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FEDERAL SENTINEL

Editor : D. THEAGARAJAN

No. 12 & 4

DECEMBER - APRIL 2011

Inflation – Price Rise Wages and D.A.

A. SOMASUNDARAM

“Finance is the art of passing money from hand to hand until it disappears.”

The Government of India has announced an additional Dearness Allowance of 6%. This will increase the component of DA to 51%. The question is will the govt. agree to merge 50% D.A. with basic pay and revise the DA formula. The Sixth Pay Commission has categorically stated that whatever may be the increase in DA, it need not be merged with basic pay.

You get more and more money as salary. But inflation reduces your purchasing power. You are compelled to pay more and more whenever you want to buy anything. The price of all essential commodities goes on increasing. To adjust your family budget you are forced to buy less and less of groceries, less of vegetables, fish, mutton etc. But you have to spend more and more on house rent, transport, dress, medicine, education and other social commitments on which you cannot exercise any control.

The 51% D.A. to be paid from 01.01.2011 will compensate the consumer price index of 175 points. This price index of 175 points was reached on July first week of 2010. Only after the price index crossed 185 points in Dec 2010, the average of 175.91 points was reached. The current price index is computed on the basis of average price of 100 points based on 2001. The 6th CPC fixed the wages on the basis of price index as on 01.01.2006. So the 115.76 of 2001 became 100 for our D.A. calculation. For every increase of 1.1576 points we get 1% D.A. at present. By the time you get your 51% D.A. in the salary of April 2011 on 30.4.2011 the price index may cross 190 points. Or in other words the D.A. increase you will be getting on 30.4.11

will compensate only the price level at June 2010. That means your wage is at 175 points, and your erosion of wage is not less than 15 points or 15% of 2001.

The inflation always pushes up prices. The wages and D.A. always try to chase the price rise and run behind the inflation. This suppression of wages by inflation and price rise goes on sharpening year after year.

The other nuance to be noted is that by Oct. 2010 the average for 12 months reached 49.91, by Nov. 50.91 and by Dec. 2010, 51.96. Because there is a short fall of 0.04% you are getting only 6%, D.A. for price increase up to 51% and not up to 52%. The accumulated erosion of your wages from July 2010 to June 2011 by the time you are eligible for another installment of DA may exceed 130 points.

The 5th Pay Commission fixed wages in 1986 on the basis of consumer price index calculated on base year 1982 as 100. By Dec. 2007 the price index reached 620 points. If the base year has not been changed, probably the old price index based on 1982 would have breached 1000 points.

Now before the end of Dec. 2011 the new price index based on 2001 as 100 is likely to breach 200 points. In 10 years the price increase has doubled and in 30 years increased by not less than 10 times.

In order to suppress this alarming picture of inflation and increase in prices the govt. shifts the base year. The price index was once based on 1939 prices as 100. Then shifted to 1946, 1960, 1981 and now 2001. Now the govt. is at the game once again. On the basis of price level prevailing from Jan. 2011 to Dec. 2011, it is proposed to shift the base year from 2001 to 2011.

JOURNAL OF THE FEDERATION OF NATIONAL POSTAL ORGANISATIONS
T-24, ATUL GROVE ROAD, NEW DELHI - 110 001, PHONE : 23321378

ANNUAL SUBSCRIPTION RS. 30/-

There are now three or four price indices. We are governed by Consumer Price, Index, Industrial and Public Sector employees are governed by Industrial Worker Price Index. There is another price index called Whole Sale Price Index. There is also another one called Rural Price Index.

Now the Govt. appears to have taken a decision to have only one price index instead of many. Every one knows the whole sale price index is based on agricultural and manufactured goods at the base level. One kilo of Onion at the whole sale markets may be available for 3 or 4 rupees. But when it reaches the consumer at retail outlets it may go up to Rs.20 and beyond. Similarly the other manufactured goods by the time it reaches the consumer after meeting various taxes, middle man profit, transport costs etc. the price gets more than doubled. Wheat is sold at Rs.20 Rice at Rs.35 in the open market. But the issue price of wheat at Govt. godown is 8.45 and rice 11.85. Dhals Rs.70, 80. Edible oil at 80 to 120 and so on. This move of Govt. on the one price index has to be resisted and the working class Consumer Price Index must be protected.

Now let us see what causes inflation and price rise. All government and economists say that inflation is caused by price rise of raw materials, wages and transport. But the reality is inflation is caused mostly by the government policies of taxation, administration, printing of currency notes to cover deficits, corruption and enormous expenditure on arms. This inflation increases prices and the insatiable greed for profit by middle men, traders and now politicians and bureaucrats further increases prices. This makes lives of people miserable.

To cite an example, the loan burden of West Bengal Govt. is estimated as 2.6 lakhs crores. Or in other words every Bengali man, woman and child is bearing a loan of Rs.21000 on their heads. Similarly the Govts of Punjab and Tamil Nadu also are having loan burdens for more than 1 lakh crore each. This is the story of all State and Central Governments. The internal and external loans have reached astronomical proportions. This year budget envisages a subsidy of 1,43,570 crores on various heads. But this may not reach the people at the bottom line. Now they are expressing concern about double digit inflation. But in 2009 April they were gloating that inflation was almost at 0%. These statistical figures are abstract. But the reality is very very harsh.

This is the never ending game of wages and DA trying to cope up with the two powerful demons of inflation and price rise. In this game the poorer classes are always the losers. The middle class that tries to stand up becomes middle class and ends up as a hunch back unable to withstand the constant burden of this two demons sitting on their heads and shoulders.

I will end this story by quoting a historic incident.

The Second World War from 1939 to 1945 left India famished. The Bengal famine of 1943-44 killed millions. Unbearable inflation resulted in strikes of Railway, Postal and other employees in 1946. British Govt. was compelled to appoint first PC with Justice Varadachari as Pay Commission Chairman. The Pay Commission fixed wages at 180 points on the basis of price index of 1939 as 100. But the price index had already reached 260 points. So the pay commission also granted Rs.20 as DA for 80 points. Further recommended Rs.5 DA for every increase of 20 points. In the meantime India gained Independence. But the National gov. refused to pay any DA even after the increase of 60 points.

The postal employees became restive and were preparing to go on strike.

As a last attempt they decided to wait on the Prime Minister to seek his intervention. A delegation consisting of Jaya Prakash Narayan, and V.G. Dalvi President and General Secretary of Postmen union. Jabbar, Om Prakash Gupta, Kamble of UP TW and others met Prime Minister Nehru on 10.12.48. The meeting ended as a fiasco. Nehru observed, "for every increase of Rs. 5.00 in DA to Central Govt. servants, Govt. would have to spend Rs.10 crores. There was no money in the treasury."

Jaya Prakash Narayanan admitting his failure resigned his post.

On 11/12/48 the UPTW Supreme Council met under the presidentship of A.P. Thulasiram (First Worker President from RMS T.Dn. Our great leader K. Ramamurti made the following observation.

"I had avidly devoured every word of Nehru's writings. To me it is a moment of great disillusionment. There was nothing to distinguish him (Nehru) "from a hard boiled bureaucrat of the subordinate officialdom. The results of the interview with Nehru are absolutely unsatisfactory." The UPTW then decided to go ahead and complete a Strike Ballot by 15.01.1949.

Today the Govt. has stated that as a result of 6% D.A. increase for 5 million Central Govt. employees and 3.8 million pensioners the Govt. will incur an expenditure of 5716 crores. Look at this contrast. In 1948 Prime Minister Nehru stated if 5 Rs. DA is given the expenditure will be 10 crores. He also said that there was no money in the treasury.

This automatic increase in DA every year from Jan and July is not automatic. Behind this achievement is the many struggles and sacrifices of the Trade Union Movement from 1949, 57, 60, 68, 73, 74, 87, 91 and so on till now.

The statement of the Govt. also hides the fact that of this 5 million Govt. employees more than 50% belong to armed forces. The beneficiaries include all highest paid officers. 6% for them will be Rs.4800 while at the bottom it will be Rs.420.

P III ALL INDIA CONFERENCE

The 19th AIC of National Association of Postal Employees, Group 'D' concluded on 9th January 2011 at Siliguri, West Bengal. 412 delegates, 1200 visitors participated in the Conference. A mammoth procession was organized before the open session on 6-1-2011. The open session was inaugurated by Sri Pradip Bhattacharya, President West Bengal INTUC and Sri S.K. Chakraborty Chief PMG, West Bengal Circle was the Chief Guest.

The SG FNPO, President FNPO and other General Secretaries, Sri A.H. Siddiqui, Sri P.U. Muralidharan and Sri O.P. Khanna addressed the open session.

Sri Subarato, President NUR 'C' and Sri P.S. Babu, Ex. GS NAPE 'C' also addressed.

Sri Rajat S Das, President NAPE 'C' presided the whole proceedings of the Conference. The following were elected as office-bearers unanimously:-

President	: Rajat S. Das (W.B. Circle)
Vice-President	: 1. Niranjan Singh Saini (Punjab) 2. V.S. Singh (U.P.) 3. B.C. Parida (Orissa)
General Secy.	: D. Kishan Rao (A.P.)
Asst. Gen. Secy.	: 1. G.P. Muthukrishnan (TN) 2. A.Y. Salvi (Maharashtra) 3. B. Shivakumar (Karnataka) 4. Johnson Arokkaran (Kerala) 5. B.K. Mishra (Bihar)
Finance Secy.	: Shri Bhagawan (Delhi Circle)

Asst. Fin. Secy.	: N.K. Pandya (Gujarat Circle)
Org. Secys.	: 1. Ashok Pawa (Haryana Circle) 2. P. Jaiswal (M.P. Circle) 3. V.K. Mehre (J & K Circle)

The 19th All India Conference of NAPE Group 'C' discussed the empowerment of women in the Postal sector and resolved to form a separate women committee for organizing the women employees and formulating the specific demands in the work place management. The conference unanimously resolved to form the committee with the following Divisional Secretaries/Circle Secretaries who will organize and guide the P III CHQ in solving the problems. This committee will organize women employees and formulate strategies in consultation with circle office-bearers.

Chairperson	: Smt. Pema Doma Bhutia (West Bengal)
Convener	: Smt. K.J. Dolima, (Kerala) Smt. B.C.S. Indrani (A.P. Circle)
Members	: Smt. Madhumita Choudhry (WB) Smt. R. Vijayalaxmi (Tamilnadu) Smt. J.A. Sujatha (Karnataka)

Sri Rajat S. Das has made excellent and elaborate arrangements for the convenience of delegates at Siliguri within a short period. The FNPO congratulated for his untiring work in holding the conference in grand manner that too in the bastion of communists – Siliguri.

FIRST ALL INDIA CONFERENCE OF NATIONAL UNION OF POSTAL CIVIL WING (NON-GAZETTED)

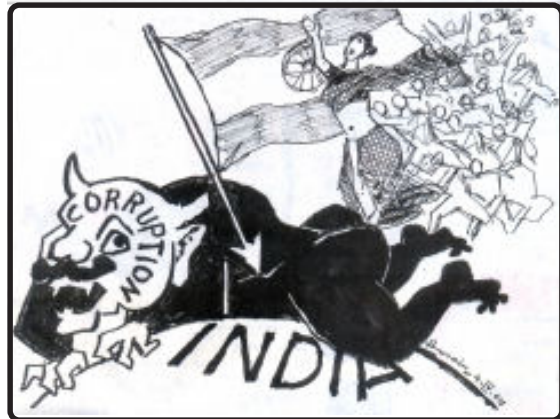
First All India Conference of National Union of Postal Wing (Non-Gazetted) was held in Puducherry from 11-3-2011 to 13-3-2011.

The following were elected as new office-bearers unanimously:

President	Sri K. Sivadasan
Working President	Sri Sarbenjit chakraborty
Vice President	1. Sri S.N. Murthy 2. Vacant
General Secretary	Sri Partha Pratim Ghorai
Assistant General Secretary	1. Sri G. Anthony Arumai Raj 2. Sri Sushil Rai Kardam 3. Sri K. Rajendran 4. Sri Jogen Ch. Das 5. Vacant, 6. Vacant
Organizing Secretary	1. Sri P. Raghunathan 2. Sri N. Kannan
Treasurer	Sri Somarajan .R
Assistant Treasurer	Sri Roy Varghese

DIVISIONAL SECRETARIES

are requested to remit quota to Federation to
Sri BRIJ MOHAN, Secretary (Finance),
District Court Post Office, Delhi - 110 054.



Courtesy : The Hindu

18TH ALL INDIA CONFERENCE OF NUR 'C'

18th All India Conference of NUR 'C' was held in Puducherry from 10-3-2011 to 13-3-2011.

The Chief Minister Sri V. Vaithialingam inaugurated the Conference formally. The conference was inaugurated through video by Bro. Neil Anderson, Chairman, Post and Logistics UNI from Switzerland. The Chief PMG, Smt. Shanthi Nair addressed the Conference. All the nine affiliated General Secretaries addressed the open session. Sri Rajat S Das and Sri G.K. Padmanabhan, Sri P.S. Babu, S. Noor Ahmed, were also present.

Sri Subarato Choudhry presided over the open session.

The following were elected as new office-bearers:

- | | |
|-----------------------------|--|
| 1. The President | Sri Subarato Choudhry, WB Circle |
| 2. Working President | Sri Deepak Mukherjee, WB Circle |
| 3. Vice-President | Sri Subhash Singh Yadav, Bihar Circle |
| 4. Vice-President | Sri Manu Dev, Delhi Circle |
| 5. General Secy. | Sri D. Theagarajan, Tamilnadu Circle |
| 6. Deputy General Secretary | Sri Ramakant Prasad Ambast, Bihar Circle |

- | | |
|-----------------------------|--|
| 7. Asst. General Secretary | Sri P.G. Dutta Banik, West Bengal Circle |
| 8. Asst. General Secretary | Yogendra Yadav, U.P. Circle |
| 9. Asst. General Secretary | N.K. Tyagi, U.P. Circle |
| 10. Asst. Gen. Secy | Devi Ram, Delhi Circle |
| 11. Asst. Gen. Secy. | A.A. Peer Mohamed, Maharashtra Circle |
| 12. Asst. Gen. Secy. | K.B. Desai, Gujarat Circle |
| 13. Asst. Gen. Secy. | Dharam Singh, Punjab Circle |
| 14. Asst. Gen. Secy. Circle | P. Kumar, Tamilnadu Circle |
| 15. Financial Secy. Circle | Pawan Kumar, Delhi Circle |

Thanks to Reception Committee

The Reception Committee has made a elaborate arrangements for conducting the Conference in a grand manner. Unprecedented crowd in the Conference made a mess on issues such as accommodation and transport arrangement. Despite this lacuna, the Conference was conducted in excellent manner. Our sincere thanks to the Reception Committee.

REGARDING ECONOMIC TIMES FEATURE ON INDIA POST DATED 8/3/2011

Many of staff and officers contacted Postal Directorate about a special feature on India Post in the Economic Times dated 7 March 2011. The Following few points may put the records straight:

First about deficit. It is true that during last two years, the expenditure has increased. That is mainly due to establishment cost going up on account of implementation of recommendations' of Pay Commission. This is true of all Government departments whether in public service or not. In regard to revenue of the Department, the two main sources of revenue, tariff for mail and remuneration for savings bank are administered.

Secondly about technology. It is true that post office computerization, started nearly fifteen years back. But the computerisation was incremental and on standalone basis. A project to computerize and network all post offices by 2012-13 is under implementation. That will provide a platform for new services including extensive

financial services, e-commerce and joint products from various corporate.

Thirdly about Post Bank. This Department has got a report from consultant in this regard which is under processing. It may be mentioned, till last year RBI did not show any inclination for issuing banking licenses. Further to make post office an effective banking outlet, one needs to have networking and specialized banking package which is under implementation now.

Fourthly about structure of the organization, leadership and continuity. There are as many corporatized post offices who have failed as of those which succeeded. In this regard continuity of vision and ability to transform is important. But that is not necessarily one top person centric. Leadership at all levels with a committed group for transformation is required. That is what we have been aiming at for managing this change.

Source: www.indiapost.gov.irr

INDIA POST: EVEN WITH SOCIAL OBLIGATION, IT COULD BE PROFITABLE

INDIA POST

For an entity that is in the delivery business, speed in decision-making is not a strength of the department of post. From idea to implementation, the department has taken 16 years to computerise and connect all its 155,000 branches; it's taken 10 years to enter the business of managing the movement of goods for companies,

Most recently, it's taken four years just to commission a feasibility study for its biggest transformation yet, becoming a bank,

In the last 15 years, as electronic modes of communication have trampled on physical forms, the department has tried to change, only to give into its worst self, and continue down the road of irrelevance and mounting losses. In 2009-10, it lost Rs 6,641 crore, on revenues of Rs 6,266 crore. In other words, to earn one rupee in revenues, it spent Rs 2. In 1997-98, it gave itself a new, contemporary and meaningful identity: India Post.

Except it never carried through that exercise the way it could have and it sometimes even promised to. Several global logistics powerhouses have approached it for a partnership, but are left shrugging their shoulders. "We don't know what India Post wants," says a senior executive of a global logistics firm that is waiting on India Post for four business proposals made to it two years ago. "Dealing with them demands a great deal of patience due to the slow decision-making."

The ultra-slow decision-making is compounded by ultra-fast personnel movement at the top. In the last 11 years, India Post has had six chiefs. "The department is a victim of its age," says BN Som, who headed it between 1998 and 2000. "It has failed to maintain continuity of vision under successive leadership." A proposal in one chief's tenure tends to lose steam in another's.

In a world that started and ended with it, this wouldn't be catastrophe. But in a world where it is competing against private players, and is punching below its weight, time is running out for India Post. And it doesn't have a big plan or an overriding sense of purpose to turn this red ship around.

Radhika Doraiswamy, the current captain of the ship, is looking to technology to cut costs and push new business initiatives. "Riding on technology, we hope to become a self-sustaining organisation by 2013-14," says the current secretary-posts & director-general of the Postal Services Board. It's a statement that clings to hope and numbers the department has never achieved before.

John Samuel, general manager-business development, shows a growth-projection sheet that calls the department to grow at a multiple of its

historic rate. For example, in the business post segment, it projects 40% a year growth till 2013-14, against 15% and 20% in the last two years, respectively.

Even the government, which makes good the department's deficit every year, doesn't see a turnaround. Budget 2011 has put aside Rs 5,108 crore for India Post for 2011-12. And in 2010-11, it overshot what the government had budgeted for it by 2,300 crore.

MONEY DISORDER

About 90% of its expenses go towards salaries of its 475,000 employees in 155,000 branches. It can't, the department says, shut down commercially unviable branches because there is an India that uses these services and can't afford to pay commercial rates. At one level, it's a plausible argument. At another, it's a fig leaf. Sure, the business of post offices is about meeting a social obligation. But though this part of the business, stamps, unregistered and registered letters, and money orders, brings in only 20% of revenues, it uses up most of the workforce. And mostly, unproductively; collectively, these employees could be doing a lot more.

The challenge for a post office is to make employees do more through businesses that have synergies with postal services, but run on commercial terms. Essentially, use the surplus in the commercial businesses to bridge the postal deficit. Post offices around the world have branched out into logistics services, financial services and banking to turn profitable. For example, Deutsche Post in Germany, Australia Post and New Zealand Post, to name just three. It's what India Post also has been trying to do, in fits and starts, for the last 15 years. But it has delivered either moderate successes or stillborn failures.

At about Rs 2,000 crore, the delivery business accounted for just 30% of India Post's revenues in 2009-10. It's had a headstart of decades in the delivery business. Its reach is a multiple of that of all private players combined. Yet, its market share in the Rs 15,000 crore domestic delivery business (letters, parcels and logistics) is just 20%. That's partly due to its late entry and partly due to its stiffness in operations.

For example, its delivery business is sliced into three services: ordinary post, registered post and speed post. The last, speed post, is a premium service, akin to private courier. Yet, its tariff for packets weighing up to 50 gram is fixed at Rs 25, whatever the destination.

SNAIL MAIL

It loses out both ways. On short distances, where private players charge below Rs 25, it loses out on business. On long distances, where private players

charge way above Rs 25, it loses out on revenues. "The department is plagued by its inability to comprehend that things can be achieved through a business mindset," says SC Mahalik, who headed the department between 1994 and 1996.

The eternal delay in computerisation and networking is the product of such a mindset. At present, only 8,000 of its 155,000 branches are inter-linked. The rest function as islands, hooking up only physically. It's only last year that India Post asked Accenture to hook up all its branches and this is expected to happen by late-2012.

Even after the technology connections are finalised, employees will have to be trained. "Technology will only be productive when it is leveraged to harness its immense outreach to underserved areas, says Gautam Bhardwaj, managing director, Invest India Economic Forum, who was part of a committee on postal reforms in 2009. "Otherwise, such large infrastructure is like a hospital without patients."

Mahalik first initiated the technology push in 1994. But he retired in 1996, and the plan went cold. Som revived it in 1998, but again it went cold. Similarly, India Post is late in the three businesses it has identified for revenue jumps to post a turnaround by 2013-14.

The big one is logistics - managing the movement of goods for companies. The idea was floated about a decade ago, but launched only in 2007-08. "Better late than never," says Samuel. This is currently a Rs 50 crore business for India Post and it 'is looking to increase it to Rs 1,000 crore by 2013-14. "We hope to utilise our spare capacities and bring it to optimal levels," says Samuel.

It has an impressive client roster: Godrej, Coca-Cola, ITC, Dalmia Cement, P&G and Cadbury, among others. For example, it distributes Godrej's Chotu Kool refrigerator in rural Maharashtra. P&G used it to distribute products in rural Uttarakhand and Pawan Hans to ship helicopter parts. However, an official from one client told us, on conditions of anonymity, that its arrangement was only short-term.

Sam is sceptical about India Post's logistics offering. "Why should clients come to you when your means of delivery of larger consignments is the same as those for mails and letters," he asks. "It (logistics post) is nothing but a superficial tweaking of old processes, infrastructure without building a serious expertise behind it," adds a former India Post official. All this places a question mark on the 20-fold increase in revenues in three years the department is targeting.

The second big revenue multiplier it is looking at is 'global business division', which delivers letters and goods outside India. Set up two years ago, it is a Rs 100 crore business, with a target of Rs 310 crore for 2013-14, which again means a rapid scale up. At present, the division is forging international tie-ups. "We are

picking up cues from global postal services," says Doraiswamy

The one business that India Post has grown well is 'business post' - a dedicated mailing facility for corporates. So, for example, India Post picks up a company's annual reports from the press. It has the list of the company's shareholders and it ships the reports to

them. Doing work like this, it posted revenues of Rs 721 crore in 2009-10 and expects to cross Rs 1,000 crore this year. It has about 340 points of contact, 100 of which are housed in company premises.

REVENUE STAMPS

Even if these initiatives grow well, they won't erase the Rs 6,000 crore deficit. In all the transformational talk, what's conspicuously missing are the big ideas. "The postal service has no idea of the kind of assets it is sitting on," says Mahalik.

Like setting up a bank. By current numbers, it would have five times as many branches as SBI, the pole sitter. About 45% of India Post's revenues already come from earning a spread on its postal savings float and from commission earned by selling small savings schemes. A bank is a natural extension. "It has the reach, but not the expertise," says Parveen Kumar Anand, executive director, Punjab & Sind Bank.

Another example is the department's land holdings. Besides its spacious post offices, it has about 1,800 plots, totalling about 500 acres - about one-tenth the size of Noida. "Many plots are in prime locations," says Mahalik, who had recommended selling or leasing out this space.

Another proposal is to move its administrative offices, which are mostly in prime locations, to cheaper suburbs, as UK did. Its headquarters in Delhi, Dak Bhawan, is a six-floor, 25,000 sq m building in the heart of the capital. "It can fetch a sale value of Rs 700-800 crore or an annual rental of Rs 60-75 crore," says the head of a real estate consultancy, not wanting to be named.

Satish Kaushal, executive director-government services, Ernst & Young, says the department needs to encourage public-private partnerships, especially for remote areas. "Revenues can be generated by asking private companies to leverage India Post's infrastructure," he says. "You can even develop financial solutions." Where's the Postmaster?

It comes down to taking decisions, which neither the political nor the bureaucratic leadership have shown an inclination to. India Post comes under the ministry of IT & communications. "Posts is too low brow," says Bhardwaj of IIEF. "It lacks the glamour of telecom for a minister's consistent interest."

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NEWS IN NUT-SHELL

19TH ALL INDIA CONFERENCE OF P III

The 18th All India Conference of NAPE 'C' was held at Silliguri in January 2011. Sri D. Kishan Rao was re-elected as General Secretary. Detailed report is printed elsewhere.

CWC MEETING OF NUPE PM & MTS

The CWC Meeting of NUPE PM & MTS was held in Puducherry on 11th and 12th March 2011. Sri C.P. Nayi presided over the meeting. Sri T.N. Rahate, GS submitted brief report on activities of CHQ. The SG FNPO addressed the CWC Meeting.

The CWC decided to conduct a day-long Dharna on 6-4-2011 in front of Regional office and Circle office level.

18TH ALL INDIA CONFERENCE OF NUR 'C'

18th All India Conference of NUR 'C' was held in Puducherry from 10th to 13th March 2011. Detailed report printed elsewhere.

NUR IV MEETING

Important office-bearers meeting of NUR IV was conducted in Puducherry on 10-3-2011. Sri Ramappa presided over the meeting. Sri A.H. Siddiqui GS R IV, Sri Narendra, AGS R IV and Sri D. Rajendran, AGS R IV and other active office-bearers participated.

AIPAOA (FNPO)

Office-bearers of AIPAOA (FNPO) conducted a meeting in Puducherry on 11-3-2011. Sri O.P. Khanna, GS submitted report on the latest position of Administrative union.

CWC of NUGDS

CWC of NUGDS was held at Ponmani Hall in Puducherry on 11th and 12th March 2011. Sri P.U. Muralidharan GS submitted detailed report on various issues of GDS.

The CWC passed various resolutions.

FIRST ALL INDIA CONFERENCE OF CIVIL WING UNION

First All India Conference of Civil Wing Union was held in Preethi Mahal in Puducherry on 11th and 12th March 2011. Sri Sivadas, President presided over the meeting. Sri P.P. Gorai, GS submitted report on activities of Civil Wing Union. The details of the conference is published elsewhere.

FIRST ALL INDIA CONFERENCE OF SBCO

National Association of Saving Bank Central Organisation's first all India Conference was held at Youth Hostel in Puducherry on 11th to 13th March 2011. Sri S. Sambandam was re-elected as General Secretary.

AIPAOA (ACCOUNTS)

Office-bearers meeting of AIPAOA (Accounts) was held in Preethi Mahal in Puducherry on 12th March 2011. Sri H.L. Ramtek, GS submitted detailed report on activities of the Association. The Association seriously discussed the proposed changes in the Accounts wing of the Department.

INFLATION, PRICE RISE, WAGES AND DA

An article on the above subject has been published as editorial in this Sentinel. The author of the article is Sri A. Somasundaram, a veteran Postal trade union leader and former Vice-President of NUR 'C'.

K.R. CENTENARY

The 99th birth anniversary of our great leader, K.R. falls on 8-8-2011. The FNPO has decided to celebrate the birth anniversary throughout the year till 100th birth anniversary which falls on 8-8-2012. Details of the celebration will be made known shortly.

Contd. P.No.6

A member of one of the reform committees says bureaucrats haven't pushed enough. "There's no financial accountability on the bureaucrat. So, nobody wants to rock the boat," he says; Som, who has worked under two ministers, says the onus lies on the secretary. "Ministers are what bureaucrats make them," he says "I have always had full attention from my political bosses."

Globally, the focal point of postal reform has been privatisation (Deutsche Post and British Post) or corporatisation (US Postal Service and Australia Post).

"As of now, there's no proposal for corporatisation," says Doraiswamy, but she doesn't rule it out.

A high-ranking India Post official says a mid-way model is being discussed. It envisages the department floating subsidiaries through special purpose vehicles. Each of these - for example, postal

services, banking, and insurance - can function as independent business units. "They subsidiaries can generate their own funds, invite private participation, draw out their own strategy, and enjoy greater freedom," he says.

As it waits, India Post is drifting into ignominy.

Till 1985, there used to be a department of posts and telegraph. It was then split into three. Telecom regulation was given to the department of telecom, which has presided over, if not abetted, a corrupt licencing regime.

The telecom operations were hived off into a company called BSNL, which was once flourishing, but today has cash for just one more year. The postal operations were retained by the department, and it is on its way to becoming the next BSNL. Unless it takes some decisions. Quickly.

Source: Economic Times Dt. 07.03.11.

India Post Reply P. No. 4

Please visit our website : www.fnpo.org for day-to-day news.

From the Desk of Secretary General

I am extremely sorry for not publishing our Federal Sentinel for the last three months. The reason for the publishing is due to financial crisis. In the month of October 2011, the Federation took loan of Rs. 20,000/- from NUR 'C'. In the month of Jan. 2011 only, Federation received Rs.30,000/- as quota during the All India Conference of NAPE 'C' at Siliguri. Again the Federation received Rs. 22,000/- as quota during the All India Conference of NUR 'C' at Puducherry in March 2011.

Monthly expenditure of the Federation comes about Rs. 10,000/-. The details of the expenditure is as follows :

Electricity	Rs. 1500 to Rs. 2000
Telephone Bill (Land line)	Rs. 1500 to Rs. 1800
Wages to servant maid	Rs. 500/-
Honorarium to Finance Secretary, Asst. Finance Secretary and Headquarters Secretary	Rs. 5000/-

We could not pay any honorarium to Head quarter Secretary for the last four months.

If we print 500 copies of Federal Sentinel every month, it requires about Rs. 3000/- including postage.

We are unable to meet the above expenditure on account of poor remittance of quota from our affiliates.

Being Secretary-General, I am not availing any honorarium or any allowance from the Federation. At the same time, if I attend any emerging meeting for more than one time, I am paid actual travel expenditure by the Federation.

We cannot curtail the above expenditure which is found essential in running the Federation.

I requested the General Secretaries of P III and R III to amend their constitution so as to fund the Federation every month. In turn, they made suitable amendments in their constitutions during their recent all India conference.

I hope that this will pave the way for receiving Rs. 10000/- every month for the Federation.

We are getting Federation quota regularly only from P IV Branches and not from other affiliates.

I hope and trust henceforth we will release Federal Sentinel every month regularly from the month of April 2011 onwards.

POSTAL JCA MEETING

On 30-3-2011, the Postal JCA met at NFPE office and decided to go on strike from 5th July 2011 onwards.

STRIKE PROGRAMEMS

Submission of memorandum at all levels	20-4-2011
Dharna in front of Dak Bhavan, Circle office, Regional office and Divisional office	25-5-2011
Special Convention for Circle Secretaries and Divisional Secretaries	June 2011
Meeting with MLAs and MPs	June 2011
Indefinite Strike from	5th July 2011

Next meeting of Postal JCA will be held in Delhi in 20-4-2011 after submission of Memorandum.

I request all the Circle Secretaries and Divisional Secretaries to made the programme success.

TSUNAMI IN JAPAN

Tsunami badly attacked Japan on 11th March 2011. At that time, we are conducting Conference in Puducherry. All FNPO affiliates assembled at the Conference venue and paid homage to the Tsunami victims. According to our information, as many as 330 Post offices were destroyed/damaged in Japan. However Postal service was intact in all parts of Japan. We wish restoration of status quo ante for the country of Japan and its people.

PENSION FUND REGULATORY & DEVELOPMENT AUTHORITY BILL (PEFRDA)

The above scheme was introduced by BJP Government during 2004 through a GO. According to the scheme, an official who was appointed on or after 1-4-2004 will get pension through PEFRDA. Except a few states, most of the states agreed for the above scheme.

The above Bill was introduced in Parliament on 25-3-2011. During tabling of the Bill, only 159 MPs were present out of 543. But only 115 MPs favoured the Bill and 43 MPs opposed it. The Prime Minister, Finance Minister and UPA chairperson Smt. Sonia Gandhi were not present during the introduction of the Bill.

SRI G.P. MUTHUKRISHNAN BEREAVED

Sri G.P. Naidu, father of Sri G.P. Muthukrishnan, Vice President FNPO breathed last on 2-3-2011. Sri G.P. Naidu was Ex-NPTE leader in Telecom sector. He was placed under suspension for more than 20 months during 1968 strike. FNPO deeply condoles his death. Our deepest regrets to Sri G.P. Muthukrishnan and his family members.

Yours fraternally,
(D. Theagarajan), Secretary-General

Edited, Printed and published by D. THEAGARAJAN from T-24, Atul Grove Road,
New Delhi - 110 001 on behalf of FEDERATION OF NATIONAL POSTAL ORGANISATIONS
Composed and Printed at ICON GRAPHICS, Triplicane, Chennai - 600 005.