dange must have talked to you about the arrangements to be made, etc.

Com.Dange left this morning for Moscow. He wants that the Reception Committee of the Conference at Bombay should send invitations directly to the three central trade union organisations - INTUC, IMS and UTUC and also to the independent trade federations. Prominent individuals and economists like Prof.D.R.Gadgil, Shri N.V.Gadgil, Dr.V.K.R.V.Rao, Dr.Ganguly and others should also be invited.

If the Reception Committee has finalised arrangements, you may inform us so that the unions may be informed about the same.

Awaiting your reply,

With greetings,

Yours fraternally,

<sup>52</sup>  
(Satish Loomba)

Encl:

PRINCIPLE OF LINKING D.A. WITH CONSUMER PRICE INDEX ACCEPTED

- FAIR PRICE SHOPS AND STORES TO BE OPENED FOR  
EQUITABLE DISTRIBUTION AT REASONABLE PRICES

by K.G. Sriwastava

The Standing Committee of the 21st Session of the Indian Labour Conference met in New Delhi on 5 August 1963 to discuss the general labour situation since the last ILC meeting. The Committee discussed in detail the phenomena of rise in prices of essential articles in the recent period, which is one of the main causes of industrial unrest. Certain decisions were taken, which if implemented promptly and effectively, will go to remove to some extent the anxieties of the working class.

S.R. Vasavada, General Secretary, INTUC, had issued a statement on 1 August 1963 for linking D.A. with consumer price indices in all private and public sector industries. The AITUC and the UTUC immediately supported this demand and also demanded that the rise in D.A. should fully neutralise the rise in cost of living. It was also urged that the index figures should be revised to truly reflect the actual rise and fall in costs of living.

G.L. Nanda, the Union Labour Minister, agreed with this demand and stated that we should progress towards linking D.A. with consumer price indices in the industries which are not covered and carry forward the decisions of Wage Boards already announced in certain industries.

At the Standing Committee meeting, the TU representatives pointed out that the price statistics collected by Government inspectors to calculate the consumer price indices are faulty. They demanded that data on prices which should be collected should not be the "controlled" prices as fixed by Government but the actual prices paid by the consumers in the open market. It was agreed that the TU representatives will be taken into

confidence and consulted in computing the consumer price index. Wherever there is complaint about the correctness of the price statistics, the official concerned and the TU representatives can have a physical re-verification on the spot. In Bombay, the Maharashtra Labour Minister, M.G.Mane and S.A.Dange will go on surprise checking of prices.

In order to provide the working class with articles of daily use, specially food articles at reasonable prices, it was agreed that in all concerns where more than 300 workers are engaged, stores will be opened by the employers within four weeks. Consumer cooperative stores of workers will also be encouraged and the civilian labour officers and others will help the trade unions to get these societies registered under the Cooperative Act, without any delay. The Labour Officers will consider this as one of their main work during this period. Payment of Wages Act will be amended wherever necessary to enable the employer to deduct the cost of supplies from wages, on being so authorised by the worker. Employers will provide accommodation for these stores and also money for initial investment. Government will provide food and other articles at subsidised rates.

Steps will also be taken to open fair price shops and such stores in industrial localities. In townships like Tatanagar, Modinagar, Birlagram, Dalmianagar, etc., where employers control not only industries but even civic life, it was agreed that immediately some shops and stores should be opened.

For workers engaged on construction work which is to continue for six months or more, such stores will be provided.

G.L.Nanda warned the employers that if the trading community does not cooperate in this and resort to hoarding, profiteering or blackmarketing, appropriate action under the Defence of India Rules will be taken against them.

The Union Labour Minister will write letters to the Chief Ministers and the Labour Ministers of the States to give this programme a priority and explain this to the trade unions and employers' representatives in similar meetings at State level. Such tripartite Standing Committees should be formed in each State, without any delay. These should be presided over by the Labour Ministers.

It was reiterated that the Compulsory Deposit Scheme does not flow from the Industrial Truce Resolution. However, this Committee may discuss proposals for its modifications, if brought forward by the participants.

The threat of general strike in Bombay was discussed. It was agreed that the Maharashtra Labour Minister will call a tripartite meeting at the State level to discuss issues there. The Action Committee of the AITUC unions in Bombay had precisely demanded this in its letter to the Chief Minister of Maharashtra State.

As regards the bonus issue of textile workers of Bombay, the Maharashtra Labour Minister informed that the representative union under the BIR Act is studying the latest balance-sheets of the employers and will put up its demand shortly. He also stated that the AITUC will be informed of the position officially.

The proposals to set up Central and State Arbitration Councils was postponed for consideration at the next meeting of the Standing Committee at the request of the employers, who wanted time to examine it in more detail.

The representatives of the trade unions were willing to wait and watch implementation of these decisions.

S.A.Dange, K.G.Sriwastava and S.G.Patkar attended the Standing Committee meeting on behalf of the AITUC.

# Mumbai Girani Kamgar Union

President : S. A. Dange  
Gen. Secretary : S. G. Patkar, M.L.A.

Dalvi Building, Parel,  
BOMBAY 12.

Ref. No. 268/63

3927/5-11-63

Date November 1, 1963.

The Secretary,  
All India Trade Union Congress,  
5, Jhendewallan, Rani Jhansi Road,  
NEW DELHI.

Dear Comrade,

We learn from Press Reports that the AITUC proposes to hold an all-India T.U. Conference in Bombay on the D.A. and Bonus issues from December 6th to 9th 1963.

When the proposal was discussed here with Com. Dange it was decided to hold the Conference from November 29th to December 1st 1963 and the Action Committee of M.R.T.U.C. <sup>was</sup> to make the necessary arrangements.

The dates as reported now would put us in a little difficult position since these happen to coincide with the dates of the Membership campaign of the G.K.U.

Please therefore let us know whether the dates as reported are final or they are still under consideration. In the latter case we would suggest that the dates considered earlier viz. November 29th to December 1st would be more suitable to us, and should be adhered to.

P.T.O.

# महाराष्ट्र राज्य ट्रेड युनियन कमिटी

( अखिल भारतीय ट्रेड युनियन काँग्रेस )

अध्यक्ष : कॉ. के. एन. जोगळेकर  
ज. सेक्रेटरी : कॉ. श्री. एम. भुम

दळवी बिल्डिंग,  
परळ ट्राम नाका,  
मुंबई नं. १२.

November ६, 1963.

The Secretary,  
All India Trade Union Congress,  
5, Jhendewallan, Rani Jhansi Road,  
NEW DELHI.

Dear Comrade,

We are in receipt of your circular concerning the all India Conference to be held in Bombay to consider the issues of D.A. and Bonus and thank you for the same.

The Action Committee of the Trade Unions here met yesterday to consider the proposal.

The Action Committee decided to accept the dates as decided by the AITUC though these dates were extremely inconvenient to several of its constituents. The Action Committee however decided not to press for a change in the dates since this would create an inconvenient situation and upset <sup>and delay</sup> all arrangements and ~~delay over and above~~.

2) The Action Committee wishes to point out that the time table as fixed by the AITUC does not leave it any room to make any big collection~~s~~ to meet the expenses of the conference, by enrolling a large number of 'Reception Committee Members' etc. It would however try to do whatever it can in the matter.

3) Under these conditions the Action Committee would expect the AITUC to bear half the share of the expenses incurred for holding the Conference.

4) The Action Committee has decided to set up a big pandal at Purandare Stadium, Naigam to hold the Conference. The Conference will conclude with a big Mass Rally at Shivaji Park, at which the decisions of the Conference will be explained to the workers. Efforts are being made to acquire the Stadium and the Park on the dates stated above and we would let you know when this is done.

P.T.O.

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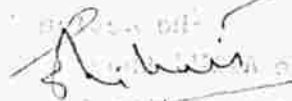
5) The Action Committee has decided to convene a meeting of representatives of affiliated and other Unions on 12th inst. and a meeting of trade union activists of all Unions on 17th inst. to mobilise the trade unions for this Conference.

6) We would expect you to prepare the documents etc. to be put before the Conference. If you need any details concerning this Centre for your Report, we would arrange to supply them.

We would keep you informed of the progress in the preparatory work.

With Greetings,

Yours fraternally,



SECRETARY.