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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

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CONFIDENTIAL.

No. 12. Read the following letter from the Under Secretary to the Government of India, Home Department (Public), to the Chief Secretary to Government, Fort St. George, dated Simla, 23rd June 1871, No. 3102: —

I am directed to forward a copy of the correspondence noted in the margin between Her Majesty's Secretary of State and the Government of India, regarding the existing rules for the grant of leave of absence to Covenanted Civil Servants, and to request that the Governor-General in Council may be favoured with the views of His Excellency the Governor in Council on the point discussed in the 28th paragraph of the despatch to the Duke of Argyll, No. 106, dated 23rd ultimo.

From the Secretary of State, No. 52, dated 10th February 1871.
" ditto, No. 67, dated 9th March 1871.
To ditto, No. 106, dated 23rd May 1871, and enclosures.

2. It is desirable that the practice in respect of the provision of appointments for officers returning from furlough should be uniform, and that no change should be made in the existing system until final orders are received from the Government of India.

3. I am to request that the enclosed papers may not for the present be published, but be treated as *confidential*.

From the Secretary of State for India, to the Government of India, dated 10th February 1871, No. 52.

I have considered in Council your Financial letters, dated the 24th June and 14th July last, Nos. 155 and 171, which forwarded memorials from the Covenanted Civil Servants of the several Presidencies, praying for an increase of their retiring allowances. You estimate that the proposal contained in the Bengal memorial would cause an increased charge of 153,000*l.* per annum, and that contained in the Madras and Bombay memorials of 78,600*l.* per annum, if applied to three Presidencies.

2. You inform me that you hesitate to recommend a scheme which involves so large a charge to the State, but, in lieu of it, you suggest another scheme for the same purpose, the cost of which you estimate at about 70,000*l.* a year.

3. I cannot but observe that this proposition comes before me at a time when the financial position of your Government is compelling you to reduce the Army, to limit largely public works, and to consider with great care, if not with some anxiety, how the revenues of the State can be maintained so as to meet the many demands made upon them for improved administration.

4. I will not affirm that these circumstances, connected with the financial condition of the Empire, of necessity condemn a proposal which adds 70,000*l.* a year to the non-effective charges of the Civil Service. But they are circumstances which render it incumbent on Her Majesty's Government to examine very closely the grounds upon which such a measure is proposed.

5. The complaints urged by the Civil Service against the present system of retiring allowance seem to be of two kinds. One complaint is that the system operates in certain ways so unequally that dissatisfaction must continue as long as it remains unchanged. The other complaint is that the Government does not contribute with sufficient liberality to the Fund out of which retiring allowances are paid.

6. Looking at these two complaints in the order in which I have now placed them, I observe that you have, in the 9th paragraph of your Despatch, shortly enumerated those features of the existing system which you think must always continue, so long as they remain,

to cause discontent among the members of the Civil Service. They are these,—1st, that the pension granted by the State is "mixed up with the pension purchased by the subscriptions of the officers themselves;" 2nd, that the subscriptions made by an officer who dies before retirement "lapse to the State;" 3rd, that a maximum limit is placed to the amount of annuity purchasable by an officer's subscriptions "so that he feels that every day he remains in the service, after subscribing for the maximum, he is fined for the benefit of the State."

7. On these objections I have to observe, in the first place, that they are not objections to any mere incidents of the system, which are separable from it, but to its whole principle and intention. The very terms in which these objections are stated exclude from view the origin and the purpose of the annuity funds, and do not seem to represent correctly their present operation or effect.

8. (1.) The pension granted by the State is mixed up with the "pension purchased by the subscriptions of the officers," only because the officers having originated the fund in order to promote retirements and accelerate their own promotion, were aided by the Government in so doing by the addition of a large subvention from the State. (2.) The subscriptions made by an officer who dies before retirement lapse to the fund (not to the State), only because the subscriptions of every member of the Civil Service are an essential part of the assets of the fund which belongs to the officers as a body, and because that fund was constituted on the basis of supplying annuities to a limited number of survivors out of the total number of subscribers. (3.) A maximum limit was placed upon the amount of annuity purchasable by an officer's subscriptions, only because such limit was another essential feature in a scheme designed by the officers of the Civil Service themselves to accelerate promotion by encouraging retirements, and because this purpose would have been entirely frustrated by annuities increasing without limit in proportion to length of service.

9. Such being the case, I cannot but regret that your Excellency should have stated these grounds of complaint in a form which seems to imply some sanction to a very erroneous view of the facts. To speak of subscriptions as "lapsing to the State," because they are the property of a fund to which the State subscribes, is a fallacy which your Excellency can hardly have intended to support. I presume your meaning to be that these ideas, whether correct or not, are ideas which it is difficult to eradicate from the minds of the officers concerned. They can only be eradicated by reminding them that the gains which accrue to the fund from an average number of debts was one of the elements in the calculation when the fund was instituted, when the scale of subscription was arranged, and when the State calculated what its own contribution might fairly be.

10. The same observations apply to the feeling which you describe as existing in the mind of every officer who continues to serve after he has subscribed for the maximum, namely, a feeling that every day he remains in the service after that period "he is fined for the benefit of the State." The subscriptions of such an officer continue to be what they have ever been—subscriptions to a fund for the benefit of the body to which he belongs, and for his own benefit in exact proportion as he may have chosen to take advantage of its terms. It was no part of those terms that he should be encouraged to prolong his service after he had subscribed the maximum. On the contrary, one main object of the fund was that he should have no inducement from it to do so. If he should prolong his service, he must find the inducement to do so in other advantages afforded by the Government which he serves.

11. It appears, therefore, that complaints against the present system of retiring allowances, on the ground that the subscriptions of an officer who dies are lost to his family, or on the ground that an officer's retiring allowance does not increase without limit in proportion to his length of service, are both of them complaints directed against the essential principles of the annuity fund, and cannot be met by any change short of establishing some system on a basis entirely new and having entirely different objects.

12. Farther, I have to point out to your Excellency that, if dissatisfaction is to continue so long as these causes of complaint remain, then it follows that the same dissatisfaction will continue after all the increased cost of your proposal has been incurred. You do not propose, neither indeed do the memorialists suggest, that the subscriptions of officers towards their own annuities should

cease. Whether in this present form, or in the form of a corresponding reduction of salaries, these subscriptions are to continue. Therefore, the "pensions granted by the State" will still be "mixed up with the pensions purchased by the Officers." You do not propose that subscriptions lost by death should be refunded to the families of the deceased. Therefore, this cause of dissatisfaction also will remain. You do not propose that annuities should increase without limit in proportion to length of service. Therefore, officers may still think that they are "subscribing to the State" after they have subscribed for the maximum. The abolition of the fund, as a mere matter of account, will not prevent each officer from computing exactly the amount of his contribution. Therefore, all the essential features of the system would remain unchanged, and all the incidents which you represent as fatal to contentment.

13. I observe, indeed, that you introduce the new principle of regulating the annuity on which an officer may retire by the amount of salary the has enjoyed at he period of retirement. But neither is this principle consistently pursued. It is pursued only so far as it may cover an increase of 200*l.* to the present maximum annuity. But, beyond this maximum, the new principle is not allowed to govern the result. I fear that this arbitrary limit to the operation of an admitted principle would ultimately prove a new source of discontent, and that renewed agitation would assail the Government to the end that this principle should be allowed its unlimited application. Accordingly I observe that, in a note at the end of the draft rules, it is suggested that the restriction to 1,200*l.* might be omitted. It is my duty, therefore, to point out to your Excellency that this principle, borrowed from a system of pension designed to meet the case of superannuations, is not applicable to the totally different system of annuities granted on retirement after a fixed period of service. You argue that, on the whole, there is no better criterion of merit than the salary which an officer has enjoyed. But to this it is obvious to reply that if the salary is the criterion of merit, so also is the salary supposed to be its sufficient reward. A system which should give, out of a common fund, the highest retiring annuities to those who have enjoyed the most lucrative appointments, would not seem either just in itself or likely to give satisfaction to the service as a whole.

14. Since, then, your proposal does not satisfy any new principle, and does not remove the objections which are felt against the existing system, I can only regard it as intended to increase the amount of assistance which the State gives, but on the same principles and with the same general intention as at present.

15. I come, therefore, to those other complaints in the memorials which imply that the State is not sufficiently liberal in the contribution which it makes towards the retiring allowances provided for under the existing system. On this point I have to observe that here, again, the object and intention of the State in granting these annuities has been forgotten. That object was identical with the object of the officers themselves, namely, to promote retirements at a comparatively early age by the assurance of an adequate retiring allowance. Annuities granted with this object differ essentially from pensions on superannuation; and therefore the reference made in the memorials and in your Excellency's Despatch to the plan on which pensions are granted in England, is a reference which points to fundamental change in the relations which have hitherto subsisted between the Government of India and the pay and pensions of its Civil Servants.

16. If the demand now made be indeed a demand for such fundamental change, then it must be considered, on other grounds, to which I shall presently advert. But, assuming that the Government is not called upon to depart from the general principles and intention of the system under which retiring annuities are afforded to its Civil Servants, then it becomes important to point out to the memorialists that the changes which have been made by the Government since the institution of the funds have all been in the direction of a more liberal dealing with ts servants.

17. Originally, the Government offered to subscribe one-half of the whole pension fund. But this never meant, or could possibly mean, that the Government was to provide the same

proportion of the retiring allowance of each individual officer. It was a contribution founded, like the rest of the fund, on a calculation of averages; and the complaint that, in some particular cases, the Government contribution is less than half the pension, or, in some cases, is reduced to nil, is a complaint founded on the same error as those other complaints which I have already dealt with. What the Government promised to do was this,—that in every case in which an officer chose to retire at the end of a given term, and had already subscribed, or was ready to subscribe, for the value of an annuity of 500*l.*, the State would enable the fund to make up that annuity to the full amount of 1,000*l.* But it was part of the same engagement that, if an officer chose to remain longer than the specified term of years, and subscribed, consequently, to a larger amount, the Government was to be called upon for no more than the difference, whatever it might be, between his subscription and the full amount of 1,000*l.*

18. In the years 1835 and 1852 important concessions were made to the service in relation to their annuities, and in the year 1862 the whole question of the grant of further benefits in regard to annuities and absentee allowances was fully considered, in connexion with memorials from the Civil Servants of the three Presidencies, and changes were then made which greatly improved the terms on which the annuities were to be granted. Those concessions were, in fact, so important, that, in communicating them to your Government, in the Financial Despatch dated the 25th November 1862, Sir Charles Wood pointed out that they would inevitably derange the calculations on which the funds were founded, and that thenceforth it would only be necessary that an account should be kept of the deductions from the salary of each Civil Servant, and of the interest thereon, with a view to his receiving the amount which his subscriptions would provide in excess of 600*l.*, to which the fixed allowance was increased. The subscribers, however, objected to the abolition of the funds, and the changes were incorporated in the rules.

19. In view of these changes made by the Government in the direction of greatee liberality towards the Civil Service, since this system of annuities was begun, I look in the memorials you have sent for the argument on which farther claims are founded. The argument appears to be that the salaries of the Civil Service have been reduced since the Annuity Fund system was established, whilst the cost of living has been increased, so that on the whole that service is not now sufficiently well paid to enable the members of it to make adequate provision for their own retirement. I have now, therefore, to consider whether, taken as a whole, the allowances granted to Covenanted Civil Servants are an adequate remuneration for the duties discharged.

20. In order to obtain a clear view of the reductions which can be said to have affected the existing servants in India, a statement has been prepared, showing the effect of the changes made since the first revision of salaries in the time of Lord William Bentinck. It is as follows :—

	Number of Civil Servants in employ at the several Presidencies.	Aggregate allowance per annum.	Average per annum.
		Rs.	Rs.
1827	592	1,49,51,305	25,255
1837	684	1,39,83,800	20,444
1847	607	1,21,41,833	20,003
1870	651	1,22,67,676	18,844

21. It appears from this table that, between 1827 and 1837, the reduction of salaries amounted to about 25 per cent., but that, during the last 30 years, the reductions which have been made are somewhat less than 8 per cent. The bearing of these reductions on the interests and prospects of the existing Civil Servants must be estimated with reference to the fact that there is not now in the service one Covenanted Civil Servant who was appointed so long ago as the year 1827, and that in the three Presidencies there are only five* of an earlier standing than 1837.

* Bengal, 1 of 1830.
,, 1 of 1833.
,, 1 of 1834.
Madras, 1 of 18 5.
Bombay, 1 of 1833.

22. On the other hand, it must be remembered that the rules affecting furlough allowances formed a principal element of the arrangements made on the establishment of the Annuity Funds, and are obviously a most important part of the whole advantages afforded by theGoverrment and enjoyed by the service. These rules have, during the same period, been extensively modified in favour of the Civil Service.

23. For thirty years subsequently to the establishment of the Annuity Funds, the law precluded the retention of office by Civilians coming to this country on leave. In the year 1853, by Secton 32 of the Act 16 and 17 Vic., Cap. 95, the restriction as to the retention of office was removed, and in 1855 rules were passed under which Civil Servants were allowed to take sick leave to Europe with retention of appointment and half salary (limited to 1,000*l.* as a maximum), for a period not exceeding two years, as well as leave on private affairs for six months, also with retention of appointment and half salary, which might be repeated after six years' service. On a re-consideration of the subject in the year 1864, the total period during which a Civil Servant was allowed to be absent in Europe without forfeiting his appointment, was limited to 2½ years on medical certificate and six months on urgent private affairs. More recently, the Government of India considered it desirable that the absentee rules should be again revised, and they submitted a Code of Rules, which was, with some alterations sanctioned by the Secretary of State in Council on the 13th March 1868. Under these rules, the total period during which an officer on furlough to Europe can retain his office was extended to six years, with or without the production of a medical certificate. In consequence of these changes, the civil absentee allowances paid in England to Covenanted Servants, which, in the year 1827-28, amounted to 29,619*l.*, and in 1837-38 to 33,811*l.*, were, in 1869-70, no less than 123,033*l.*

24. If the allegation of the Bengal memorialists, that the expenses of living in British India are higher that in Great Britain, be admitted, it cannot be denied that the emoluments of the Covenanted Civil Servants of India exceed in a much greater degree those of any other branch of the public service in this country or in the colonies; and it is apparent that, during the employment of the memorialists, the pecuniary benefits conferred by the furlough and absentee rules have more than compensated for any reduction that has been made in salaries, while, as already shown, the rules applicable to the grant of retiring annuities have been modified greatly to their advantage.

25. Looking at all the facts which I have now reviewed, Her Majesty's Government can come to no other conclusion than that the Civil Servants of India are adequately paid for the duties they perform. It is true, indeed, that the service holds out a smaller number of the larger prizes than existed in the earlier days of the East India Company. It is true also that the price of living has risen considerably in recent years. But it still remains true that, on the whole, there is no other service in the Empire, or probably in the world, which is so liberally dealt with. Indeed, as regards one most important privilege, namely, the time during which Indian appointments can be retained by Civil Servants absent in England, concessions have been made respecting which serious doubts have arisen whether the privileges of leave have not been extended in a degree which is injurious to good government in India, and detrimental to the service as a body. But on this subject I shall address you in a separate despatch.

26. There is, however, one rule of the existing system which, without any departure from its general principle and intention, is fairly susceptible of modification in favour of the service. And this modification Her Majesty's Government are all the more disposed to make, because its benefits will accrue mainly to the less fortunate, rather than to the most fortunate, members of the service.

If, on the one hand, Civil Servants who have served a given time are allowed nore than 1,030*l.* a year, although their subscriptions may have exceeded the value of an annuity of 400*l.*, it would seem, on the other hand, to be a correlative arrangement that every Civil Servant who has served the same time should get no less than 1,000*l.* a year, although he may have subscribed for less than 400*l.* But, as the rule now stands, the latter is called upon to pay up the deficit as a fine. Her Majesty's Government are willing that this fine should be abandoned, and, therefore, I have now to convey to you their decision that every Civil Servant who has completed 25 years' service and 21 years' residence in India, whether his salary has been large or small, shall, in future, be allowed to retire on the full annuity of 1,000*l.*

27. In regard to invalid annuities, Her Majesty's Government cannot consent to any augmentation of the existing scale, but they will not object to the adoption of an annual increase of 20*l.*, instead of a quinquennial advance of 100*l.*, as at present.

28. As these changes, added to those which had already been made, will render the continuance of the machinery of the Annuity Funds entirely unnecessary, measures should be taken for their abolition. But it is, of course, to be understood that the four per cent. deduction from salaries is to be continued.

29. The changes authorized by this despatch may take effect from the 24th June 1870, the date of your Financial letter, No. 155.

From His Excellency the Right Honourable the Secretary of State for India, to His Excellency the Right Honourable the Governor-General of India in Council, dated India Office, London, 9th March 1871, No. 67 (Financial).

In my Financial Despatch, dated the 10th ultimo, No. 52, I had occasion to remark on the great increase in the amount of Civil absentee allowances paid in England to Covenanted Servants.

2. I now desire to direct your Excellency's attention to that increase, and to other considerations connected with the existing furlough rules.

3. Under the rules of 1864, the periods during which a Covenanted Civil Servant could be absent from India with allowance were as follow :—

Furlough for three years at one time after ten years' service, or for one year after seven years' service, and the remainder of the three years' term after a further period of seven years, or in two instalments at intervals of seven years. The allowance during furlough for all ranks, 500*l.* per annum.

Leave on medical certificate for three years, of which two-and-a-half years (but not more than twenty months at one time) might be taken with retention of appointment and half salary, subject to a maximum of 1,000*l.* per annum, no reduction being made on salaries not exceeding 500*l.* per annum. For the remaining six months an allowance of 500*l.* to Civil Servants above ten years' standing, and 250*l.* if below it.

Leave on urgent private affairs for six months, once during the period of service, with retention of appointment, and half salary without limitation.

4. A Civil Servant, therefore, under certain circumstances, could obtain during his period of service, six-and-a-half years' leave of absence with allowances, and, under any circumstances, could obtain three years' furlough with allowances. But he could not retain his appointments, could than three years, and that only under sick certificate, for thirty months with six months additional on private affairs.

5. The Government of India, in their Financial letter, dated the 21st December 1867, referred to the existence of a feeling of dissatisfaction with the furlough rules then in force which was described as pervading all classes of Government servants in India, but more especially the officers of the Army. A Committee was appointed to consider the question, and, in forwarding their report, the Government of India expressed the opinion that it was desirable that Covenanted Officers should be allowed to receive during furlough 50 per cent. of the pay of their substantive offices, restricted to a maximum of 1,200*l.* per annum (since altered to 1,000*l.*), and that the deputation

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allowances should be revised and increased. They also stated that they considered that the system of acting appointments, the natural result of the retention of office by absentees, would act beneficially for the public service.

6. After some correspondence on different points the rules now in force were promulgated in India on the 16th June 1868, and a Civil Servant can now obtain during his period of service,—

(1.)—Furlough for six years (limited to two years at one time) with retention of appointment, or a lien on one of equal value and half salary, subject to a maximum of 1,000*l.* per annum.

(2.)—Special leave on urgent private affairs for six months with retention of appointment, and the same allowance as when on furlough.

(3.)—Leave on private affairs for one month in each year on full pay was allowed both by the rules of 1864 and 1868.

7. The general effect of the rules of 1868 was, therefore, to extend the period during which a Civil Servant may retain the office held by him, while absent in Europe, from three years to six-and-a-half years during his whole period of service, and, moreover, to dispense with the condition of sickness for the retention of appointments. The result was to increase in more than a corresponding degree the number of acting appointments.

8. As already stated, the adoption of these rules has led to a great increase of charge in England for furlough and absentee allowances—

	£
In 1866-67 (11 months) the charge was	58,900
,, 1867-68 the charge was	76,468
,, 1868-69 ,, ,, ...	93,487
,, 1869-70 ,, ,, ...	123,033

and it was observed in your Financial letter, dated the 29th September 1869, No. 240, paragraph 23, that the acting allowances had proved more costly than was expected.

9. I also find, from the Quarterly Lists for the 1st October 1867 and 1st October 1870, that the state of the Bengal Civil Service was as follows :—

	1st October. 1867.	1st October. 1870.
Officers discharging the duties of their substantive appointments	283	206
Officers holding acting appointments	135	198
Officers absent on furlough	90	120
,, ,, privilege leave	31	37
	539	561

10. The effect of the new rules has, therefore, been to increase greatly the charge in England for furlough pay, to augment to a greater extent than was expected the charge in India for acting allowances, and to add to the number of acting appointments, until the acting officers nearly equal those employed on the duties of their substantive appointments.

11. I do not consider that such a state of things can be regarded as satisfactory, with reference either to the interests of the Government or of its servants. The Civil Servants of the Indian Government, up to a recent period, earned the great administrative reputation which they enjoy by lives devoted from an early age to the service of the Empire. As a rule, their whole interests was in their work, and they looked for the rewards of retirement at Home only at the end of a long career.

12. The rapid increase in the facilities of communication with England, and other changes which are part of the general progress of the world, have inevitably tended to diminish this characteristic of Indian Service, and there is a danger that the interest of our officers in their work may in consequence become less steady, continuous, and engrossing. It cannot be doubted that this tendency is injurious, or that it is calculated to lessen the confidence, respect, and affection of the Natives.

13. I am aware, however, that there is in some degree a counterbalancing advantage, as officers are now able, by more frequent visits to Europe, to keep themselves informed as to the administrative improvements in progress here.

14. Yet rules for furlough, which encourage absence from duty during periods which are unreasonably long or frequent, cannot but aggravate an evil which goes to the root of our rule in India, and, when this temptation is increased by allowing officers to hold their appointments during those long periods of absence in England, the system of furlough degenerates into a dangerous abuse. An absentee, holding a high and responsible office in India, is encouraged to think lightly of its duties. The subordinate officer who fills it temporarily in this absence, however able he may be, may have little inducement to begin reforms or improvements which he has no prospect of completing. The Civil Service, as a body, is injured by a system which retards promotion, and the whole administration of the country is affected by a general spirit of instability and restlessness which must be injurious to the interests of the people, and may become dangerous to the security of the Empire.

15. I am aware that acting appointments afford opportunities for ascertaining the qualification of officers for appointments, but for that purpose it cannot be necessary that the acting appointments should be so numerous as they now are. It also appears to me that, in regard to very frequent and protracted absences, such as are allowed by the existing rules, the officers acting for the absentees must either be inadequately remunerated, or the salaries of the incumbents must be larger than they ought to be.

16. Influenced by these considerations, I deem it necessary that the conditions under which Covenanted servants are allowed to come to Europe should be very carefully weighed, and the following appear to me to be indispensable provisions in any Code of Furlough Rules :—

That leave on private affairs, with retention of office, should not be so frequent or protracted as seriously to lessen the interest of an absentee in the duties of his office.

That, when required in consequence of loss of health, leave of absence should be obtainable for a longer period than on private affairs, and that in such cases it should be sufficiently long to admit of residence out of India for two hot seasons.

That the allowance should be sufficient to enable an absentee to avail himself of the benefit of residence in England.

17. These conditions were, to a great extent, fulfilled by the Rules of 1864, except in regard to furlough, when an absentee was not allowed to retain his office or to draw a larger allowance than 500*l.* per annum.

18. The Rules of 1868 did not alter the total leave with allowance during the period of service, but they permitted an Officer to be absent from his appointment for two years at a time on three separate occasions, and this protracted absence I consider objectionable, as increasing the number and prolonging the periods of acting appointments, which affects injuriously the interests of the younger branches of the Service.

19. It appears to me that absence from India, with retention of office and half salary (limitted to 1,000*l.* per annum as a maximum, and full salary of below 500*l.*), should only be allowed for the following periods :—

On medical certificate for three years during the whole time of service, of which not more than one year and eight months to be taken at once.

Furlough for one year at a time, the first after seven years' service.

Special leave on urgent private affairs for six months, with retention of office and half salary once during the whole period of service.

Second furlough, or second leave on medical certificate, not to be allowed until seven years shall have elapsed since the last return from furlough or leave on medical certificate.

Privilege leave to remain as at present.

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20. I request that you will take this subject into your consideration, and furnish me, as soon as possible, with your opinion on the views which I have now expressed, in order that I may communicate to you my final decision on the subject.

21. I would further suggest that you should, at the same time, state also the extent to which you would recommend modification in the Military Furlough Rules.

Despatch from the Government of India, Financial Department, to Her Majesty's Secretary of State for India, dated Simla, 23rd May 1871, No. 106.

Leave and Allowances.

We have the honour to acknowledge the receipt of your Grace's Despatch, No. 67, dated 9th March, in which you draw our attention to the great increase in the amount of Civil absentee allowances paid in England to Covenanted Servants, and to other considerations connected with the existing Furlough Rules.

2. Your Grace indicates certain principles which appear to you indispensable provisions in any Code of Furlough Rules, and you suggest, for our consideration, that absence from India with retention of office and half salary (limited to £1,000 per annum as a maximum), and full salary if below £500, should only be allowed for the following periods:—

"On medical certificate for three years during the whole time of service, of which not more than one year and eight months to be taken at once:

"Furlough for one year at a time, the first after seven years' service:

"Special leave on urgent private affairs for six months, with retention of office and half salary, once during the whole period of service:

"Second furlough, or second leave on medical certificate, not to be allowed until seven years shall have elapsed since the last return from furlough or leave on medical certificate:

"Privilege leave to remain as at present."

3. We are further invited to state the extent to which we recommend modifications in the Military Furlough Rules.

4. It is suggested, in short, that we should abandon the policy adopted in June 1868, with the full consent of Her Majesty's Government, and pass rules to govern the absence of our Civil and Military Officers, from duty in some respects more severe than any regulations that have been in force since the privilege of furlough with allowances was first granted.

5. We should be reluctant to offer any opinion in favour of these suggestions without, in the first place, consulting the local Governments as to whether the inconveniences to which so much importance is attached have been observed by them, and we trust that in any case your Grace will see fit to allow time for the full discussion of the question by the several authorities in this country. It would, however, be difficult, and probably inexpedient, to conduct such a discussion without giving to the officers whose interests are affected an opportunity of stating their own views and feelings in the matter. And, as we are convinced that any considerable restriction of the privileges conceded in 1868, in respect to leave of absence, is likely to cause dissatisfaction of a character injurious to the public service, we entertain a strong opinion that it is undesirable to moot the question at all, unless your Grace, after considering what we have now to urge upon the subject, should decide, nevertheless, that the discussion should proceed.

6. We desire at the outset, to bring to recollection that the rules of 1868 were adopted, after long and careful deliberation, partly with a view to satisfy what were admitted to be the "just expectations" of the officers of the Government—expectations which had been freely expressed and were supported by the principal organs of public opinion in India and England—and partly because in the words of Sir Stafford Northcote's Despatch, No. 106, dated 13th March 1868, both the Government of India and Her Majesty's Government "fully recognised that the time had arrived when, owing to the altered relations between India and England, a complete review of the existing furlough rules had become necessary." Sir Stafford Northcote was "clearly of opinion

that this revision should proceed in a large and liberal spirit to the removal of all petty restrictions and limitations, and with the view of giving as much reasonable indulgence to the services as was compatible with the public interest and good administration." Accordingly, he warmly supported the Government of India in undertaking the revision and, indeed, pressed us to bring it to a speedy conclusion.

7. The main principles on which the new rules were based were thus recapitulated by Sir Stafford Northcote in the 4th paragraph of the despatch already quoted—

1st.—" The extension of the privilege of retention of appointment to leave on private affairs, so as in a great degree to obliterate the distinction between furlough and leave on medical certificate.

2nd.—" The allotment of a fixed (and enlarged) period of absence from office with retention of appointment.

3rd.—" The grant of larger allowances during furlough.

4th.—" The abolition (generally) of the geographical limits within which furlough may be taken.

5th.—" The assimilation of the rules for each branch of the service so far as circumstances permit.

" To these general principles " the Secretary of State was " happy to give his full adherence."

8. The rules, which were thus passed under circumstances calculated to give to the services every confidence in their stability, have been in operation, with some slight modifications, for less than three years ; and their full effect has not even yet been completely attained. But it may be said already that they have given general satisfaction ; the agitation which had been carried on for some time before they were conceded has ceased ; and, as far as we can judge, no evil consequences have resulted to the administration.

9. Your Grace, however, has now taken various objections to them, and it is suggested that they be withdrawn, and amended regulations substituted. We fear that the regulations thus amended would be far more distasteful to our officers than those which caused the general feeling of dissatisfaction described in our Despatch, No. 276, dated 21st December 1867, and which had long been known to the Secretary of State.

10. The first of these objections is, that " the effect of the new rules has been to increase greatly the charge in England for furlough pay, and to augment to a greater extent than was expected the charge in India for acting allowances."

11. In paragraph 9 of our Despatch, No. 276, dated 21st December 1867, we stated that the new rules would " result in a considerable saving" in the cost of the Civil Service, and that, for the Military Service, we did " not anticipate any increase of expenditure by the adoption of the measure." It was subsequently found necessary, as reported in paragraph 17 of our Despatch, No. 138, dated 17th June 1868, to make some addition to civil acting allowances, in order to " remove any grounds of complaint which might have been reasonably urged as to the wide difference between the pay of substantive offices and that of officiating appointments " which would become more frequent under the new rules. It was to be gathered from our despatch that we expected these additional allowances to absorb the saving which we had anticipated in the Civil Department ; they were conceded in order to obviate what appeared to us a just cause of discontent to the Junior Civil Servants, and were formally approved in Sir Stafford Northcote's Financial Despatch, No. 450, dated 31st October 1868.

12. We have since reduced acting allowances from 30 to 20 per cent.; but inasmuch as we have retained the rule that an officer shall in no case receive less than two-thirds of the difference between the substantive pay of his own office and that of any office in which he may be appointed to act, the saving thus effected is trifling. Nevertheless, though as we think unreasonably, even this small change has caused not a little anxiety and discontent.

13. We have carefully watched the financial effect of the measures of 1868. It was, of course, well understood that they must lead to a considerable increase of charge in England, for their object was to enable the officers of both services to visit England more freely by giving them

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more adequate allowances during absence from duty ; but our expectation was that there would be a counterbalancing saving in the charge for salaries in India.

14. It is difficult to distinguish precisely, especially in the Civil Department, the financial effect of the new rules from that of other changes made since 1868 ; and this difficulty is aggravated by complications arising from certain passing consequences which have attended the introduction of the rules, but which, if the rules continue in operation, will presently cease. Among the papers attached to this despatch will be found a memorandum recently prepared in our Financial Department, in which the comparative cost of the new and of the old rules, so far as the Civil Service is concerned, is analysed in detail. We do not profess to place absolute confidence in all the particular conclusions worked out in this memorandum. To make such deductions thoroughly reliable, it would be necessary to enter into still more laborious investigations and to repeat them for several different periods. But we are satisfied generally, and we trust that your Grace will be satisfied in like manner, that the entire net additional cost of the new rules in the Civil Department is inconsiderable, and that the great increase of charge in England for furlough and absentee allowances in the Civil Department is, as we expected that it would be, nearly, if not quite, counterbalanced by a reduction of charge in India.

15. As to the Military Department we append separate memoranda, the conclusions of which as the facts are much simpler may be more readily accepted. Your Grace will perceive that in this department the rules have caused a large saving of expense. On the whole, we are clearly of opinion that, if we were to repeal the new rules in both departments and revert to the regulations which they superseded, *the measure would entail an actual financial sacrifice;* if the regulations were, as your Grace proposes to make them, still more unfavourable, this sacrifice *would be still greater*. We need hardly say that it would be in our opinion very difficult, if not impossible, to maintain the new rules in one department and abandon them in the other.

16. We entertain no doubt that our original conclusions were correct, and that the furlough rules *per se* would have caused in the Civil Department also a very considerable saving. We have foregone this saving, and even incurred some little extra expense, in order to improve deputation allowances. This measure was not an inseparable adjunct to the new rules, and had inquiry shown that the additional cost was large, we should have been prepared to re-consider it. As it is, we are of opinion that the financial benefit to be expected from any such revision would be far outweighed by the discontent that would be caused by re-opening the question.

17. Your Grace next objects to the existing leave rules because their effect has been " to add to the number of acting appointments until the acting officers nearly equal those employed on the duties of their substantive appointments."

18. You observe that " the rapid increase in the facilities of communication with England, and other changes which are part of the general progress of the world, have inevitably tended to diminish " that devotion to the service of India, which " up to a recent period " was a " characteristic " of our Civil Servants ; and that " it cannot be doubted that this tendency is injurious, or that it is calculated to lessen the confidence, respect, and affection of the Natives." And we gather that you think that the existing furlough rules by encouraging " absence from duty during periods which are unreasonably long and frequent, aggregate an evil which goes to the root of our rule in India, and by allowing officers to hold their appointments during long periods of absence in England, have so increased this temptation as to have degenerated into a dangerous abuse." " The Civil Service as a body, " you say, " is injured by a system which retards promotion, and the whole administration of the country is affected by a general spirit of instability and restlessness, which must be injurious to the interests of the people, and may become dangerous to the security of the Empire."

19. These are indeed weighty objections to the present furlough rules, and, if they are well founded, we certainly agree with your Grace that not even the fear of causing general dissatisfaction to our officers should prevent us from re-considering our policy.

20. It is due to the very high authority which has pronounced this apparent condemnation of the existing system of our administration, that careful inquiry should precede any full or foraml

answer thereto; and we could not take upon ourselves to offer any such complete or final answer without taking counsel with the Governments of Presidencies and Provinces.

21. For the present, we can only say that we are aware of no grounds whatever for apprehending that the Civil Officers of our Government now evince any less devotion to their duty than that which has, as your Grace justly remarks, always characterised the service to which they belong. It is no doubt true that, on the first introduction of our rule into the several provinces of India, the immediate improvement of the country could be more readily marked, and there were more frequent opportunities of earning "great administrative reputations." It is also true that as a result of the spread of intelligence, and the introduction of European ideas, the Natives of India are growing less willing to accept the measures of the Government and its officers without question, and more inclined to demand such political changes and improvements as they desire. The duties of our officers of all ranks in the present day are daily becoming more onerous and difficult; but we are happy to believe that they are fulfilled as devotedly and successfully and with as much sympathy for the people of India as were the perhaps more brilliant duties of our earlier officers.

22. As to the general principle involved in your Grace's remaks, we cannot but remember that the existing rules were deliberately introduced, not three years ago, chiefly with the object of giving the increased opportunities for visiting England which, in the opinion of our Government and of Her Majesty's Government, were just and expedient. Our own views were thus stated in our Despatch, No. 276, dated 31st December 1867:—

"We now proceed to advert to the effect which these rules are calculated to produce on the officers of Government. One principal result, we have no doubt, will be to make both services popular to render them attractive to the particular classes from which it is desirable to recruit them. This, in itself, we regard as a very great desideratum, inasmuch as the future of India depends mainly upon the character of the men who may be admitted into the services, and who, in choosing India for a career, will be prepared to devote the best part of their lives to the country. Few circumstances, we are of opinion, act with more repelling force to those classes from which both services are drawn than the idea that an Indian career is tantamount to an unbroken exile from Europe. The removal of this bar cannot fail to be beneficial alike to the services and to India.

"The result will not be less beneficial to the character and efficiency of the officers of whom the Civil and Military Services are now composed. Nothing can be more prejudicial to a service than the yearning after a privilege, which it is not open to enjoy except by paths which a conscientious man will not tread. We think it has been clearly demonstrated that officers of the Staff Corps are, by existing rules, to a great extent, debarred from furlough on private affairs. We are sure that this was never intended, and felt that, in justice, it ought not to exist. We are confident, moreover, that the removal of the prohibition will tend to make good officers better, to render all contented. The result will be that the officer, especially the good officer, contrasting his want of means and position in England with his emoluments and opportunities of distinction in India, will return to his work with renewed energy, and with far greater contentment than he ever experienced before."

23. The response of Her Majesty's Government has been already quoted; and we have now to say that nothing in the operation of the rules has modified our conviction that the policy of affording to our officers the means of making, under reasonable restrictions, more frequent visits to England was just and advantageous both to them and to the Government.

24. We will not advert in detail to each of the objections taken by your Grace to the effect of the new rules upon the general administration; and first to the increased proportion of civil acting appointments which your Grace shows to have risen from ·225 to ·28 per cent. of the service, or by about one-fourth. We are well aware that frequent personal changes among our officers are most undesirable; we believe that every one engaged in the administration of the Government of this country, is alive to the evil of such changes and anxious to avoid them as much as possible; but we are not convinced that the new furlough rules have in any way increased this inconvenience.

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25. We must remind your Grace of the very important alteration of practice introduced with these rules. Whereas under previous rules an officer returning from leave of absence on medical certificate was entitled to revert to the particular appointment which he had vacated, he has now a lien only "on his substantive appointment, *or on an appointment of a similar character*, and not less salary." An officer returning from furlough takes the place not of the particular officer who was originally appointed to act for him, but either of some other officer who obtains leave of absence, or of one of the junior acting officers. Inasmuch as, when once the new rules are in full operation, it may certainly be expected that there will be but little variation from time to time in the number of officers absent, the great majority of acting officers can ordinarily never be disturbed, but will have as complete and permanent an interest in their offices as if they held them substantively. The practical effect of this rule will be, we believe, entirely to change the character of acting appointments which will become for the most part as permanent as if they were substantive appointments.

26. In our despatch of December 1867, we plainly foresaw and stated that the result of the further retention of appointments conceded by the new rules would be that "acting appointments, especially in the Civil Service, would be largely increased." But, we added: "On the other hand, the system of acting appointments need not render the tenure of office in effect less permanent than it now is. This has been pointed out by the Committee in the 5th paragraph of their proceedings.

27. We would now recall the attention of your Grace to that paragraph* to the policy of which complete effect has been given by the Government. We consider that this policy has been generally successful, and that, as regards officers engaged in the *general* administration of the country, there is not less, but more, permanency of tenure of office than there was under the old rules.

28. In one respect, indeed, the practice of local Governments is believed to have been more liberal than is necessary and, perhaps, desirable. The principle of the rules is that an officer shall, on his return from leave of absence, be replaced in as good a *substantive* position as that which he held when he was last on duty. The practice has been to replace an officer returning from furlough not only in as good a *substantive*, but in as good an *officiating*, position, and, if necessary, to remove another officiating officer for the purpose. We are inclined to think that the new rules do not require this, and that there would be no hardship caused if an officer were not replaced in an *acting* appointment equal to that which he held when last on duty (supposing it to be possible to employ him in a substantive office such as he is entitled to claim) until an acting vacancy shall occur. We will consult the local Governments on this point. If they accept the view to which we now incline, a still more complete permanency in the ordinary tenure of office will result.

29. The remarks which we have made upon the effect of the new rules on the tenure of office, apply absolutely to the general rank and file of the Civil Service. They are not, we admit, applicable to special appointments, by which we mean exceptional and individual appointments not belonging to a class and not interchangeable with others. Uncertainty of tenure and frequent

* "In advancing, as above, the reasons for allowing retention of appointment during absence on furlough, the Committee do not overlook the fact that the proposed system will give rise to the multiplication of acting appointments in India; but it seems to them that some of the main objections now existing in respect of acting appointments will be very much modified under the proposed arrangements. The acting incumbent will be considerably better paid than formerly, for, as will presently be seen, the Committee recommend the appropriation to that object of the large saving which it is shown will result from the new arrangements: and this will go far towards removing one ground of complaint against acting appointments. It is also clear that, with a greater prospect of prolonged tenure of office, the acting incumbent will not, in the same degree as formerly, feel himself to be a merely temporary occupant of the position which he fills. And, further although there will, of course, be a large proportion of acting appointments there need not perhaps be more or even so many changes of office as under the present system; for the Committee would wish it to be distinctly understood that they do not contemplate the retention during furlough, in the case of Deputy Commissioners, Magistrates, Collectors, Judges, Commissioners, &c., of any claim to particular Districts or Divisions, as is now generally the case. Under present rules, for instance, A, Commissioner of the Rohilcund Division, takes sick leave, and B acts for him; by the time A returns, C, Commissioner of the Allahabad Division, is going home on similar leave; B is ousted from his acting appointment in Rohilcund and has to go to Allahabad to act for C. But, under the proposed arrangement, B would be allowed to continue in Rohilcund, A being posted to the Allahabad Division on its vacation by C, one change of office only instead of two being thereby caused. If this principle be observed, the unsettled character of an acting appointment, to which objection is taken with so much force, would be greatly modified."

personal changes in such offices are particularly objectionable ; and, if the new rules have increased such changes, their effect must certainly be held to have been in this respect unsatisfactory.

30. The temporary tenure of such appointments has no doubt increased in the ratio in which furlough has been taken by officers holding such appointments more frequently than medical leave under the old rules. But such officers, especially holding important appointments, *e. g.*, Chief Commissioners and Secretaries, for manifest reasons, seldom take furlough unless compelled to do so by sickness ; so that the temporary tenure of such appointments has not, it is believed, much increased. In any case, their number is insignificant compared with the number of other appointments.

31. We have further to remark on this branch of the subject that there are very strong reasons for thinking that the number of officers now absent on furlough from both services is still considerably in excess of what will be the normal proportion if the rules are allowed to continue in force. On the first introduction of the rules, a large number of officers who had long been expecting them and who became suddenly entitled to long periods of leave, hastened to take advantage of them. The incidental and abnormal excess in the number of absentees thus caused has not yet ceased, and so long as it continues, many of the effects of the rules to which your Grace objects must be aggravated, and a fair judgment upon their general working cannot readily be formed. When this disturbing cause shall cease to operate, if every officer takes all the furlough to which he is entitled during his service (which can never happen), one-fifth or twenty per cent. only on an average would be absent on furlough at one time. This was intended to be the limit of the proportion of absentees ; and this limit is now actually being gradually enforced.

32. We address ourselves now to the objection that the periods of absence allowed by the rules are unreasonably long. Upon this point, we wrote in 1867—"We consider that the limit now allowed for furlough on private affairs (two years) could not justly be lessened. After many years of toil in India, an officer actually requires to recruit his health and energies, and this can hardly be effected within a shorter term than two years." Your Grace now proposes to allow only one year at one time on private affairs, and only twenty months on medical certificate, and not to allow absence even for the cause of certified sickness save at intervals of seven years. We can only repeat our conviction that what was allowed in 1868 was no more than is absolutely necessary. It is, therefore, our duty to say that we hope that the suggested alterations will not be pressed.

33. As to the expediency of reviving the distinction between furlough on medical certificate and furlough on private affairs, which distinction it was a main purpose of the rules of 1868, as far as possible, to abolish, we would place before your Grace the following opinion of the late Sir H. Durand recorded in 1867, as, *mutatis mutandis*, still expressing our own views :—

"The inevitable consequence of the system of leave rules is, that the hard-working men of the service, however sensible that they ought to recruit by a timely furlough passed in Europe, have either to wait to qualify for a medical certificate by a thorough break-down, or are driven to take, under very unfavourable circumstances, which few men can afford to meet, six months' furlough instead of twenty-four months. The tendency of such a system is, of course, to foster the growth of sick certificates."

34. We adhere to the conviction that it is to the advantage and not to the disadvantage of the administration that officers should be encouraged to resort to England for refreshment of body and mind, even though they be not actually broken down by sickness. There are ample securities, in our opinion, against any abuse of the privilege ; for costly sacrifices are always involved in its enjoyment. To reduce the maximum period of leave on private affairs to twelve months would be to give such a preponderance to these sacrifices as to be equivalent in many cases to the withdrawal of the privilege altogether. An officer with a family would have to pay for the expenses of the journey alone to England and back, a large portion of the entire furlough allowances to which he would be entitled, and, of the junior officers at least, few could bear the burden.

35. We must further deprecate the limitation of leave of absence on sick certificate to twenty months. We entirely agree with your Grace that it is essential that in such cases the furlough "should be sufficiently long to admit of residence out of India for two hot seasons ; but this would

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not be secured by a maximum of twenty months, which would suffice only if the officer should fall sick very shortly before the commencement of a hot season ; it is probably much more common for sickness to supervene at or about the close of a hot season. We are clearly of opinion that no maximum short of two years will suffice for leave of absence on medical certificate. And as to refusing an officer such leave until seven years have passed since he last returned from leave of absence, we venture to assure your Grace that a rule involving such extreme hardship could not be maintained. The Government could not take the responsibility of allowing an officer, perhaps, to die, who should fall sick before he was entitled to leave of absence by rule ; while, on the other hand, it would be most injurious to the administration to compel a man unfit for duty to continue at his post under penalty of absolute ruin.

36. Lastly, we refer to your Grace's opinion that "in regard to very frequent and protracted absences such as are allowed by the new rules, the officers acting for the absentees must either be inadequately remunerated, or the salaries of the incumbents must be larger than they ought to be ;" and to your belief that "the Civil Service as a body is injured by a system which retards promotion," and which "affects injuriously the interests of the younger branches of the service." We would here observe that, while the effect of the new rules has been certainly somewhat to retard *substantive* promotion, they have at the same time much accelerated *acting* promotion, while acting allowances have been largely improved with the object of compensating for the delay of substantive promotion. Even if allowances on the whole had been somewhat reduced, it would have been made up to the service by the increased privileges granted in regard to leave of absence. This subject has, however, attracted our particular attention, and we are able to furnish a memorandum comparing the emoluments of officers of our Civil Service under the old rules and under the new rules. This memorandum, which we believe states the case somewhat unfairly to the new rules, will, we hope, satisfy your Grace, as it satisfies us, that the interests of our junior officers have not suffered by their operation.

37. There have been, and are, other causes at work which have retarded promotion in the Civil Service ; but they have no connexion with the leave rules. The knowledge that proposals to amend the pension rules were under the consideration of the Government has practically stopped retirements for more than two years, and (which is much more serious) an excessive number of recruits was supplied to some provinces a few years back. These are the causes which, we believe, have given rise to the complaints of slow promotion in the Civil Service which are made not, we are sorry to say, without foundation, in some parts of India, and which may have reached your Grace. The new leave rules have, in our opinion, mitigated, rather than aggravated, the evil.

38. However that may be, your Grace will perhaps allow that the junior officers of the Civil Service are themselves the best judges of their own interests in this matter. We take upon ourselves to assure you that very few indeed of these officers would, if they had the option, elect to revert to the old leave rules, and that fewer still would chose the rules proposed by your Grace in preference to those which they now enjoy. To many of these officers it would appear a special injustice if they were now deprived of privileges, in the anticipation of which in due time they have been cheerfully performing for long periods the work of senior absentees on less than the full salary.

39. There is one point connected with this part of the new rules regarding which we are not quite satisfied, *viz.*, the privilege allowed to officers to take furlough in immediate anticipation of retirement. It may perhaps be that, as a consequence of this privilege, officers remain in the service longer than they would otherwise do, and that, in this way, promotion is retarded. The Committee by whom the rules were drafted were, we have reason to know, anxious to avoid this effect of the rules, but failed to devise an unobjectionable expedient against it. We should, therefore, probably find it very difficult to prevent this particular inconvenience ; and, inasmuch as it causes a saving to the State, while the rules for civil furloughs as a whole, probably involve some little financial sacrifice, we deem it unadvisable to attempt to remedy it. The reduction of the maximum furlough allowance to £1,000, and the settlement of the pension question, will tend to make such cases less frequent.

40. We have now set before your Grace the strong objections which, as at present advised, we entertain to the change of policy in regard to the Civil and Military Furlough Rules which you have invited us to consider. We have given reasons for thinking—

that the cost to the State of the new rules in the Civil Department is inconsiderable, while in the Military Department there is a large saving which must be forfeited, if the policy suggested be adopted ;

that the tenure of civil officers is certainly not less, and probably more, permanent under the new rules than under the old rules ;

that promotion is practically not retarded by the new rules ; and

that it was with the deliberate intention of giving increased facilities for absence from India that the rules were adopted by the Government of India and the Secretary of State.

41. We desire, in conclusion, very earnestly to represent to your Grace our present conviction that it is on every ground inexpedient to reverse now the policy of 1868, or to modify it considerably. Such a measure must cause dissatisfaction and agitation throughout the Civil and Military Services of the State. We would not shrink from encountering such dissatisfaction for a just and sufficient cause; but, in the present instance, it seems to us that we should be abandoning a policy deliberately adopted but a short time ago, of the wisdom and prudence of which we entertain no doubt. We should not be able to set forth any facts or consequences which were not fully foreseen when this policy was adopted. We could only announce that the Government which had deliberately and publicly made in 1868 concessions highly valued by its officers, and at that time thought just and proper, had now re-considered the matter and resolved to withdraw them.

42. We believe that our officers have strong reasons for considering that the good faith of the Government is pledged to the maintenance of these concessions, until they can be shown to be incompatible with the public interests, and we think that until then it would be injurious to the character of the Government to withdraw them.

43. We deeply regret that our views on this question do not agree with those expressed by your Grace in your despatch; but we desire to repeat that, in our opinion, no change should be made in the rules without fully consulting the local Governments and the Military Department, and without hearing the representations of our officers who are so much interested in the question. Should your Grace desire that such consultation be initiated, we shall be prepared to address the local Governments and to submit to your Grace their opinions and those of the members of the services whom they may think it right to consult.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

(Enclosure to Despatch, No. 106, dated the 23rd May 1871.)

MEMORANDUM.

(REFERRED TO IN PARAGRAPH 14.)

On the financial effect of the New Leave Rules.

Suppose we have a hundred appointments which are to be filled by members of a service, and suppose that in that service there is no such thing as leave, but every one has always to be present in his own appointment, then it is clear that the aggregate allowances received by members of the service, that is, the cost to Government of having the work performed, will be equal to the sum of the substantive salaries of the hundred appointments.

2. But now suppose leave and acting allowance rules are introduced into the service, and the result is that ten men can always be on leave at one time, it is manifest that the service required to fill the 100 offices must be composed of 110 men. The allowances drawn by the 110 men, namely (salaries, composed partly of pay and partly of deputation allowance, to the 100 men who are doing the work, and leave allowances to the ten on leave), is now the cost of the service, the work performed being exactly the same and of exactly the same value as before.

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3. It follows, therefore, that the cost of the leave rules (including in that term rules regarding acting allowances) is seen by comparing the amount drawn, in the form of salary and leave allowances, by the members of the service, with the value of, or, in other words, the substantive pay attached to, the appointments whose work is actually being done by the service.

4. This last amount is different from the pay attached to the appointments held (*i. e.*, held on paper) by the members of the service. If you allow men to go on leave with retention of appointment, you must have more appointments in the service than the number whose work you require to be done ; for the hundred men who are at work will have on paper one hundred appointments, and some of the men on leave will also have appointments. If Rs. 1,000 is the average value of the appointments whose work is required to be done, Rs. 1,00,000 will be value of the work actually done by the service, but when you increase the number of men in the service, by adding ten Assistants on Rs 500 to fill up vacancies, then the value of the appointments held on paper will be Rs. 1,05,000. The amount and nature of this increase depends entirely on the nature of the leave rules ; but it is plain that when one is estimating the effect of leave rules, the figure to be taken as the standard is the first one, the Rs. 1,00,000, and this figure remains the same, and has the same meaning, whatever the leave rules are.

5. The method, therefore, in which to investigate the effect of the leave rules, so far as regards the cost of performing the work, is to compare the aggregate substantive salaries of the appointments filled* with the aggregate of the salaries, acting allowances, and leave allowances drawn by the members of the service which has to be maintained for the purpose of filling them.

(* It should be understood that by *filling* an appointment is meant doing the work of it; by *holding* it is meant holding it substantively on paper, whether filling it or not.)

6. In order effectively to make this comparison, it is not necessary to take account of every single appointment whose work is being done by the Civil Service. Our estimate can be made with regard to any particular set of appointments for which any branch of the Civil Service is separated off, and the estimate will be good so far as regards that particular set. For example, if we take up the Civil List of Lower Bengal, we find that besides the appointments of the Regulation Provinces, and a few appointments under India, there are a few men who fill appointments in Non-Regulation Provinces, or in the Education Department. Men set apart for service in such appointments have (for the time being at any rate) as little to do with, and as little effect upon, the Bengal Provincial Service as the Civilians in the North-Western Provinces have. We may, therefore, in making our estimate with regard to the Bengal Provincial Service, including the few Indian appointments alluded to, separate out these men altogether, and concern ourselves only with that part of the Civil List which would remain to us if they were thus removed from it. We, of course, take care to exclude no one who has taken leave from any of the provincial appointments, and fortunately, for the simplicity of our calculations, there are not any instances where an officer holds substantively an appointment in one of these lists (the excluded or the included) and officiates in an appointment in the other. The lists are, in fact, as much separate from each other as if they were, *ab initio*, different services.

7. If we take up a Civil List of any particular date, it will of course differ in its details from that of any other date, but in its general features it will be the same, unless there is any special reason for change. If the leave rules continue the same, so that about the same number of people are always on leave, and if the appointments are the same in number and value, and distributed according to the same general principles, the Civil List will not, from time to time, differ in its general features. The lists of the Lower Provinces for July 1865, July 1866, July 1867, for example, might equally be used as a basis for any calculations affecting the Civil Service where the calculations are spread over sufficient ground to prevent there being influenced by any of the smaller details in which we might expect the lists to differ. If we wanted, for example, to find out the proportion of men on leave, or their average allowances, or the average salary of the whole service, or that of men of any particular seniority, any of these lists would serve our purpose equally well, for the doctrine of averages tells us that, unless there was any

particular cause at work, the result we would obtain from each of these lists would be about the same.

8. The object at present in view is, as above explained, to make a comparison between the aggregate pay of the appointments in the service (or in a definite and well-defined section of it) and the cost actually incurred, by way of leave allowances, substantive allowances, or acting allowances, for having the work of these appointments done. For calculating such a matter as this, it is easily seen that one Civil List would serve our purpose as well as any other, for the calculation has a basis quite wide enough to exclude the influence of those details of distribution of absentees and of holders of appointments in respect of which differences are to be found between different Civil Lists.

9. We have to make one calculation for the old rules, and we have to make one for the new.

10. For the old rules the list taken is that of 1st July 1867, which there is no reason to suppose shows in its general features anything but the normal effect of the old rules. For the new rules the case is different, as the period of transition has not yet passed away, and all the Civil Lists that have been drawn up since the introduction of the new rules are affected by these transitional circumstances.

11. The effect of the new rules was (1) to send more men on leave, so that each member filled an appointment somewhat higher than he would under the old; (2) to reduce the substantive grade of all who are junior in the list to the standing at which furloughs used to be taken. The first of these two effects has already taken place, and nothing of it remains yet to be completed. In fact, this particular effect has, as we shall subsequently see, overwrought itself, but it is unnecessary at present to consider that. In the case of the second effect an abnormal arrangement has been made. The degradation caused by the rule has not been allowed to take place, a temporary arrangement having been made, by giving a special acting allowance of 75 per cent. Any Civil List made up during this transition period will, therefore, show a result differing to a certain extent from that which will be the regular form of the service when the transition period is over. We will find in our present Civil Lists a certain number of men having no appointments and drawing a privileged acting allowance, and we will find every officer beneath them higher in his substantive rank than he would be if the new rules were in full operation.

12. This point of difference between the present Civil Lists and the normal or typical Civil List of the new rules, we can easily correct out. If we suppose appointments due to their seniority, given to the men who have none, and if we suppose the juniors reduced in substantive rank accordingly, we will, it is plain, have reduced the Civil List to that form in which it will remain when the transition period is passed over and the new rules are in their full operation. The change in question does not produce any alteration in the appointments *filled* by each officer; it alters only the substantive rank of each, but leaves him officiating in the same appointment as before.

13. The lists taken as the basis of the calculations of the effect of the new rules are those of 1st July 1870; and we have made in them the re-distribution of substantive rank which, as explained above, is necessary in order to cause the list of July 1870 to appear in the same form in which it would appear apart from this transitional and temporary effect. After this re-distribution, our list can be taken as showing the normal effect of the new rules upon the arrangement of the Civil List.

14. The details of the re-distribution are as follow:—

Detail of re-distribution in Bengal—

50, 67, and 75 will enter as Magistrate and Collector, 1st grade; and 88, 89, and 90 will in consequence be reduced by this to be Magistrate and Collector, 2nd grade.

101, 103, get substantive appointments as Magistrate and Collector, 2nd grade, and in consequence of this, and of 88, 89, 90, entering the list of 2nd grade Magistrates also, the five junior 2nd grade Magistrates are reduced to be 1st grade Joints; they are 107, 109, 112, 114, and 120.

106, 108, and 127 getting substantive appointments will become Joint Magistrates, 1st grade, and by the entering of these three and of the five named above, the eight junior Joints, 1st grade, are reduced to 2nd grade; they are 138, 140, 141, 142, 143, 144, 147, 149.

Similarly, the junior eight Joints, 2nd grade, are reduced to be Assistants; they are 159, 176, 124, 115, 152, 125, 171, 166.

15. Detail of re-distribution in the North-West—

59 and 61 enter as Magistrates, and the two Junior Magistrates, 65 and 66, are reduced to be Joint Magistrates, 1st grade.

We have left 67 upon subsistence allowance, because in the 1867 list, there was one man, No. 65, whom the old rules had placed on subsistence allowance, and, it is therefore right to assume that one man even now, apart from the 75 per cent. rule, would have been on subsistence allowance. 67's acting allowance, however, is reduced, as on this hypothesis he would have got 50, and not 75, per cent.

68, 70, 71, 72, 73, 78, 81, 83, 93, obtain Joint Magistracies. And with these nine, and with the two above (65 and 66) entering, eleven men are reduced from Joint Magistracies, 1st grade, to Joint Magistracies, 2nd grade. They are 98, 99, 105, 106, 107, 108, 110, 112, 115, 116, 121.

One other man, namely No. 102, also gets a substantive appointment, but he can get only a Joint Magistrate, 2nd grade.

We have, therefore, brought 12 men down into 2nd grade Joint Magistracies, but as there are only nine Joint Magistracies altogether, the junior three, 115, 116, 121, must be still further reduced into Assistants; and of course *all* the present 2nd grade Joints will be reduced into Assistants. They are 118, 119, 120, 131, 132, 133, 135, 137, 143.

16. In saying that, by this re-distribution, the loss of substantive rank to the juniors was shown in its completed state, one small part of the case was omitted. It is complete only so far as regards the reduction caused by giving appointments to those men who have not got them, and who have actually already come out to India. To make the reduction complete, we must also give appointments to those men who are still at home on leave, under such circumstances, that had they gone home under the new rules, they would have retained appointments. If we do not do so, it is plain that we have not yet reduced the service to its final state, for these men when they come out will cause each a further reduction of a step.

17. In Bengal, there are no such men; there are only two men at home on leave without appointments, and both having overstayed their leave, would, in any case under the operation of the new rules, have lost their appointments.

18. In the North-West, there are three men at home without appointments; one, No. 69, has overstayed his leave, and we do not, therefore, take him into account, because we assume that in future as many will have overstayed their leave as now have; but to the remaining two, Nos. 67 and 85, it is necessary to give substantive appointments a step which involves the degradation of some of their juniors,—so far, that is, as substantive rank is concerned, for, of course, officiating position remains unaffected. The detailed changes are as follow.

19. They can get only Joint Magistracies, 1st grade, as all the Magistrates are senior to them. The two junior Joints, 1st grade, Nos. 93 and 95, will be reduced to 2nd grade, and the two juniors, 2nd grade, Nos. 110 and 112, are reduced in substantive rank to Assistants.

20. These changes in substantive rank being made, we have made also the changes in respect of salary which are caused by them; and no change being involved so far as regards the appointments filled by any individual, we may now regard the list of July 1870 as showing the detailed distribution of furloughs, appointments, leave allowances, and salaries brought about by the new rules in the services of Bengal and of the North-West.

21. We shall first of all take up and discuss the figures of the Bengal service. From the Civil Lists of July 1867 and July 1870 we take the whole of the men who have to do with the

following list of appointments, whether they are on leave or on duty. The appointments enumerated are the whole of the ordinary appointments of the service, and the officers enumerated include almost the whole service, those only being excluded who are separated off from it, as explained above, for appointments which we may regard as foreign to the service.

22. Appointments in Bengal—

		July 1, 1867.		July 1, 1870.
Lieutenant-Governor	1	8,333	1	8,333
Secretaries	1	3,000	2	6,666
	1	1,500	1	1,500
	1	1,000	1	1,000
Board of Revenue	2	8,333	2	8,000
Secretaries	1	2,500	1	2,500
	1	2,333	1	2,333
Commissioners, at Rs. 2,917	8	23,333	8	23,333
Judges, High Court, at Rs. 4,167	8	33,333	7	29,167
Judges, at Rs. 2,500	26	65,000	26	65,000
Additional Judges	1	2,500	1	2,500
Judges, at Rs. 2,167	3	6,500	3	6,500
Magistrate and Collector, at Rs. 1,917	23	44,083	23	44,083
,, 1,500	13	19,500	13	19,500
Joint Magistrate, at Rs 900	22	19,800	22	19,800
Joint Magistrate, at Rs. 700	...	...	11	7,700
Collector, Customs	1	2,750	1	3,000
Deputy Collector	1	1,500	1	1,500
Chairman, C. J. P.	1	2,500	1	3,000
Legal Remembrancer	1	2,500	1	2,500
Registrar, High Court	1	1,700	1	1,700
Registrar-General	1	1,200	1	1,500
Registrar	...	...	1	900
Superintendent, Stamps	1	1,500	1	1,500
Judge, Small Cause Court	1	1,000	1	1,000
Survey Superintendent	1	1,250	1	1,500
	1	1,000	1	900
	1	1,000		
Gazetteer	...	...	1	1,200
Secretary, Government, India	1	4,167	1	4,167
Under Secretary	...	...	1	1,500
Accountant-General	1	2,500	1	3,000
Opium Agents	1	2,700	1	3,000
	1	2,600	1	2,500
Governor-General's Agent	1	2,000	1	2,000
Total	128	2,72,915	141	2,84,282

Special (*i.e.*, appointments in which men are *acting* but which are held by no one substantively) :—

		July 1, 1867.		July 1, 1870.
Joint Magistrates on Rs. 900	4	3,600	4	3,600
,, 700	3	2,100		
Mr. Crawford	1	2,750		
Famine Commissioner	1	2,408		
,, ,,	1	1,200		
Railway-Land Commissioner	1	1,800		
Land Commissioner	1	1,200		
Member of Council	...	...	1	3,116
Wahabees	...	...	1	1,500
	...	...	1	800
Total	140	2,87,973	148	2,93,298

23. The list of officers, salaries, &c., of the service maintained to fill this list of appointments is given in Table A for 1867 and B for 1870.

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24. The first column contains the number on the list of each officer, the second, the salary he draws, being the amount given in the Civil List (amended, in some cases so far as the 1870 tables are concerned, according to the remarks given above in paragraph 30). The third column is the substantive pay of the appointment he is filling, or, in other words, the Government value of the work he is doing. The fourth column shows the leave allowances of those who are on leave.

The second column in Table B shows two figures, the first showing the operation of the 30 per cent. rule, the second the state in which the figures are apart from that rule. The 30 per cent. rule is now abolished, but it costs little trouble, and it may be useful to show the figures as influenced by it.

25. It will be perceived that certain names are entered along with the consecutive numbers of the officers in the Bengal List for 1867. The reason of this is as follows : the Bengal Civil Lists as made up in 1867 did not contain the names of persons holding appointments under the Government of India, (High Court Judgeships, and Secretaries and Accountant-General). By 1870, they had changed the plan of making up the Civil List, and they entered the names of the members of the service whether holding appointments under Bengal or under India. In order that the comparison between the figures of 1867 and 1870 may be accurate, we have added to the 1867 List the names of the nine gentlemen who were omitted from it on account of this difference in the way of making up the list. All these nine gentlemen, except one of them who had meantime retired, of course appear in the 1870 List ; all, too, in the same appointments as it happens.

26. We have for the present left entirely out of consideration those Assistants whom we may regard as superfluous. In the lists are included all Assistants who are required to officiate in and fill up the appointments vacated by men on leave, but all below that line are, of course, of no use, so far as regards the mere performance of the service of the appointments enumerated above. The case of the Assistants so left out will subsequently be considered.

27. The Assistants who are above that line do not, of course, all fill appointments, because some of them are on leave. But still if you require a service of Assistants to fill up thirty vacated appointments, and if you cannot get them without the condition that six of them must be on leave at one time, your reserve service in question must be composed of thirty-six Assistants, thirty of whom fill the appointments and six of whom are on leave. We have, therefore, included in the lists of the service required to fill these appointments those Assistants who are above the line down to which the officiating appointments reach, but who being on leave do not actually fill any of the appointments.

28. We find, therefore, from the 1867 table that, in order to fill the 140 appointments whose aggregate value is Rupees 2,87,973, you required, under old rules, a service of 184 men, of whom—

	RS.
45 were on leave, drawing	35,175
139 on duty, drawing	2,67,455

29. The 139 on duty are, of course, too few by one for the 140 appointments, the reason being that one of the appointments (No. 138's) was not filled up when the holder went on leave. This same circumstance accounts also for the difference between the total of column 3 of the table (the total of appointments actually filled), and the total shown in the abstract above, paragraph 32, of the appointments in the service—

	RS.	
Total of Column 3	2,53,734	
Plus eighteen Magistracies, of which 15 are on Rupees 1,916	28,740	
And 3 on Rupees 1,500	4,500	
	2,86,974	
Total of Abstract...	2,87,973	
Difference	1,000	Being 138's appointment, which was left unfilled.

30. The result of the old rules, therefore, was that, in order to have work done worth Rupees 2,87,973 (A), you had to disburse Rupees 2,67,455 (B) in salaries, and Rupees 35,175 (C) in leave allowances.

31. In stating this distribution as the result of the old rules, certain reservations must be made ; because whatever Civil List we take up, we will always find cases in which the acting allowance rules are not given free scope, or in which their operation is interfered with. Wherever that is the case, it is plain that the relation of the two figures given above, *viz.*, value of work done and cost of having it done, departs from the relations that would subsist if the rules were not modified by casual circumstances. Our object is to compare the operation of the old rules and new rules, and we must, therefore, eliminate any variations caused by these casual circumstances. If, indeed, we were sure that the modifications caused were the same in nature and in amount at the two periods from which we take our figures, then the bare totals, unchanged, would be sufficient for the purposes of our comparison. But as such is not the case, it will be best to eliminate the modificatory circumstances which we find in the two periods we have taken as our types ; as when that is done, we can present the totals as showing in their relations to each other the effect of the old and the new rules, respectively.

32. We must, therefore, examine the figures we have selected in order to see whether anything besides the normal effect of the leave rules enters into them.

33. We find first that the figures of 1st July 1867 are affected in this way. Two gentlemen had been appointed Judges of the High Court, and, according to the rule in such cases, they officiated on full pay pending confirmation, but their appointments were not filled up, and there was, therefore, a saving in expenses arising from this casual circumstance. We must, therefore, eliminate the effect of this before we can say that the figures show purely the effect of the leave rules. We do this by supposing the appointments (which were really vacant) to be substantively filled up, and the following are the promotions that would take place:—

Before Promotion.	Rs.		*After Promotion.*	Rs.
Mr. Caster, 1st Grade Magistrate, Offg. Judge.	1,917+	450	Judge	2,500
,, MacDonell, ,, ,, ,,	1,917+	450	,, ...	2,500
,, Alexander, 2nd Grade ,,	1,500		1st Grade Magistrate ...	1,917
,, Hankey, ,, ,,	1,500		,, ,, ...	1,917
,, Lowis, 1st Grade Joint Offg. Magistrate ...	900+	342	2nd ,, ,, ...	1,500
,, Worgan, ,, ,, ,, ...	900+	342	,, ,, ...	1,500
,, Larminie, 2nd Grade ,, ,, ...	700+	342	1st ,, Joint Offg. Magt.	900+ 342
,, Hume,	On overtime leave allowances.			
,, Price, Asst. Offg. Joint Magistrate ...	500+	200	2nd Grade Joint Offg. as before	700+
,, MacLean, ,, Dy. Collector of Customs. ...	500+	240	,, ,, ...	700+ 200 240
	10,334+2,366			14,134+
	12,800			14,916 782

34. The increase of allowances is Rupees 2,216, and this must be added to the tot given above (paragraph 30). We have already valued at their full amount the work done in of these cases, and no change takes place in that total, the whole change being one of substan rank to the men affected, but not any change in the appointments they fill.

35. The case of 138's appointment being left untenanted when he went on leave would another disturbing circumstance, but we shall find an exactly similar case occurring in statistics of the new rules, and we need, therefore, make no allowance for it. The anomaly is same in both cases, so that the comparison will not be affected; and the effect is too small disturb the accuracy of the figures of either period, considered only by themselves.

36. A similar remark applies to another case. There were three appointments thus arranged—

104 held a Small Cause Court appointment, but officiated in another office.
An Uncovenanted Officer officiated for 104.
And No. 193 officiated for this Uncovenanted Officer.

Our list, of course, includes only 104 and 193, but does not include the Uncovenanted Officer, so that there is here a difference between the appointments held by, and the appointments filled by, the members of the service. In the list of appointments held, it is 104's that appears, but in the list of appointments filled, it is the Uncovenanted Officer's. This is the only case in which the items in the two lists are not identical; but as the same feature occurs is both the periods, and hardly affects the figures of either, we not make any allowances for it.

37. We come now to the case of special appointments, that is, appointments created by deputing an officer on special work and then filling up his appointment only substantively.

38. It will be seen that such an arrangement always results in a saving to Government. The officer performing the service gets a certain salary which we may suppose to be the value Government sets upon the work, but the actual increase of cost is only the acting allowances given by the officiating promotions, plus the pay of an Assistant brought in at the foot of the list to fill up the lowest step.

39. The amount of the saving thus effected varies from time to time according to the special work that happens to be called for at each date; but that amount varies so much that it is necessary to eliminate it altogether before we can claim generality for our figures. We shall subsequently deal with the matter of the usual and average saving thus made; but meantime we strike out all these special appointments, so as to make the figures show the effect of the leave rules only upon the expense to Government of having the ordinary provincial service performed without, and apart from, the effect of deputations on special appointments. We, therefore, suppose the special appointments cancelled, and turn every one back to his own appointment, that is, to the office he would fill if the special appointment did not exist. Of course the Assistant, who has been called in to officiate in the lowest step, is also turned out, and he becomes one of the supernumerary Assistants, whom, for the present at least, we have entirely excluded from our list of members of the service.

40. It will be perceived that at both periods there were four special appointments as Joint Magistrates. It was the normal state of the service that there were four more Officiating Joint Magistrates than there were Joint Magistracies (because there are 26 1st class districts and only 22 Joint Magistrates). This, therefore, is a normal and regular thing, and we need not make any allowances for it, as it is common to both periods. By abolishing the other special appointments the following changes will occur in the list we have drawn up.

41. There are first three Special Joint Magistracies on Rupees 700 each. These we shall presently deal with.

There is, then, Mr. Crawford's deputation, and there are two famine and two railway appointments, if we suppose these abolished—

	Rs.	Rs.
1 Mr. Crawford has no deputation allowance. Returning to his appointment he ousts 76 from it and from a deputation allowance of	475	
76 ousts 127, the Joint Magistrate, 2nd grade, officiating for him (see paragraph 33 above), who becomes Officiating Joint, 1st grade, and loses pay	40	
127 turns out an Assistant who is Officiating Joint Magistrate, and draws salary	700	
	——	1,215

		RS.	RS.
55	returns to his Magistracy, losing his deputation allowance of.	492	
	and ousting a Joint Magistrate, 2nd grade, officiating as Magistrate, so that he comes to officiate only as Joint Magistrate and loses...	142	
	Ousting an Assistant officiating as Joint Magistrate and drawing	700	
		——	1,334
150	returns to a Joint Magistracy, losing...	300	
	and ousting an Assistant officiating as Joint Magistrate who draws...	700	
		——	1,000
98	returns in the same way as 55, and causes the same changes, except that his deputation allowance is only Rupees 300, so that the whole saving is	1,142	
113	is in the same case with 150, and the saving in his case is therefore	1,000	
		——	
	Total saving in the cost of doing the work...	5,691	
		——	

42. The saving in the cost of doing the work is, therefore, Rupees 5,691, and, of course, we must exclude from the total value of the work to be done the amount which we have put down to represent the value of these special appointments, namely, Rupees 9,358.

43. In respect of Joint Magistracies of the 2nd grade, there was always an irregularity of practice under the old rules, which has now been corrected. The Joint Magistrates of this grade were almost always officiating in a higher grade, yet no one used to be promoted to officiate in the appointment thus left unfilled. The irregularity of practice in this respect caused a small saving to Government, which has disappeared, now that the practice has become regular. But it is plain that if we wish to calculate the charges entailed by the new rules, so as to compare them with the old, we must not credit the old rules with this saving, which was not a consequence of them, but rather was contrary to the letter of them. The cessation of the saving does not arise from the new rules, but only because the Government has resumed a regularity of practice which was equally admissible under the old rules. The proper way to show the figures would be, first, to show as the result of the old rules the cost which would be the consequence of them apart from the small saving which used thus to be effected, and to show the saving separately as a saving usually, but not always, effected by the irregularity.

44. There are eleven Joint Magistracies, 2nd grade, in Bengal, and the holders of them were all absent from them at the date from which we take our figures; therefore, had the practise been regular, eleven Assistants would have been appointed to fill them, and to draw Rupees 500 + 200 each. As a matter of fact, only three of them were filled, namely, the three we have shown in the list of special appointments, for they were treated as special and not as ordinary appointments. Therefore, to show by our figures the effect of the old rules, we must fill eight more, by giving them, namely, to the five Assistants, whom our supposititious abolition of special appointments has ousted from the list, and to three more taken from these Assistants, whom we considered supernumerary and did not include in our figures at all. This change will add Rupees 5,600, both to the item, "value of work done (A)," and to the item, "cost of having it done." Although Government, by not making the promotion, usually saved the extra Rupees 200 which each of these eleven men should have got, this has nothing to do with the comparison of the rules.

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45. Let us see now what changes we have to make in our totals.

		Cost of doing it.	
	Value of work to be done.	Salaries.	Leave allowances.
We started with	2,87,973	2,67,455	35,175
By filling up the High Court Judgeships ...	.....	+ 2,216	
By abolishing the special appointments	— 9,358	— 5,691	
By filling up the 2nd Grade Joint Magistracies.	+ 5,600	+ 5,600	
Result ...	2,84,215	2,69,580	35,175

46. The effect, therefore, of the old rules was this: if you leave entirely out of consideration all the supernumerary staff of Assistants, taking cognizance only of the staff of Assistants actually required to fill up appointments by men going on leave, then, in order to perform work which you value at Rupees 2,84,216, and which, if there were no such thing as leave (not even privilege leave) would be performed at that price, you have to keep up a staff, some of whom are on duty and draw Rupees 2,69,580, and others on leave and draw Rupees 35,175.

47. How large is the staff required? We started, it will be remembered, with 140 appointments to fill; since then we have abolished five special ones and created eight additional ones, namely, the eight Joint Magistracies; there are, therefore, 143 appointments to be filled, of which four (*viz.*, Joint Magistracies) are special, and 139 are ordinary substantive appointments. The staff with which we started was a staff of 139 on duty and 45 on leave. From the list of those on duty we first excluded five, and then we took them back, and took back three more, so that the staff is composed of 142 on duty and 45 on leave.

Of the 139 who were on duty in the figures with which we started, 22 were Assistants officiating in higher appointments (they are marked A in the List A). By the promotions made in paragraph 33 we have given two of these substantive appointments, which reduces their number to 20. But we have added three to the bottom of the list, which increases it to 23.

The remainder of the 142 on duty, that is, 119 in all, have substantive appointments; and if to these 119 substantive appointments we add the 20 appointments retained by men on leave (marked R), we get 139, the number of substantive appointments in the service, the same as before.*

48. Taking up now the figures of Table B, on which we base our calculations regarding the new rules, we proceed to eliminate, in the same way as before, the effect of casual special circumstances.

49. We find that there are 148 appointments to be filled, of the aggregate value of Rupees 2,93,300 (see Abstract, paragraph 22); and of these the Table B shows in the third column that Rupees 2,92,400 is actually filled, the difference being due, as in the case of the 1867 List, to one appointment, No. 143's of Rupees 900, being left unfilled. To do the work of these appointments we require a staff to whom are paid salaries aggregating Rupees 2,74,128, or Rupees 2,72,375 (according, as we apply, or do not apply, the 30 per cent. rule), and leave allowances, Rupees 50,754.

50. We have a few anomalies to allow for in the same way as before—

For example, No. 68 got a special acting allowance of Rupees 1,125, whereas by rule he was entitled only to Rupees 844; we must, therefore, reduce the cost shown above by Rupees 281, as we cannot attribute the special allowance to the new rules.

* These figures serve as a sort of check, showing that our tables are accurate in respect of appointments held and appointments filled.

51. We must allow, next, for the special appointments in the same way as before, namely, by supposing them abolished, leaving, however, the four Joint Magistracies for the reasons stated in paragraph 40. The following changes will then take place:—

	RS.	RS.
56 returning to his own appointment ousts 176, and loses his deputation allowance of	616	
176 returns to officiate as Magistrate and Collector, losing a deputation allowance of	666	
He turns out Assistant Magistrate, who, becoming an Officiating Joint Magistrate, only loses	400	
And turns out an Assistant who draws	767	
		2,450
159 returning, becomes an Officiating Magistrate and Collector losing	266	
Ousting officers in the same way as 176 above	400	
...	767	
		1,433
158 returning, becomes an Officiating Joint Magistrate and loses.	33	
Ousting an Assistant who draws...	767	
		800
		4,683

We must, therefore, deduct Rupees 4,583 from the item "cost of doing the work," deducting, at the same time, 3,116 + 1,500 + 800, or 5,416, from the total value of work done.

52. Then a correction has to be applied to the leave allowances, for five men are drawing Rupees 1,000, and one, Rupees 954, whereas the present maximum is Rupees 833; the difference, Rupees 954 in all, should be deducted, as it would not have been a charge had the rules been in their present form.

53. Again, the Governor-General's Agent at Moorshedabad went on leave, and the Magistrate performed his duties in addition to his own, getting a special allowance of Rupees 300 for it. This arrangement produced a saving compared with normal and regular arrangements, and we ought, therefore, to exclude its effect. This may be done by supposing an Assistant appointed to officiate, and get Rupees 500 + 1,000. (If a Joint Magistrate were appointed to officiate, and an Assistant for the Joint, the cost would differ only by a few Rupees.) This will add Rupees 1,200 to the cost of the work done, namely, Rupees 1,500 given to the Assistant, less the Rupees 300 taken away from the Magistrate.

54. The corrections are, therefore, these—

	Value of the work done.	Cost of doing it. Salaries.		Leave allowances.
	RS.	RS.	RS.	RS.
We started with	2,93,300	2,74,128 or	2,72,375	50,754
No. 68's special allowance	.....	— 281 ,,	— 281	.....
Special appointments	— 5,416	— 4,683 ,,	— 4,683	.....
Leave allowances over the maximum ...	.....	.....	.....	— 954
Governor-General's Agent, Moorshedabad.	.....	+ 1,200 ,,	+ 1,200	.....
Result ...	2,87,884	2,70,364 ,,	2,68,601	49,800

55. Now, let us see of how many members the service must consist.

The list, Table F, contains 63 members on leave, and 146 on duty. There are 148 posts to be filled, but one is left vacant, and one is grouped up with another. For this last one, however, we have admitted another man which makes 147; but this is reduced to 144 on account of the men excluded by our abolition of the special appointments. After that abolition, therefore,

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there remained 145 appointments, and 144 men filling them, one being vacant. Of the 145 appointments thus to be filled, four (*viz.*, the extra Joint Magistracies) were special, and the rest, or 141, were the substantive appointments of our list (paragraph 22).

Of these 141, we find 47 were held by men on leave (marked R in the Table), so that 94 were retained by men on duty. The remainder of the 144 men on duty, *i. e.*, 50, ought, therefore, to be Assistants officiating in higher grades, and we find this is the actual number; 52 in the Table are marked A, but of these we have excluded 3 by abolishing the special appointments, and we added one, in paragraph 53.

56. The case of the Supernumerary Assistant Magistrates must now be considered, and within this designation are included all those Assistants who are not required for the actual service of the appointments enumerated in paragraph 12, that is, the Assistants below the line down to which the officiating appointments reach (see paragraph 17), and who may be regarded as in training for the regular work of the service.

57. There is a certain objection to mixing up the case of these Supernumerary Assistants with the case of the other officers in the service, because their number varies from time to time from causes that have nothing to do with the leave rules.

58. Their number, whatever it is, will, to a certain extent, affect the percentages we have to show, for the simple reason that the ratio of one sum to another is not the same when an equal amount is added to both; the ratio of A to B is not the same as that of A + C to B + C. If, therefore, we were to take the number of Assistants merely as they happened to be at the date we took for our data, we might have the figures of the two periods affected differently from causes that had nothing to do with the leave rules. It is, therefore, best to take, not the actual number of Assistants which happened to be on the list at the date we chose, but to make an independent estimate of the probable amount required to pay for Assistants kept in training. Any Assistants in the service, beyond this estimated number, may be regarded as external to, and having nothing to do with, the service of the appointments enumerated in paragraph 22, whose cost, under old and under new rules, we are comparing.

59. It should be observed that the new rules will have a certain effect in reducing the training charge. The number of Assistants in training must always be equal to the calculated decrement of the service during the period which is considered sufficient for training each person. And the new rules will have a small effect in reducing this period, because, as "acting" tenure of an office has always something probationary in it, and as officers now serve a longer time "acting" than they used to, before being made substantive, each man can be put into "acting" harness (which takes him out of the training list) sooner than he previously could. These men in training, however, are not an idle burden upon Government, but are actually performing work which has to be done by others, if not by them; and the gain to Government in reducing their number by cutting off, say, the fourth year of their training, is not a saving of the amount it pays to them during that fourth year, but a saving of only the excess of what it pays to them over what it would have to pay to other men, Uncovenanted officers for example, for doing the same work. Considering the nature of the work, which is probably, for the most part, charge of sub-divisions, it is doubtful if this is any very large saving, for an Uncovenanted officer in charge of a sub-division gets on an average about Rupees 350.

60. The service in Bengal consists of 250 members, and its annual decrement would be about 9. If four years were the training period under the old rules, the number required to be kept in training would be about 36; if three years is the period under the new, it would be 27; the difference is 9. The diminution takes place at the top of the list of the 36, that is, among those whose pay is Rupees 500, and the cost saved is, therefore, Rupees 4,500. But an extra expense of 9 × 350 = 3,150 is required in Uncovenanted servants to do the work from which the nine are taken away. The saving effected in this way is, therefore, only 4,500 — 3,150 = Rupees 1,350.

61. If we take Rupees 450 as the average pay of an Assistant in the training list we find that, under the old rules, Government required to spend 36 × 450 = Rupees 16,200 upon Assistants in training. Under the new rules the charge is less by nine Assistants on Rupees 500, or by Rupees 4,500, that is, Rupees 11,700; but as nine men have to be added to the Uncovenanted list, on about Rupees 350 each, this charge is raised by 9 × 350 = Rupees 3,150; total Rupees 14,850.

62. It may be remarked that the *absolute* correctness of this estimate of the number of Assistants required is of very little importance so far as regards the result we are leading up to A very large error in it would hardly produce an appreciable difference in the calculation of *relative* cost; in fact, it is hardly necessary to take cognizance of the Supernumerary Assistants, and we have done it only on grounds of theoretic accuracy.

* * * * *

63. A word should be added on the subject of special appointments, which it will be remembered we supposed abolished, before we made our deductions. It was explained before that special appointments are always provided for at a saving, because the appointments vacated by the deputation are filled up only by officiating promotions.

64. The value of the special appointments existing at our two dates respectively was Rupees 9,358 and 5,416. We may assume as the usual amount about Rupees 7,000. And in a similar way, adopting a medium supposition, we will calculate the saving by the case of a Magistrate, 2nd grade, deputed on special duty:—

	Old Rules.	New Rules.
The Magistrate being deputed, a Joint Magistrate officiates for him costing	342	533
Assistant for the Joint Magistrate	700	700
Total...	1,042	1,233
Saving on the value of special appointment (Rs. 1,500) ...	458	266
	30 per cent.	18 per cent.

(It is necessary to count in the Assistant's full pay by the method we have throughout adopted of showing the full pay of the working staff against the work done—see paragraphs 26 and 27.)

65. We should, therefore, to calculate for the normal amount of special appointments provided for, add Rupees 7,000 to the value of work done at various periods, suppose four men more brought upon the working staff required, and suppose them to draw, under old rules, Rupees 4,900 (70 per cent.) and under new Rupees 5,740 (82 per cent). The same remark may be added here with regard to this estimate as has just been recorded regarding that of the Assistants (paragraph 62).

66. We may now put side by side the final results obtained:—

		Old Rules.	New Rules.	
The data, that is, the value of work to be done is ...	Substantive	139	141	*a*
	Ordinary special	4	4	*b*
	Total ...	143	145	*c*
	Value in Rupees	2,84,216	2,87,883	*d*
Add for four casual special appointments, valued at Rupees 7,000	Total number of appointments	147	149	*e*
	Total value in Rupees	2,91,216	2,94,883	*f*
Staff required to be maintained	No. of officers	187	207	*g*
Add four for the casual special appointments ...	Total number	191	211	*h*

		Old Rules.	New Rules.	
Of this number, there are on duty	With substantive appointments	119	94	*k*
	Assistants without substantive appointments	23	50	*l*
	Total ...	142	144	*m*
	Drawing in all Rupees	2,69,580	2,70,364 or 2,68,611	*n*
	Add for casual special special appointments four Assistants brought on the staff	146	148	*p*
	And the additional cost caused, viz., Rupees 4,900 or Rupees 5,740	2,74,480	2,76,104 or 2,74,351	*q*
And there are on leave ...	With retention	20	47	*r*
	Without retention	25	16	*s*
	Total ...	45	63	*t*
A staff of Supernumerary Assistants in training is required	Drawing altogether Rupees	35,175	49,800	*u*
	No. of officers	36	27	*v*
	Drawing Rupees	16,200	11,700	*w*
The reduction of this staff under the new rules causes an addition to the number of officers uncovenanted ...	Number of officers	.....	9	*x*
	Drawing Rupees	.....	3,150	*y*
	Total *q*, *u*, *w*, *y* ...	3,25,855	3,40,754 or 3,39,001	*z*

Of the double figures in headings *n*. *q*. *z*., the first is based on the 30 per cent. acting allowance (now abolished); the last on the 20 per cent.

67. Taking up the figures in this table we may now show our conclusions, and first as to the gross cost of the new rules to Government.

68. We see that under old rules, for Rupees 2,91,216 of service work (by which is meant all the work done by the service, excluding that done by the supernumerary staff), the whole cost incurred was Rupees 3,25,855.

69. At the same rate the cost incurred under old rules for Rupees 2,94,883 worth of service work would be Rupees 3,29,959. Under new rules, however, it is Rupees 3,40,754, or Rupees 3,39,001, according as the 30 per cent. rule is put in force or not. In the latter, which is the actual case, the extra charge is Rupees 9,042 or 2·74 per cent. of the whole.

70. One thing, however, is to be borne in mind, namely, that our calculations throughout have been based upon a period when an excessively large number of the service are on leave. When the new rules came into force, the members of the service generally, many of whom had been hanging back in expectation of the new rules, suddenly found themselves with a large amount of leave to their credit, and the consequence is that, in Bengal, there has been for a year or two a regular exodus. The number on leave has been higher than it can possibly remain even if every member takes all the furlough he can get. The number on leave to England has mounted up from 38 to 56. It is not too much to assume that this excess will be, so far as regards the permanent effect of the rules, diminished by one-half, and that when the excess is worked off (which it is already beginning to be), the number permanently on leave to England will be 47 instead of 56. In the North-West, where there appears to have been, under old rules, a more general spirit of leave-taking, and where in consequence there has not been the same sudden accrual of claims to leave, the number on furlough to England was on 1st July 1870 only 36 or so, which (205 being the number on the North-West List, and 256, the number in the Bengal List) would give 43 or 44 for Bengal.

71. The expense, therefore, as calculated upon the figures of 1st July 1870, is swollen by this circumstance, and we shall estimate now what reduction of cost will accrue when this excess of leave has passed away, as it immediately will pass away.

72. The nine men in excess we will suppose to return, and we will suppose them to be so arranged in the service that, two returning are Judges, three are of the position of Magistrates, 1st grade, or Magistrate, 2nd grade, officiating 1st grade, and four are below that, say Joint Magistrates, who would, if on duty, be Officiating Magistrates, 2nd grade. These suppositions are average suppositions, and cannot be far enough from the truth to produce serious difference in our estimate. We will follow the changes in expenditure that would occur :—

NOTE.—From these figures it appears that, in the present state of leave,—

	RS.
Saving by a Judge returning is	111
Saving by a Magistrate returning	298
Saving by a Joint Magistrate (Officiating Magistrate, 2nd grade) returning	452
Saving by an Assistant, Officiating in any appointment, returning	416

The above is the saving in the *working* staff; but each return will cause an extra expense of Rupees 500 or so, in the *supernumerary* staff, on account of the Assistant ousted from the working staff and entering the supernumerary.

	BEFORE THE RETURN. Salary.	Leave allowance.	AFTER. Salary.
	RS.	RS.	RS.
Two Judges returning	.....	833	2,500
	.....	833	2,500
,, Officiating Judges ousted (Nos. 102 and 108) become Officiating Magistrate, 1st grade	2,167	.....	1,883
	1,966	.....	1,578
Three Magistrates returning	.....	750	1,917
	.....	750	1,883
Five men (126, 127, 132, 136, 140), ousted from Officiating 1st grade, become Officiating 2nd grade ... ... Four at Rupees 1,578	6,312	.....	5,200
One at ,, ...	1,511	.....	1,167
Four men returning become Officiating Magistrate, 2nd grade	.....	2,400	5,200
Nine men ousted from Officiating 2nd grade, fill appointments of Joint Magistrate, 1st grade. They are 146, 148, who are substantively Joint Magistrates, 2nd grade; 115, 150, 152, 157, 166, 171, 184, who are Assistants	2,466 / 8,167	.....	1,800 / 5,367
Nine Assistants ousted from 1st grade Joint Magistracies, fill 2nd grade Joint Magistracies	6,900	.....	6,300
Nine Assistants ousted from 2nd grade Joint Magistracies, are removed into the supernumerary list	6,300	.....	.....
	35,789	0,316	39,178
	6,316		
Total allowances before ...	42,105		
Total allowances after ...	39,178		
Reduction of cost, about ...	2,927		

73. THE PERMANENT EXCESS OF COST CHARGEABLE IN BENGAL, TO THE NEW RULES, IS RUPEES 9,042 — 2,928, OR RUPEES 6,114, BEING 1·8 PER CENT. OF THE WHOLE COST OF THE SERVICE TO THE STATE.*

74. (2). Next, as to leave allowances. We may neglect cases of leave among the Supernumerary Assistants, who, as a matter of fact, are hardly ever on leave. In July 1870, out of 40 such Assistants, only two were on leave, so that practically all the leave falls within the necessary part of the staff.

75. The leave statistics were these—

	Old Rules.	New Rules.
Total numbers on leave	45	63
Allowances...	35,175	49,800
Average	782	790

If we deduct from the old rule statistics the case of seven men on privilege leave with allowances aggregating Rupees 15,334, and from the new rule statistics six men on privilege leave, and one on subsidiary leave, with allowances aggregating Rupees 12,317, we get the following as the statistics of leave to England :—

	Under old Rules.	Under new Rules.
Number of men on leave to England...	38	56
Aggregate allowances...	19,841	37,483
Average	522	669

76. The Secretary of State, we see, pays nearly twice as much in the form of leave allowances as previously was the case. These leave allowances are unfortunately the most prominent feature of the change, and the large increase of charge in this respect has given rise to the idea that the expense caused by the new rules has been very great. A more minute examination, however, shows that the increased charge in this respect is for the most part met by diminution of charge elsewhere.

77. These figures, which are the actuals of 1st July 1870, will be slightly altered when the excess of leave is used up. There will then be, on an average, about 47 men on leave to England, drawing, at an average of Rupees 669 each, about Rupees 31,443, being about 58 per cent. more than under old rules.

78. It is here to be remarked that it does not at all necessarily follow that, because more men go on leave, therefore there are increased charges to the State. Quite the opposite may be the case; that is, it is quite possible to give additional privileges to a service in the way of leave, which yet cost the Government absolutely nothing, or even cause a saving. This may be proved by a supposititious case.

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* The following changes would have to be made, in the figures shown in the abstract, paragraph 66, in order to make them show the ultimate effect of the new rules (20 per cent. acting allowance only) :—

Heading	*g*	for 207	read	198
,,	*h*	,, 211	,,	202
,,	*k*	,, 94	,,	103
,,	*l*	,,	,,	41
,,	*n*	,, {2,70,374 or 2,68,611}	,,	2,71,994
,,	*q*	,, {2,76,114 or 2,74,351}	,,	2,77,739
,,	*r*	,, 47	,,	38
,,	*t*	,, 63	,,	54
,,	*u*	,, 49,800	,,	43,484
,,	*z*	,, {3,40,754 3,39,001}	,,	3,36,073

79. We will suppose a service standing thus—

A.

No.		Pay.
		RS.
1		4,000
2		3,000
3		2,500
4		2,000
5		2,000
6		1,200
7		1,200
8		800
9		800
10		500
	Total cost ...	16,200

Now, some leave rules are introduced; they are not very favourable. No. 4 alone can go home; he must vacate his appointment, and he gets only Rupees 500 allowance. The service then stands thus—

B.

No.		Pay.
		RS.
1		4,000
2		3,000
3		2,500
4	one leave	500
5		2,000
6		2,000
7		1,200
8		1,200
9		800
10		800
11	a new man	500
	Total cost ...	18,500

Now we will suppose leave rules much more favourable to come into force, and two men No. 2 and No. 6 can go home, on allowances of Rupees 750, both retaining their appointments (and deputation allowances are given at 20 per cent). The service will then stand thus :—

C.

No.		Pay.	
		RS.	
1		4,000	
2	on leave	750	
3	officiating for 2	3,000	
4	,, ,, 3	2,500	
5	,, ,, 4	2,000	
6	on leave	750	
7	officiating ,, 5	1,600	(1,200 + 400)
8	,, ,, 6	1,040	(800 + 240)
9	,, ,, 7	1,040	(800 + 240)
10	,, ,, 8	660	(500 + 160)
11	,, ,, 9	660	(500 + 160)
12	,, ,, 10	500	
	Total ...	18,500	

80. Now, compare Table C with Table B, and see what changes have been made in the position of the service.

(1.) You have allowed twice as many men to go on leave.

(2.) You have given *each* of them 50 per cent. higher allowances while on leave.

(3.) You have increased the salary of nearly every member of the service by something like 30 per cent.

And the whole thing has not cost one rupee.

81. Now, to show the effect a similar change produces in the income of individual members; we will take the simplest case, and suppose every member on duty to draw Rs. 1,500, and while on leave to draw Rs. 400.

Under the old rules, he could get only one year's leave in ten, and, therefore, drew during ten years' service—

				RS.
1,500	×	9	=	13,500
400	×	1	=	400
		Total	...	13,900

The effect of the new rules we will suppose is—

(1.) He gets two years' leave in ten.

(2.) He gets Rs. 550 allowance instead of Rs. 400.

(3.) He gets Rs. 1,600 pay while on duty, instead of Rs. 1,500.

82. Each of these is to him a distinct advantage, yet he gets, on the whole, no more allowances than before, for he gets now—

		RS.
1,600 for 8 years		12,800
550 for 2 years		1,100
	Total ...	13,900

Exactly the same as before.

83. Yet, since each individual need not take the leave unless he chooses, he can always feel assured of higher pay.

84. The explanation of these somewhat paradoxical effects is simply that a larger number of people than the old rules permitted are quite willing to give up half their salary to their juniors and go on leave, and their juniors can receive the half salary without being compelled to accept the condition of giving up theirs by subsequently going on leave, though, as a matter of fact, they will at some future time do so. Each person has a perfect option, though we are assured that on the average that option will be exercised in a particular way.

85. (3.) What are the allowances drawn in India? Leaving out of account, again, the Supernumerary Assistants, we find the statistics are these:—

	Under old Rules.	Under new.
Number of men on duty	146	148
Aggregate allowances	Rs. 2,74,480	2,76,104 or 2,74,351

If we were to show what the 148 appointments of 1870 would have cost had the old rules remained in force, we would have to increase the figures shown above (274,480) in the proportion of 146 to 148. This gives us 2,78,240. So that the men on duty get, in the aggregate, a little (3,891) less than would have been the case under the old rules. This does not mean that each individual on the average gets less than he would under the old rules, as other circumstances (as is evident from paragraph 79) may and do modify this conclusion.

86. Practically, therefore, the *general* effect of the rules may be stated as this, that they enable a larger proportion of men to go home at the charge of Government than was the case before; they cause a few savings from which the greater part of this increased charge can be met.

87. One thing should, however, be noticed. Privilege leave always causes an increased charge to Government, because there are no savings from which to meet the acting allowances, and it must be remembered that our statistics are based upon the figures of July, when privilege leave is at a maximum. This does not effect the *comparative* estimate of cost, but it shows the cost, both of old and of new rules, as being (in comparison with the value of work done) more than on the average it really is.

88. The cost of the old rules we have represented by the difference between Rs. 2,91,216, the value of work done, and Rs. 3,25,855, the cost of doing it, and that of the new we have represented by the corresponding figures, Rs. 2,94,883 (and Rs. 3,39,001 — 2,928) or Rs. 3,36,073. In other words, the old rules added 12 per cent. to the expense borne by the State, and the new rules add 14 per cent.

89. It is necessary to remark, with reference to this, and to the assertions made by the Furlough Committee, and by the Government of India in its despatches to the Secretary of State, that there was a *saving* under the old rules, that that which is here termed additional expense is the excess of the money actually defrayed by Government over that which would be required were there no such thing as leave at all, not even privilege leave, or sick leave. It is the excess expenditure caused, not by the leave rules, but by the fact, that it is impossible to base a service upon the supposition that every member of it will continually be present at his work. When people talked of a saving under old rules, they meant that Government paid to the service, in the aggregate, less than the total of the salaries attached to the substantive appointments held by the members of it, which is, as explained in paragraph 4 of this note, a very different thing from the item we have called "value of work done," on comparison with which the estimates of 12 and 14 per cent. additional expense are based.

90. We will, by calculations founded on the figures shown on the Abstract Table, in paragraph 66, give, both for old and for new rules, the figures of the comparison between the aggregate pay of the substantive appointments and the aggregate cost of the service.

Supernumerary Assistants we may leave entirely out of consideration, as the charge paid to them in no case exceeds the value of their substantive appointments. And special appointments we also leave out, as they are beyond the present question, and ought not to be allowed to effect it:

	RS.
Under old rules, the number of substantive appointments higher than Assistant Magistrate was 139, and their value (284,216 less four times 900)	2,80,616
Only 119 of the incumbents were on duty, and we, therefore, required 19 more men Assistants, to be upon the staff. Their substantive appointments were worth 19 × 500	9,500
4 Assistant Magistrates on leave, whose substantive appointments were 4 × 500	2,000
Total substantive appointments...	2,92,116
Add the furloughs 21 in number	8,750
Total	3,00,866
Now the actual sums drawn by all these men were—	
By 138 men on duty (269,580 less four times 700)	2,66,780
,, 45 on leave (including furlough)	35,175
Total	3,01,955

being 1,089 more than the salaries of all the substantive appointments.

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91. So that our statistics would show that there was not, strictly speaking, any saving, but the extra charge was exceedingly small, namely, one-third per cent.; in fact it would be turned into a saving by taking a period of the year when there was not the maximum of privilege leave.

92. Take now the new rules in the same way :—

	RS.	RS.
There were 141 appointments, whose salaries were 2,87,883 (less four times 900)	2,84,283	
Only 94 of the incumbents were on duty, and we, therefore, required 46 Assistants also, whose substantive appointments had salaries of	23,000	
14 Assistants were on leave, and the salaries of their substantive appointments were	7,000	
Total salaries of all the substantive appointments in the service	3,14,283	
The total charges were as follow:—		
140 men on duty drew 270,364, or 268,611 (less four times 700)	2,67,564	or 2,65,811
63 men on leave	49,800	49,800
Total...	3,17,364	or 3,15,611

Being 1,328, or 0·4 per cent. more than the pay of all the substantive appointments.

93. This 1,328 or 0·4 per cent. represents the charge of the services based upon a period of the year when the maximum of privilege leave was taken, and that single circumstance is sufficient to warrant our saying that most of it would disappear if an average of seasons was taken.

94. The charge for the service, we have seen, will ultimately be reduced by Rupees 2,928 by reduction in the number on leave. But the same effect will reduce the number of Assistants in reserve by nine, and of appointments in the service by 9 × 500 or 4,500. So that, comparing the charge of the service with the pay of the appointments held by its members, there will result an apparent excess, and the service will exceed the aggregate pay of the substantive appointment in it by a larger amount in consequence of a change which really brings about a saving:—

	RS.	RS.	RS.
The total pay of appointments will be ...	... 3,14,283	— 4,500	= 3,09,783
And the charge of the service	... 3,15,611	— 2,928	= 3,12,683

An excess of 2,900 reducible by about 1,500 on account of privilege leave as above explained.

95. The figures of the North-West Provinces may now be separately taken up with a view of making upon them an independent calculation, and we shall take the basis of the calculations the circumstance of the two periods, 1st July 1867 and 1st July 1870, the figures of which are transcribed in detail in Tables C and D, prepared in exactly the same way as that corresponding Tables A and B for Bengal.

96. In the North-West the Settlement Department has been excluded from the calculation, because the ordinary practice in filling up vacancies by officiating men with officiating allowances is not in force in it. The figures will, therefore, show the relative cost, under old and new rules, of the regular Provincial Service only.

97. The Settlement Department is practically entirely separated off from the other, and were it not for one circumstance, it would have no effect at all upon the variation in charge caused by the leave rules. The circumstance referred to is this. The Settlement Department is in a great measure the creation of the last two or three years, and it was created by transferring men to it from the regular service. Of course men absent on furlough were not transferred, and the consequence is that, of all the men in the Settlement Department, only those two or three are on furlough who happen to have taken furlough shortly after being transferred. All the men on furlough are, therefore, debited to the general service, or, in other words, the general service bears all the furlough charges, both those which are due to itself and those which are due to the Settlement

Department. This would not matter much if it affected both periods equally, but it does not, because the proportion of men in the Settlement Department is twice as great in 1870 as it was in 1867.

98. We shall, therefore, first of all make the calculation for the Provincial Service, as if the Settlement Department did not exist, and we shall then add the Settlement Department under the head of work done, and charge for the work, so as to show the leave allowances, as against the whole work, both the provincial work and the settlement, and not against the former only.

99. The appointments included in the list calculated for are as follow:—

NORTH-WEST PROVINCES.

	Appointments filled.				Vacant appointments.			
	1st July 1867.		1st July 1870.		1867.		1870.	
Lieutenant-Governor	1	8,333	1	8,333				
Judges, High Court	3	11,250	2	7,500	1	3,750	1	3,750
Members, Board	2	7,250	2	7,000				
Commissioner, 1st	1	3,167	1	3,167				
,, 2nd	4	11,667	4	11,667				
Judges	16	40,000	16	40,000	2	5,000	2	5,000
Collectors, 2nd	27	60,750	27	60,750	...	...	1	*2,250
Inspector-General ... ... }	2	5,000	2	5,000				
Commissioner, Customs ... }								
Secretary to Government	1	2,500	1	3,000				
	1	1,200	1	1,200				
	1	800	1	800				
Secretary, Board	1	2,000	1	2,000				
Commissioner, Stamps	1	2,000	1	2,250				
Registrar, High Court	1	1,700	1	1,700				
Deputy Superintendent	1	1,200	1	1,200				
Joint Magistrate, 1st	17	17,000	18	18,000	2	2,000	1	1,000
Superintendent	1	1,000	1	1,000	1	1,500	1	1,500
Deputy Commissioner	1	1,000	1	1,333				
Joint Magistrate, 2nd	7	4,900	9	6,300	2	1,400		
Small Cause Court	...	...	1	1,200				
Total ...	88	1,82,717	92	1,83,400	8	13,650	6	13,500
Special Appointments Filled.								
No. 43	1	2,250						
Small Cause Court† D. A....		200						
No 99	...	...	1	2,000				
,, 34	...	...	1	2,500				
,, 142	...	...	1	700				
Under Secretary, India	...	...	1	1,253				
Total ...	90	1,85,168	96	1,89,833				

100. From these figures, which agree with Tables C and D, we see that—

	1867.	1870.
Value of work done by the service	1,82,718	1,83,400
Or adding special appointments	1,85,168	1,89,833

and we see that the cost of doing it was, by Tables C and D—

	1867.	1870.
In salaries	1,73,133	1,77,206 or 1,76,532
In leave allowances	32,529	38,011

101. We have now to eliminate those features which are peculiar to one or other of the two periods, so that we may use the figures for comparison.

* The Civil List certainly gives an extra magistracy here ; in this, and in another case, there is some doubts as to its perfect accuracy, but where anything is doubtful, that supposition is taken which is most unfavourable to the new rules.

† This special appointment was provided for by giving Rupees 200 allowance to the Under Secretary who performed duties of his own office at the same time.

102. The vacant appointments named in the above list are—

(1.) Appointments of men who have gone on privilege leave, which have not been filled up, a practice adopted to a certain extent in the North-West, and which necessarily appears in figures taken from the time of the year when privilege leave is mostly taken.

(2.) An appointment held by a Civil Servant, but filled by an Uncovenanted servant.

103. To show strictly the cost under the leave rules of doing the work, we would have to suppose these appointments actually filled by officiating promotions (although there might be an objection to this, namely, that had it been necessary so to fill them, the leave would not have been given). But, so far as the purposes of comparison between the two periods go, it is plainly sufficient if, leaving unfilled those vacancies which are common to the two periods, we fill only those which are peculiar to one of them.

104. In the 1870 figures we shall presently fill up the vacant Magistracy. In the 1867 figures we fill up the three Joint Magistracies by bringing in three Assistants who will get each Rupees 500 + 200, or Rupees 2,100 in all. We will of course have to add these three appointments, whose value is Rupees 2,400 (Rupees 1,000 + twice Rupees 700) to the value of the work done, diminishing the value of vacated appointments by the same amount.

105. The special appointments we must next eliminate, as in the case of Bengal, by supposing them abolished, their incumbents returning to the ordinary line.

The changes for the 1867 List are these :—

	Rs.
No. 43 returning to his appointment draws the same pay. He ouset an Officiating Joint Magistrate whose loses a deputation allowance of Rupees 425, and in his turn ousts an Assistant Officiating as Joint Magistrate who draws Rupees 700 ; total diminution	1,125
No. 124, his special appointment being abolished, will hold his own appointment, only drawing Rupees 200 less ; total diminution	200

We have, therefore, to deduct Rupees 1,325 from the allowances given, and Rupees 2,450 from the value of work done.

106. There is a correction to make for Joint Magistracies in the same manner as in Bengal. But in the North-West the way in which the practice fell short of the rules was that the Joint Magistrate, 2nd grade, did not get any acting allowance when officiating in 1st grade, as in Bengal they did. Before, therefore, we use the figures for comparing the effects of the rules, we must exhibit the figures of the old rules as they would have been had they been fully acted up to, and this allowance of Rupees 200 each given to the nine Joint Magistrates, 2nd grade, Rupees 1,800, should be added to the cost of work done.

107. The corrected figures for 1867 are these :—

Value of work done...	1,85,168 + 2,400 — 2,450	= 1,85,118
Value of work temporarily left undone	13,650 — 2,400	= 11,250
Spe[illegible] in salaries	1,73,133 + 2,100 — 1,325 + 1,800	= 1,75,708
And in leave allowances		= 32,529

108. We will examine now what the number of men and of appointments is.

The total number of substantive appointments was by the Table 89, and eight were left vacant ; total number 97. Besides the 89 men filling the 89 appointments, there was one filling a special appointment ; total 90. This one we have reduced, but we have added three to fill up three vacated appointments, so that we have 92 men on duty. Our list shows 41 men to have been on leave, of whom 9 retained appointments. There were, therefore, 97 — 19, or 78 appointments, among the 92 men on duty. The remaining 14 were—one on subsistence allowance, 13 Assistants, namely, the 11 marked A in the Table, and the three whom we have added as above, less the one reduced.

109. We will now similarly take up the figures of 1870, and first make the necessary abolition of special appointments. The changes involved are these :—

	RS.
No. 96 will return to his appointment, ousting 116, who will lose a deputation allowance of Rupees 667. He again will oust an Assistant, Officiating 1st grade Joint, who will then officiate as 2nd grade, losing an allowance of Rupees 133, and ousting an Assistant who draws Rupees 700 ; total diminution	1,500
No. 34 will return to his Judgeship, and will oust a Magistrate, Officiating Judge, who will lose Rupees 250	250
He will oust the youngest Officiating Magistrate ; but as we have a vacancy to fill up, namely, one Collector on privilege leave (see paragraph 104), the changes we have to make to fill it up will exactly counterbalance those required for this special appointment.	
No. 142 (when his special appointment is abolished) will be excluded altogether from the necessary establishment, so that the cost will altogether be reduced by	700
No. 143 will, on his appointment being abolished, become an Officiating Joint Magistrate, 1st grade, losing Rupees 233 or Rupees 333. He will oust an Assistant Officiating as 1st grade, and cause a further reduction of Rupees 833 as in the first case; total diminution	1,066 or 1,166
Total of all ...	3,516 or 3,616

110. The abolition of the special appointments and filling up the vacancy left in the list of substantive appointments causes a decrease of expense by Rupees 3,516, or 3,616, and diminution of the value of work done by the sum of the value of the special appointments, or Rupees 6,433. The correction which we have incidentally made by filling up the vacated Magistracy involves the transfer of the appointment from the list of appointments vacated to the list of appointments filled ; its value is Rupees 2,250.

111. Two of the gentlemen in our list hold substantive appointments in the Settlement Department, and draw for these Rupees 1,000 each. This causes slightly more to be paid to the service than would be the case if all the work was done by holders of appointments in only the regular line, a corresponding saving being made in allowances paid in the Settlement Department.

Our figures being based on the supposition that the Settlement Department is quite apart from the regular line, we must suppose the appointments which these two gentlemen hold in the Settlement Department to be abolished, and we must suppose appointments given them in the regular line, of the same substantive value (Rupees 1,000).

112. The two junior Joint Magistrates, 1st grade, will be reduced to 2nd grade. They are tenants of their substantive appointments, and now they would remain only Officiating, and would draw Rupees 1,000 or 900, a reduction of 0 or 100. They would oust two Joint Magistrates, 2nd grade, from their appointments, causing them to become Assistant Officiating Joint Magistrates, drawing Rupees 833, a loss of Rupees 166 or 66. The cost, therefore, would be Rupees 166 less, which sum must be deducted from the cost of doing the work.

113. We have further a correction to make in the leave allowances, for eight men included in our figures were drawing Rupees 1,000, whereas the maximum is now reduced to Rupees 833. The leave allowances should, therefore, be reduced by Rupees 1,333 (or 8 × 166.)

114. The figures, therefore, when corrected, stand thus :—

	RS.	RS.	RS.	RS.
Value of work done	1,89,833	— 6,433	+ 2,250	= 1,85,650
Value of work temporarily undone..	13,500	— 2,250	...	= 11,250
Spent in salaries	1,77,206	— 3,516	— 166	= 1,73,524
Or	1,76,532	— 3,616	— 166	= 1,72,750
Leave allowances	38,011	— 1,333	— ...	= 36,678

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115. The list of men and appointments is as follows :—

The special appointments being abolished, our abstract shows, 92 appointments filled and 6 vacant, which by a transfer we have changed into 93 filled and 5 vacant. The total is 98 substantive appointments.

The number on our lists altogether is 133, because, besides the 98 holders of substantive appointments, there are—1 on subsistence allowance, and 34 Assistants. The Assistants are first, 21 marked A in our lists ; 14 marked O, being the 14 reduced in accordance with paragraph 15, *plus* the 2 whom we have reduced from Joint Magistracies (paragraph 18) less the three turned out by the abolition of special appointments.

The whole number on leave is 41, being 30 with retention of appointment, and 2 others with retention according to the change made in paragraph 18 just quoted ; 8 Assistants, and one left without any appointment. Thirty-two appointments being retained by absentees, there are left 66, distributed among the 93 men on duty. The 27 other men on duty being 26 Assistants (34 — 8 on leave), and one on subsistence allowance.

116. The necessary establishment of Supernumerary Assistants in the North-West should be estimated in exactly the same way as in Bengal, but we should take all the figures at two-thirds of the Bengal figures.

117. We should also, following the plan adopted in Bengal, include in our figures the supposition that there will be some casual special appointments in the service, say three, valued at Rupees 4,000, and costing, as we then calculated, Rupees 2,800 (*i. e.*, 70 per cent.) under old rules, and Rupees 3,200 (*i. e.*, 80 per cent.) under new rules.

118. The results placed side by side are as follow :—

Value of work done	Substantive appointments	92	93	*a*
	Value	1,85,118	1,58,650	*b*
Add for three casual special appointments valued at Rupees 4,000	Total number	95	96	*c*
	,, value	1,89,118	1,89,650	*d*
Value of work temporarily left undone	Number	5	5	*e*
	Value...	11,250	11,250	*f*
Staff required to be maintained	Number of officers	133	...	*g*
Add for three special appointments	Total number	136	...	*h*
Of this number there are on duty...	With substantive appointments	78	66	*k*
	Subsistence allowance, and Assistants without	14	27	*l*
	Total ...	92	93	*m*
	Drawing in all	1,75,708	1,73,524 or 1,72,750	*n*
	Add for special appointments three Assistants brought on the Staff ...	95	96	*p*
	And additional cost caused Rupees 2,800 or Rupees 3,200	1,78,508	1,76,724 or 1,75,950	*q*
And there are on leave ...	With retention	19	32	*r*
	Without retention	22	9	*s*
	Total ...	41	41	*t*
	Drawing altogether	32,529	3,678	*u*
Supernumerary Staff	Number of officers	24	18	*v*
	Drawing	10,800	7,800	*w*
Reduction in this causes increase in uncovenanted ...	Number	...	6	*x*
	Drawing	...	2,100	*y*
	Total of *g. u. w. y.* ...	2,21,837	2,23,302 or 2,22,528	*z*

119. We proceed to a conclusion as to the increase of charge caused by the new rules.

The value of work done by the service includes both the appointments filled, and the Rupees 11,250 of temporarily-vacated appointments. It is, therefore, Rupees 2,00,368 for the period we have taken for the old rules, and Rupees 2,00,900 for that taken for the new. The cost for the former was Rupees 2,21,837, and for the latter, at the same rate, it would be Rupees 2,22,426, the new rules make it actually Rupees 2,23,302, or excluding the 30 per cent. rule, 2,22,528, so that, in the last mentioned, *i. e.*, the actual case, THE NEW RULES COST IN THE NORTH-WEST RUPEES 102 A MONTH—A HARDLY APPRECIABLE SUM.

120. As pointed in paragraph 97, that which we have here shown as the increased cost of the new rules really includes the cost of certain additional leave which should be charged against the Settlement Department, because at present the Provincial Service bears nearly the entire charge for furlough which is more than its own share.

121. If we suppose P to be a fraction representing the average proportion of members on privilege leave, and S the entire cost of any service, then, if there were no other sort of leave, and if absences on privilege leave were not filled up by officiating appointments, it is plain that the value of work done by the service would be S (1—P), and leave allowances would be S × P. As each person draws the actual pay of the appointment whose work he does, salaries are also equal S (1—P). Now this is almost the case with the Settlement Department.

In 1867 there was no leave in the Settlement Department, except privilege leave, and S was = Rupees 12,400.

In 1870 there were two cases of furlough in the Settlement Department, but, apart from them, there was only privilege leave, and S was Rupees 22,400. The two cases of furlough cost Rupees 809.

Adding these figures of the Settlement Department to those of the Provincial Service, we can estimate more nearly the effect of the new rules on the whole cost of the service in the North-Western Provinces.

	RS.	RS.
For 1867—		
Value of work to be done	2,00,368 +	12,400 (1—P).
Cost of having it done	2,21,837 +	12,400
For 1870—		
Value of work to be done	2,00,900 +	22,400 (1—P).
Cost of having it done	2,22,528 +	22,400 + 809

P at its extremest limit is $\frac{1}{12}$, but so many things prevent its reaching its limit that practically it is only $\frac{1}{20}$. Taking it at this value the four figures above give this result—

Old rules for 2,12,148 worth of work 2,34,237 is paid ;

New rules for 2,22,180 worth of work 2,45,737 is paid ;

whereas, had the old rule rates obtained, it would have been 2,45,313. The new rules have caused an increase of cost of Rupees 424, a little more than we have shown above, because it would appear that the Rupees 809 furlough charged against Settlement Department in the 1870 figures are more than equal to the excess which would fall to be charged as explained in paragraph .

122. The following are the facts as to leave allowances. The leave statistics were these :—

	Old Rules.	New Rules.
Total number on leave	41	41
Allowances	32,529	36,678
Average	793	894
Of whom were on privilege leave	11	6
Allowances	16,400	11,583
Leaving for furlough—		
Number on leave	30	35
Allowances	16,129	25,095
Average	537	717

Here again, we see that the Secretary of State's disbursements in leave allowances have mounted up from Rupees 16,129 to Rupees 25,095, that is by more than 50 per cent., and yet we have proved that there has been hardly any enhancement on the aggregate charges.

123. (3).—One more matter remains to be shown ; what is the whole cost of the service as compared with the aggregate pay of all the appointments in it ?

First.—Under old Rules—

	RS
The 97 substantive appointments cost Rupees 1,85,118 + 11,250	= 1,96,368
There were also 13 Assistants on the necessary staff, whose appointments were worth ...	6,500
Total pay of appointments on the Civil List (excluding supernumeraries)	2,02,868
Add eighteen furloughs, at Rupees 417 ...	7,500
Total ...	2,10,368
The whole amount drawn, however, was Rupees ... ... 1,75,708 + 32,529	= 2, 08,237
Saving ...	2,131

124. *Second.*—Under new Rules—

	RS.
98 Substantive appointments, whose pay was Rs. 1,85,650+11,250	= 1,96,900
36 Assistants on duty, and 8 on leave. Total 34, whose substantive appointments had aggregate pay ...	17,000
Total pay of substantive appointments on the Civil List (excluding supernumeraries)...	2,13,900
The whole amount drawn by these is Rs. 1,72,750 + 36,678 ...	2,09,428
Saving...	4,472

So that, compared with the pay of the appointments held in the service, there is a saving both under old and still more under new rules; and that, even though we have taken the most expensive time of the year for our statistics, namely, the time when most privilege leave is taken.

125. We may now sum up the conclusions arrived at in this memorandum—

(1).—The new rules have caused to Government a total extra expense of about Rs. 6,000 per month in the Bengal (Lower Provinces) Civil Service, being about 1·8 per cent. of the whole charge.

(2).—The whole of this increase appears in the item furlough allowances, the other charges borne by Government being diminished, but not so much diminished as furlough allowances are increased.

(3).—In the North-West service, the new furlough rules have caused a hardly appreciable excess of charge. Furlough allowances indeed have increased in amount, but the increase has been met by the diminution of charge for salaries.

(4.)—In Bengal, the whole charges of the service are, both under old and under new rules, almost equal to the aggregate pay of all the substantive appointments held by the members of the service (including in that term furlough under the old rules, and assistantships).

(5).—In the North-West there is, compared with that amount, a saving of expense amounting to one per cent. under old rules, and two per cent. under new.

(6).—The reason of the difference in circumstances between the North-West and Bengal is chiefly this. The intervals between the normal salaries in the North-West are rather wide (700, 1,000, 2,250), and acting allowance given to an officiating officer is not sufficient to fill up these wide intervals. Consequently, when an officer goes on leave, the salary drawn by his substitute falls considerably short of the pay of the absentee, that is, there results a saving in salaries.

Now in Bengal, the intervals are not nearly so wide (700, 900, 1,500, 1,917), and acting allowance fills up or nearly fills up the interval. When a man goes on leave, the substitute gets a salary very little short of the absentee's pay, and the saving in salaries is less than in the North-West.

(7).—For the other services, detailed calculations have not been made, but, judging generally from the gradation of salaries, it is possible to conclude as follows:—

The grades in Madras are, Head Assistant about 800, Sub-Collector 1,166, Collector 2,421, Judge 2,333.

This is not unlike the North-West gradation, so that probably there is little extra expense in Madras through the new rules.

In Bombay, the grades are Rupees 800, 1,200, 1,800, 2,333, and there is likely an extra expense proportional in amount to that in Bengal.

In Punjab and Oudh, where promotion is by grades of Deputy Commissioners, there is not unlikely an extra expense as in the case of Bengal.

The aggregate expense of the services where the rules are thus estimated to cause increase of expense is as follows:—

	RS.
Bengal	3,22,000
Punjab	64,000
Oudh	25,500
Bombay...	1,48,000
Central Provinces	17,500
Add the lower appointments in the last two...	27,500
Total...	6,04,500

If the expense in these services is taken to increase at the same rate as is the case in Bengal, we would get a total increase of expense of about Rupees 11,000 a month, or £13,000 a year, which is about 1¼ per cent. of the whole cost of the Civil Service in India.

The 15th March 1871.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Enclosure to Despatch No. 106, dated the 23rd May 1871.

MEMORANDUM.

(REFERRED TO IN PARAGRAPH 36.)

On the effect of the new Rules on the distribution of Salaries.

In the first memorandum regarding the financial effect of the new Leave Rules, we have been dealing with totals and aggregates, and we propose now making some calculations and some remarks regarding the effect which the new rules have upon the salaries and prospects of the individual members of the service.

2. From what has there been recorded, it will be seen that the list of 1st July 1867 may be taken as showing, so far as general features go, the same results as any list under the old rules would show; and that the list of 1st July 1870 (after we have, in the manner shown in paragraphs 13 to 18 of the memorandum, corrected it for the special acting allowance cases) may be taken as showing, in the same way, the general features of the new rule list.

3. We have now to compare these two lists in respect of the detailed distribution of salaries, in order to find out from them whether the salaries have been so re-distributed by the new rules as to cause hardship to any particular grade of the service. Totals of course do not show this, because it may be that the juniors have lost a great deal and the seniors gained a great deal in point of salary and emoluments, or the reverse may be the case; totals will show only the aggregate gain or loss of the service, but not whether any class has gained or any class lost.

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4. Lists have been drawn up for Bengal, marked E and F, which simply enumerate the members of the service one after the other, and place opposite them in the second column the salaries which they were actually drawing at the dates mentioned. The 1867 one, as it stands, may be accepted as showing what the distribution of salaries under the old rules used to be; and the 1870 one will show the distribution due to the new rules, if we only correct it in the particular noted above, namely, the special acting allowance cases. These corrections have been made according to the details given in the first memorandum and the necessary corrections are made in the third column, and are those marked A in the 1870 list.

5. We have now two lists of salaries, one which we may call the old-rule list, and one which we may call the new-rule list, and we may say that the effect of the old rules and of the new rules respectively was to distribute salaries according to the two lists in question. Not that in every Civil List we would find No. 46 for example always having the same salary, but that if we were to take an average over a certain number of salaries, we would find it always about the same; the first ten men will, under old and new rules respectively on the average, always draw the same salaries as our list show them to draw, and so will the second ten, and so on.

6. Our object is to compare these two salary lists together, in order to see whether, by the change from old rules to new, officers of any particular standing in the service find that they have been adversely affected in respect of emoluments.

7. It is to be observed that the mere addition of men to the bottom of the list will in no way affect the correctness of the lists which we have drawn up. If the Bengal Civil Service were to be permanently increased to-morrow by the addition of fifty new men, the prospects of the men already in the service would not, in the smallest degree, be affected. The highest ten men would still have the same expectation they before had, of holding the highest ten appointments, and the next ten, of holding the next ten appointments, and so on. The man next above the fifty new men would rise from salary to salary during his whole service, just as if the fifty had never existed. The derangement would take place only with regard to the fifty themselves, who would find that they had to pass through one step, or two steps, or three, or so on, to fifty steps, before they began mounting the ladder of salaries at the point whence previously the new men at the beginning started. Also all who were afterwards added to the list would find that they had these fifty steps to move through, before reaching what had been the starting point of those who, before the increase of the number, had entered the service. But the prospects of those already in the service would not, in the least, have been affected.

8. The old-rule lists of salaries based upon the figures of 1867, and the new-rule lists based on those of 1870, do not admit of direct comparison, because they refer to the appointments existing at the two periods respectively, and at the two periods the lists of appointments were not the same. A few changes had taken place between 1867 and 1870, chiefly by the creation of new appointments; and the 1870 list of salaries is, therefore, rendered better than it would have been, had these appointments not been created. It would be wrong to argue that, because the new-rule cadre of salaries shows higher figures than the old-rule cadre, therefore the new rules have improved salaries. Part of the improvement at least is due to the creation of new appointments, and we must eliminate that part of the improvement before we can say that the change in the distribution of salaries represents solely the effect of the new rules.

9. This elimination it is not difficult to perform. Where we find in 1870 an entirely new appointment, we simply strike out the salary of it, and the list of salaries is then shown in the state in which it would be if the appointment did not exist. Of course if the appointment were actually to be cancelled, there would be a man cast adrift who would have to be provided for, but at present we are merely talking of a list of salaries without reference to the actual individuals who are incumbents of them. So, where we find that the pay of any particular appointment has been altered between 1867 and 1870, we change it back again so as to show it in the new-rule list the same as in the old.

10. In the lists for Lower Bengal, the following are the details of the changes which have to be made in order to assimilate the lists in respect of the number and value of the appointments filled. The changes are marked D in the list.

(1.) In 1867 there were only six High Court Judgeships filled by Civilians, and in 1870 there were seven. But besides the six in 1867, a Judge No. 22 was officiating as High Court Judge, not having yet been appointed substantively, as the appointment had to come from the Secretary of State. We will suppose him promoted substantively (giving all the promotions down the list), and thus equalise the number of High Court Judgeships held at each period. The persons promoted (substantively of course, and without change in their officiating appointment) are—

22 to High Court Judgeship.	97 to Magistrate, 2nd Grade
42 to Judgeship.	141 to Joint Magistrate, 1st Grade.
76 to Magistrate, 1st Grade.	155 to Joint Magistrate, 2nd Grade.

(2.) Another gentleman, No. 26, was similarly officiating as High Court Judge in 1867, an appointment which we would have had to cancel were it not that there is in the 1870 list a precisely parallel instance in No. 56, who has the same substantive pay, and is acting in an appointment of similar value.

(3.) In 1867 there was only one Secretary to Government on Rupees 3,000. In 1870 there are two, 60 and 66, on Rupees 3,333 each. We have, therefore, reduced 60's salary to Rupees 3,000, and cancelled 66's.

(4.) For the same reason, we have reduced the salary of the appointment of 77 to what it was in 1867, and raised those of 10 and 18 to what they were in 1867.

(5.) The salary of No. 197 we have cancelled, as the appointment he holds was not held by any member of the 1867 list.

11. When we have made these corrections in the two lists, we can put them forward as distribution lists of salaries of the *same* appointments under old and new rules respectively. In fact, they are the actual distribution lists of the salaries and acting allowances attached to the appointments of the Bengal Civil Service; only we have slightly modified them in order that by their comparison with each other they may show exactly what change of distribution is due to the change of the rules, apart from anything that may be due to other circumstances, such as change in the number or value of appointments.

12. The effect of the new rules, stated generally, is, as is well known, the reduction of substantive rank, and of substantive pay, compensated for by an increase of acting allowance.

13. The reduction of substantive rank and pay is not very much in the higher ranks of the service, but is considerable among the juniors.

The increase of acting allowance takes place in two ways. First, of all, each person is acting in a higher appointment than he would have been acting in had the old rules remained in force, because there are a large number of his seniors gone on leave than would have been the case had the old rules remained in force; secondly, acting allowances are given on a more favourable calculation than before.

14. If the objection is made that allowances attached to an acting appointment are not in their nature a sufficient compensation for loss of allowances attached to a substantive appointment, the reply is obvious; that although under the old rules, acting allowances were on an entirely different footing from substantive, such is not the case now. Acting appointments now go practically by seniority, and acting allowances count towards furlough allowance and towards allowance on privilege leave. A lien is retained on an acting appointment during privilege leave; and though it is not so during furlough, yet an officer returning from furlough under the new rules has quite as good a chance of getting an *acting* appointment suitable to his standing according to the *acting* cadre, as under the old rules he had of obtaining a substantive appointment suitable to his standing on the substantive cadre.

15. In fact, a salary under the new rules of Rupees 1,000 pay, plus Rupees 500 acting allowance, is nearly, if not quite, as valuable a possession as a salary under the old rules of Rupees 1,500 substantive pay. A salary of Rupees 1,500 under the old rules had, however, very frequently Rupees 200 or Rupees 300 of acting allowance in it, and there can be no doubt that a salary under the new rules of Rupees 1,000, substantive pay, plus 500, acting allowance, is much more valuable than a salary under the old rules of Rupees 1,250, substantive pay, and Rupees 250, acting allowance. For in the former case all the advantages of lien and of furlough allowance attached to the whole of the Rupees 1,500, while, in the latter, they attach only to Rupees 1,250 out of the Rupees 1,500.

16. There is, however, no necessity to pursue this argument, as probably it will be admitted that a salary under the new rules is just as valuable a possession as a salary of the same amount under the old, and we may compare the salaries shown in our lists, simply in respect of the number of rupees they contain.

17. In comparing the two lists of salaries which we now have, it would of course be useless to compare salary with salary, and, as explained above, we shall take the salaries, or rather the supposititious incumbents of them, by groups of ten, and shall compare the average salary of the first ten men under each system, and of the second ten men, and so on.

18. Only one objection can be made to this method of comparison, and it is this. A member of the second ten might answer that, if the old rules had been in force, he would have been a member, not of the second, but of the first ten. The objection is a just one, because, as a matter of fact, one feature of the new rules has caused every person to occupy under them a position slightly lower than he would have occupied had the old continued in force. Some people now go on leave, and keep their names on the seniority list, where, under the old rules, they would have retired, and their names would have been removed from the list.

19. We may estimate the number that actually would have gone.

The number of men of more than 25 years' service, who were absent on furlough or on medical leave in 1867, were as follow:—

	January.	April.	July.	October.	Average.
Bengal	2	2	2	2	2
North-Western Provinces ...	4	1	1	0	1½

The number in 1870 was as follows:—

	January.	April.	July.	October.	Average.
Bengal	2	5	8	9	6
North-Western Provinces ...	5	9	9	8	7¾

There are therefore in Bengal, four men, and in the North-Western Provinces, seven men, of completed service, absent on furlough under the new rules over and above the number that used to be absent under the old. We will give the objectors the full benefit of the whole number, and assume that these four and these seven men are all men who would have resigned, instead of going on leave, had the old rules remained in force. We will suppose them to have resigned, and thus move each person in Bengal four steps nearer the top, and each person in the North-Western Provinces seven steps nearer the top of the list than he would otherwise be. We allow for this by comparing each salary in the new rule distribution list, not with the one exactly corresponding to it, but with the one which is, in Bengal four, and in the North-Western Provinces seven, places higher.

20. Making the comparison of salaries upon this basis from the lists we have prepared for Bengal, we find that—

Under old rules a member of the first decade drew an average salary of Rupees 4,041. Under new he draws Rupees 4,008.

Under old rules a member of the second decade drew, on the average, Rupees 2,961, under new he draws Rupees 3,157.

The figures in fact are as follow:—

No. of Decade.	Old Rules.	Salary. New Rules, with 30 per cent.	New Rules, without 30 per cent.
1	4,041	4,008	4,008
2	2,961	3,157	3,157
3	2,966	2,778	2,778
4	2,589	2,571	2,571
5	2,479	2,789	2,789
6	2,650	2,907	2,907
7	2,455	2,345	2,284
8	2,271	2,332	2,286
9	2,492	2,208	2,162
10	2,184	2,057	2,005
11	1,660	1,547	1,547
12	1,463	1,408	1,406
13	1,164	1,371	1,360
14	1,115	1,337	1,337
15	964	1,276	1,267
16	1,126	973	973
17	805	962	961
18	640	1,018	1,005
19	700	680	678
20	612	729	728
21	520	762	760
22	450	651	650
23	450	480	480
24	433	428	428
			405

21. In making the comparison between these figures, some things have to be borne in mind. In the first place, it must be remembered that at the same time that the old rules have been changed for new, there has been a change of practice as explained in the first memorandum with regard to Joint Magistracies, a change which amounts to giving Rupees 200 a month to each of eleven men. Our figures, therefore, do not strictly show the comparison of old rules and new, but of old without this practice and new with it. To make the comparison strictly between old and new, we ought to introduce into the old-rule list which we have drawn up, the changes which this practice would have caused had it been then carried out. These changes have been made, and they are marked G in the list E.

22. Again, we have showed the 1870 or new-rule figures more favourable to the juniors than they can possibly remain. It has been explained in paragraph 70 of the first memorandum that, after a short time (in fact the time is beginning now), the number of their seniors on leave will diminish, and the result will be that they will not be so high in officiating rank as the figures based upon the 1870 list show them. To show more nearly what the permanent effect is, I have in the fourth column of the new-rule list made changes marked H, showing the effect on salaries of the

reduction of officiating rank, assuming nine men to return as explained in paragraph 70 of the first memorandum. We may now show the distribution lists as properly compared:—

Number of Decade.	Old Rules as practised.	Old Rules as they should have been practised.	New Rules as in 1870, with 30 per cent.	New Rules as in 1870, without 30 per cent.	New Rules in their ultimate effect (without 30 per cent).	Column 6 compared with Column 3 per cent.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	4,041	4,041	4,008	4,008	4,008	— 1·
2	2,961	2,961	3,157	3,157	3,157	+ 6·5
3	2,966	2,966	2,778	2,778	2,778	— 6·5
4	2,589	2,589	2,571	2,571	2,571	— 0·5
5	2,479	2,479	2,789	2,789	2,789	+ 12·5
6	2,650	2,650	2,907	2,907	2,907	+ 10·
7	2,455	2,456	2,345	2,284	2,284	— 7·
8	2,271	2,271	2,333	2,286	2,286	+ 0·5
9	2,492	2,492	2,208	2,162	2,162	— 13·
10	2,184	2,184	2,057	2,005	2,005	— 8·
11	1,660	1,660	1,547	1,547	1,459	— 12.
12	1,463	1,463	1,408	1,406	1,406	— 4·
13	1,164	1,164	1,371	1,360	1,180	+ 1·5
14	1,115	1,115	1,337	1,337	1,227	+ 5
15	964	964	1,276	1,267	1,057	+ 9·5
16	1,126	1,126	973	973	893	— 21
17	805	805	962	961	827	+ 3·5
18	640	680	1,018	1,005	965	*
19	700	700	680	678	678	— 3
20	612	662	729	728	687	+ 4
21	520	600	762	760	693	+ 14
22	450	472	651	650	550	+ 16
23	450	472	480	480	460	— 3
24	433	433	428	428	428	— 1
				405	405	

23. The comparison of the figures in column 6 with those in column 3 exhibits the change which the new rules permanently effect in the distribution of salaries, except in the decades numbered 21 and 22, where the additional number of men on leave has caused officiating promotions to reach Assistants whom under the old rules it would not have reached; and the decades 9, 10, 11, where there is a slight loss, of whom the reason is not clear, the distribution of salaries appears to be much the same under the new as under the old rules, and no particular stage of the service appears either to have gained, or to have lost much in respect of emoluments.

24. Intermediately there have been considerable gains, as will be seen by comparing the figures in column 5 with those in column 3. The figures in column 5 show the distribution of salaries under the new rules if the number on leave were to continue as high as it stood on 1st July 1870; and the salaries as they stood on 1st July 1870 were not only as good as shown in column 5, but were considerably better, for it must be remembered that column 5 falls short of actuals through the correction we made by reduction of substantive ranks.

25. The salaries of the service during the intermediate or transition period have been better than those shown in column 5, and column 5 is, as will be seen by inspection of the figures, considerably better than the old-rule list of salaries.

26. The transition period is, however, now passing away. Both substantive promotion is being lost, because all the ordinary promotion vacancies are bestowed upon the men who have lost appointments, and officiating rank also is being reduced by the reduction in the number of men on

* Two abnormally high salaries cause an abnormal percentage to appear here.

leave. The salaries of the service will, therefore, shortly assume their final and permanent condition, that which is shown in column 6, and which we see are not, on the whole, much better than the old rules.

27. The salaries we have shown are only those drawn by the members of each decade who are on duty (including privilege leave in that term), and we have excluded the leave allowances which are admittedly better than the old-rule ones. The general effect, therefore, of the new rules is that they give to each member in the service just as much in the shape of emoluments while on duty as he would have obtained under the old rules, but as regards leave, they both give him more leave, in the aggregate, and higher allowances during it.

28. It has been explained in paragraphs 78 to 80 of the first memorandum that a result of this sort does not necessarily cost the State more money.

29. The effect of the 30 per cent. acting-allowance rule may be seen by a comparison of columns 4 and 5. It has really very little effect at all. The minimum acting allowance is two-thirds of the difference of salaries, and the maximum is the whole of the difference, and these rules confine the working of the percentages within very narrow limits. Most of the acting allowances are either the maximum or the minimum, or are very near one or the other, and they are, therefore, left practically untouched by a small change in the percentage at which they are calculated.

30. We saw in the first memorandum that the total emoluments of the service were, by the application or non-application of the 30 per cent. rule, caused to vary between 3,40,754 and 3,39,001 for Bengal, and between 2,23,302 and 2,22,528 for the North-West, differences of only about a half per cent. We see here, in the same way, how little the rule affects the salaries drawn.

31. We proceed now to take up the figures of the North-West; and first of all we have prepared two lists G and H, in exactly the same way as E and F were for Bengal, namely, showing the actual salaries, changed only in the case of the 1870 figures, by giving substantive appointments, as detailed in paragraph 25 of the first memorandum, to the men who have none.

32. We must now proceed to make those corrections and reductions which are necessary to enable us to compare the two lists directly with each other, namely, cutting out appointments which appear in one and do not appear in the other, and making appointments appear with similar salaries.

33. First, there is a rather large correction to be made in this way, namely, a large number of new settlement appointments have been created between 1867 and 1870, the period upon which our rules are based. We must correct for these by striking out, and considering non-existent any that are found in the 1870 list, in excess of those of the 1867 list.

There are, first, two Rupees 2,000 appointments which did not exist in 1867. The first of these, No. 89, we cancel. The second, No. 94, we cannot cancel without deranging other matters, as the holder is officiating in another appointment; but we can do what has the same effect, namely, add an appointment of the same value, Rupees 2,000, in the 1867 list, placing it between No. 94 and No. 95, that is, in the same position.

There are, next, three appointments of Rupees 1,500 which did not exist in 1867, Nos. 100, 103, 104. These we strike out.

Next, there are nine appointments on Rupees 1,250, whereas, in 1867, there were only 6; we, therefore, cancel the three last, 123, 125, and 128.

Next, there are three appointments on Rs. 900 (148, 151, 154), and three on Rs. 700 (156, 157, 168), whereas in 1867 there were four on Rs. 900 and one on Rs. 700. We, therefore, restore the 1867 state of matters by converting the highest of the Rs. 700 appointments (150's) into a Rs. 900 one, and cancelling Rs. 168's.

Of the three Rs. 600 appointments in the 1870 list, we cancel the last two (Nos. 178 and 181), because there was only one such appointment in 1867.

(There appears to be some error in the list with respect to No. 86, who is entered as a settlement officer in the gradation list, but not entered in the list of settlement officers. This appointment, whatever it is, we have let stand as it is, without changing the 1867 list or the 1870 list on its account. If in respect of it the two lists are different, it will not be of any consequence, as it involves only a difference of an appointment in respect of which only Rs. 1,000 is drawn.

34. In order to equalize the number and value of appointments, the following changes also are necessary, and they are marked E in the list:—

(1.) There is one High Court Judgeship more in the 1866 list than in that of 1870, and we must, therefore, cancel the last of the appointments (No. 26's) from the 1867 list.

(2.) Nos. 101, 106, and 125 of the 1867 list had been transferred to Oudh, being in the same position as if they had never belonged to the North-Western Provinces list, and holding no appointments in that list. Their names, therefore, are cancelled from the 1867 list.

(3.) The name of Mr. Hume, Commissioner of Customs, is not entered in the 1870 list, whereas it was in the 1867 list. It has, therefore, been added to the 1870 list.

(4.) Nos. 101 and 143 hold appointments which did not exist in 1867, and which we, therefore, cancel from the 1870 list.

35. We have to make also the correction for the change of practice with respect to Joint Magistracies by supposing the practice now adopted to have been in vogue in 1867. The cases are marked G in the list of 1867, Table G.

36. We have not, in the case of the Nort-West, any change to make on account of the number on leave being reduced from its present standard. For some reason or other, there has not been the same excess of leave-taking in the North-West; apparently more leave used to be taken under old rules so that there was not a sudden placing to credit of large quantities of leave. At any rate, the fact is that the number on leave now is not excessive, and is at a figure at which it may permanently remain.

37. The comparative table drawn up for the North-West in the same manner as for Bengal is as follows:—

Number of Decade.	Old Rules as actually practised.	Old Rules as they should have been practised.	New Rules, with 30 per cent.	New Rules, without 30 per cent.	Column 5 compared with column 3 per cent.
1	3,380	3,380	3,433	3,433	+ 1·5
2	2,778	2,778	2,944	2,944	+ 6·
3	2,750	2,750	2,408	2,398	— 14·
4	2,125	2,125	2,500	2,500	+ 17·5
5	2,369	2,369	2,333	2,333	— 1·
6	2,278	2,278	2,180	2,180	— 4·
7	2,080	2,080	1,834	1,815	— 12·5
8	1,975	1,975	1,833	1,833	— 7·
9	1,283	1,283	1,725	1,725	*
10	1,419	1,419	1,124	1,067	— 25·
11	1,259	1,259	881	881	— 30·
12	1,098	1,118	827	827	— 26·
13	745	805	873	873	+ 8·
14	632	692	775	775	+ 12·
15	656	678	667	662	+ 3·
16	575	600	500	500	— 16·
17	475	475	495	495	+ 4·
18	481	481	444	444	— 8·
19	406	406	414	414	+ 2·
20					

38. The comparison made in the last column shows a result not so favourable as in the case of Bengal. There is a considerable period (decades 7, 8, 9, 10, 11, 12) in the middle of the service during which the new rules cause salaries to be lower than they were under old rules. The reason

* 1,283 is not a fair average under the old rules; seven out of the ten were on leave, and three others had abnormally low salaries.

of this is the long interval that there is between the pays of the several ranks in the North-West; intervals so great that the diminution of pay by loss of substantive rank cannot be made up by acting allowances. Those who under old rules would be Magistrates drawing Rs. 2,250 are now Joint Magistrates, Officiating as Magistrates, and draw only Rs. 1,000 + 833 = 1,833, so that their loss is far from made up to them; and in the same way, those who under old rules would be Joint Magistrates on Rs. 1,000 are now either Joint Magistrates, 2nd Grade, or Assistants, officiating as Joint Magistrates, 1st Grade, and drawing Rs. 900 or Rs. 833.

39. From the figures we may make the same deduction as in the case of Bengal, that the allowances of the service for the most part remain unaffected by the abolition of the 30 per cent. rule.

40. We have made a separate deduction from the figures of Tables G and H to show how far the creation or extension of the Settlement Department has served to make up to the North-West Civilians the unfavourable effect which the new rules have had upon their prospects. This is done by simply omitting from the tables in question the corrections marked C, which we made in order to eliminate from the two lists the differences between them in respect of the number of settlement appointments. If we compare the averages deduced without that correction being made, we shall then compare the salary distribution list under old rules with the salary distribution list under new rules as improved by the creation of several settlement appointments.

41. The comparative table is as follows:—

Number of Decade.	Old Rules as practised.	Old Rules as they should have been practised.	New Rules, with 30 per cent.	New Rules, without 30 per cent.	
1	3,380	3,380	3,433	3,433	+ 1·5
2	2,778	2,778	2,944	2,944	+ 6·
3	2,750	2,750	2,408	2,398	— 14·
4	2,125	2,125	2,500	2,500	+ 17·
5	2,369	2,369	2,333	2,333	— 1·
6	2,278	2,278	2,180	2,180	— 4·
7	2,080	2,080	1,834	1,815	— 12·5
8	1,975	1,975	1,833	1,833	— 7·
9	1,283	1,283	1,808	1,808	
10	1,325	1,325	1,229	1,179	— 11·
11	1,228	1,228	1,046	1,046	— 15·
12	1,068	1,088	905	905	— 17·
13	745	805	919	919	+ 14·
14	612	672	877	877	+ 30·
15	678	722	722	722	0·
16	550	550	627	622	+ 13·
17	475	475	530	530	+ 11·
18	469	469	785	485	+ 3·5
19	406	406	444	444	+ 9·
20	...	...	...	414	

42. The figures shown are not so unfavourable as those shown in the first table. The loss of emoluments in the middle period of service is, however, far from made up to the service. This was only to be expected, for the officers to whom the loss has accrued are mostly above the standing where the chief extension of the Settlement Department has taken place, and of course they remain unaffected by the creation of new appointments among their juniors. The junior third of the service, on the other hand, have materially benefitted by the extension of the Settlement Department, as the creation of new appointments in it has enabled them to be pushed on in the service by a certain number of steps.

The 15th March 1871.

Proceedings of the Madras Government, Financial Department,
12th *July* 1871.

NOTE *on the financial effect of the Military Furlough Regulations of* 1868.

Mr. Kellner, now attached to the Military Accounts Department, some time ago prepared, at my request, a memorandum on the financial effect of the Military Furlough Regulations of 1868, and this memorandum, and the independent calculations made by myself, enabled me to state with great confidence in the Legislative Council, on the 24th March last, that, on the whole, there was a saving under these regulations, if we took into consideratio the combined English and Indian expenditure.

It appears to be now intended to send a copy of Mr. Kellner's memorandum to the Secretary of State in a despatch in the Financial Department on the subject of the new Furlough Rules of the Civil Service, and I, therefore, think it right that I should offer a few remarks on that memorandum, and with respect to the effect of the furlough rules of 1868 generally.

First, I would remark that, in paragraph 11 of Mr. Kellner's memorandum, he gives the increase of cost of the Staff Corps (which is now steadily approaching its maximum) from 1867 to 1871. It appears that the cost has risen in five years from £1,301,103 to £1,553,504,—an increase of £252,401;—but he has not given the decrease in the cost of officers of the local service during the same period. This, I have ascertained from him, has amounted, during the same period, to £105,851, notwithstanding the very few retirements that nowadays take place for reasons well known to the Government of India and to the Secretary of State.

I have thought it necessary to give this statement, not as being necessary to support any argument in favour of the furlough rules of 1868, but as necessary to show that the increased cost of the Staff Corps has some saving to counterbalance it; and it is further to be recollected that the cost of officers of the local service will go on decreasing till it finally disappears, while the maximum cost of the Staff Corps, if the crop is kept within reasonable limits, will probably finally not very much exceed its present amount.

I will next observe that I believe entire reliance can be placed on Mr. Kellner's calculations. They have been examined by various officers independently, and all have concurred in their accuracy.

In fact, from the system of remuneration of officers on furlough and of those who act for them, it seems to me quite clear that there must be a saving by the operation of these rules, provided so many officers are not allowed to go on furlough as to necessitate an increase to the service.

We must start with the assumption that every service requires a sort of reserve to meet casualties, and to provide for the duties of absentees on leave, &c. This is more especially necessary in our Indian services. Having fixed what is necessary as a reserve, I think it is clear that up to the number of that reserve there is an advantage in officers being on furlough, as in nearly every individual case the Government is a gainer; but, of course, if the number of officers on furlough necessitates an actual addition to the service, then any saving by the furlough rules is diminished by the cost of these extra officers.

With the excess of officers still in the military service, it has, of course, been unnecessary to add to the strength to supply furlough vacancies. Indeed, for the lowest appointment in the Staff Corps, that of Second Wing or Squadron Subaltern, we do not allow of any *officiating* appointment; that is, if a second Subaltern goes on furlough, or is acting in a higher appointment, no one is admitted to the service to *act* for him. Officers, indeed, are hardly ever admitted to the Staff Corps, save to fill actual permanent vacancies. It follows, therefore, and I believe is the case, that no admissions have been made in consequence of the regulations of 1868. Nor do I think it will ever be necessary to admit officers in consequence of these regulations; for I assume that at least twenty per cent. must be maintained as a reserve for the Staff Corps, and it is not believed that there will be any difficulty in keeping the absentees within that number.

At present large numbers are absent as, when the rules were promulgated, nearly every officer had furlough to his credit, and as there were surplus officers it was an actual advantage to allow even more than 20 per cent. to go. Already the number of absentees are diminishing, there being thirty-six fewer officers absent in 1871 than there were in 1870, and no doubt in two or three years

the proportion will be within 20 per cent. of the strength, while Government, of course, in case of need can lower the percentage, or temporarily stop all furloughs, save those on medical certificate.

I, therefore, think no useful end would be gained by touching these rules; while, no doubt, the irritation caused by an unfavourable change in rules very recently framed and deliberately sanctioned, and which are believed to be unobjectionable financially, would be extreme.

A difficulty would also arise in the claims that would, no doubt, be put forward by many officers to revert to the rules of 1864, which they relinquished to accept the rules of 1868 as they were framed, and not as they might stand, if modified in a sense injurious to their interests.

I will give a few instances to show the financial effect of officers going on furlough:—

First, as to unemployed officers—

A Lieutenant-Colonel draws £992 in India, and £496 in England—*gain* to the State, £496 per annum.

A Major, £768 in India, and £384 in England—*gain* £384 per annum.

A Captain, £448 in India, and £250 (the minimum furlough allowance) in England—*gain* £198 per annum.

A Lieutenant, £270 in India, and £250 in England—*gain* £20 per annum.

Secondly, I will take an officer in a high situation, say the Inspector-General of Ordnance. He draws £3,000 a year in India, and £1,000 a year at Home. So £2,000 remains with which to provide for his duties.

The Deputy Inspector-General, whose ordinary staff salary is £1,200 a year, draws half the difference between the consolidated pay of the Inspector-General and the regimental pay of the same officer, or £741 a year, and £600 representing his own half staff salary. He thus receives £1,341 a year staff pay, instead of £1,200—the regimental pay in all cases being the same—£141 a year are thus expended.

A 1st Class Commissary acts for the Deputy Inspector-General, and gains (receiving half the salary of the Deputy and half his own) £300 a year.

A 2nd Class Commissary acts for the 1st Class Commissary, and gains £60 a year.

A 3rd Class Commissary acts for the 2nd Class Commissary, and gains £60 a year.

And, finally, an Artillery Officer, whose place is not filled up in his corps, as he is only officiating in the Ordnance Department, acts as 3rd Class Commissary, and receives £300 a year staff salary.

The gain, therefore, on the whole in this case, is £2,000, *minus* £861, or a clear gain of £1,139 per annum.

This is a favourable instance for Government, as the Inspector-General of Ordnance, owing to the maximum limit of furlough pay being £1,000 a year, forfeits a very large sum.

I will, therefore, take the second in command of a regiment of Infantry going on furlough, and will assume that he is a Major.

He receives pay and staff salary in India, £1,092 per annum, in England he receives £546, —£546 being thus available to provide for his duties.

We need not consider the regimental rank of those who act for him, as their regimental pay is unaffected; but the real result will be as follows:—

If an unemployed officer is brought in to act for him, no other acting appointments are needed, and the only sum to set against the £546 saved is £156 given as half staff salary to his *locum-tenens*. There is thus a saving of £390 per annum.

If, however, the step goes in the regiment, the Wing Officer, acting as Second in Command, gains £24 per annum; the Adjutant, acting as Wing Officer, £18 per annum; the Quarter-Master, acting as Adjutant, £30 per annum; the 1st Subaltern, acting as Quarter-Master, £30 per annum.

If an unemployed officer is brought in to act as second Subaltern, he will receive the full salary of £120; but if no unemployed officer is available, no officer can be brought in to act as second Subaltern at all. Thus there may be an outlay of £222, or possibly of only £102 out of £546.

Proceedings of the Madras Government, Financial Department,
12th July 1871.

If the Second in Command happened to be a Lieutenant-Colonel, the saving would be £658 per annum, and the outlay as above.

If the Second in Command was a Captain, the saving would be £386 per annum, and outlay as above.

In the very unusual case of a Second in Command being a Lieutenant and going on furlough, he would forfeit £297 a year, and, as the largest outlay would only amount to £222, there would still be a saving.

And so going, I believe, through every kind of contingency, there will almost invariably be *some* saving when an officer goes on furlough, and often a large one.

If the Civil Service acting allowances are based on anything like the same system, I presume there can be no cost from their rules, provided always that the number of officers on furlough does not exceed the number that must be kept up as a reserve,—the number, in fact, in excess of the appointments that have to be filled that must be maintained in every large service.

SIMLA,
The 20th May 1871.

(Signed) H. W. NORMAN.

No. 13. To the Secretary to the Government of India, Home Department, dated Fort St. George, 12th July 1871, No. 279.

I am directed to acknowledge receipt of the confidential letter from your Department, No. 3102, dated 23rd June 1871, requesting the views of this Government on the point discussed in paragraph 28 of the Despatch from the Government of India to the Secretary of State on the existing rules for leave of absence to Covenanted Civil Servants.

2. The subject of the paragraph in question is the practice in respect of providing appointments for Officers returning from furlough, and I am directed to state that no instance has occurred in this Presidency of a Civil Servant who, having gone to England when holding a substantive appointment and acting in a higher one under circumstances which admitted of his retaining his substantive appointment during absence on leave, has on his return been appointed to another acting appointment of the same value as that he before held, another Officiating Officer being removed to make way for him, and that this Government would consider such a practice to be very objectionable.

3. Cases have occurred of late years in this Presidency in which juniors were removed from acting appointments to make way for seniors returning from furlough *without any appointment at all*, but for this practice there was justification in the fact that the seniors in question have been placed for a time in an exceptionally unfavourable position consequent on the change in the furlough rules during their absence on leave, whereby their prospect on return of obtaining any substantive appointment at an early date was materially impaired. This reason, however, will very shortly cease to operate, and when it does so the practice of removing a junior from an acting appointment to make way for a senior appointed to act in the office will be discontinued.

4. In no case hitherto in this Presidency has the practice adverted to in paragraph 25 of the Despatch under reference been adopted, the circumstances of the service here rendering it generally preferable for the good administration of the country that officers returning from leave should resume their substantive appointments.

5. At the same time it may be observed that the power to shift officers from one post to another is inherent in Government, and does not depend on any leave rules.

6. This Government would deprecate any arbitrary change in the system existing in this Presidency which works satisfactorily.

(Signed) W. HUDLESTON,
Acting Chief Secretary.

Exd. J. Wright.

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Home 1871 - Dept.

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From Government of

Fort St. George

Dated 12th July 1871. | *No.* | *Enclosures* | *Spare copies*

R.

D. No. | *Procs.* | *D.* | *No.*

No. 279

JULY.
Nos. 12-13.

Addressing the Government of India in reply to
eir communication regarding the re-appointment
officers returning from furlough to their substan-
e appointments.

Financial.

No. 67.

INDIA OFFICE;
London, the 9th March 1871.

To His Excellency the Right Hon'ble the Governor General of India in Council.

MY LORD,—In my Financial despatch, dated the 10th ultimo, No. 52, I had occasion to remark on the great increase in the amount of civil absentee allowances paid in England to Covenanted Servants.

2. I now desire to direct your Excellency's attention to that increase, and to other considerations connected with the existing furlough rules.

3. Under the rules of 1864, the periods during which a Covenanted Civil Servant could be absent from India with allowance were as follow:

Furlough for three years at one time after ten years' service, or for one year after seven years' service, and the remainder of the three years' term after a further period of seven years, or in two instalments at intervals of seven years. The allowance during furlough for all ranks, 500*l.* per annum.

Leave on medical certificate for three years, of which two and a half years (but not more than 20 months at one time) might be taken with retention of appointment and half salary, subject to a maximum of 1,000*l.* per annum, no reduction being made on salaries not exceeding 500*l.* per annum. For the remaining six months an allowance of 500*l.* to Civil Servants above ten years' standing, and 250*l.* if below it.

Leave on urgent private affairs for six months, once during the period of service, with retention of appointment, and half salary without limitation.

4. A Civil Servant, therefore, under certain circumstances, could obtain during his period of service, six and a half years' leave of absence with allowances, and, under any circumstances, could obtain three years' furlough with allowances. But he could not retain his appointment for more than three years, and that only under sick certificate, for 30 months with six months additional on private affairs.

5. The Government of India, in their Financial letter, dated the 21st December 1867, referred to the existence of a feeling of dissatisfaction with the furlough rules then in force which was described as pervading all classes of Government servants in India, but more especially the officers of the Army. A Committee was appointed to consider the question, and, in forwarding their report, the Government of India expressed the opinion that it was desirable that Covenanted Officers should be allowed to receive during furlough 50 per cent. of the pay of their substantive offices, restricted to a maximum of 1200*l.* per annum (since altered to 1,000*l.*), and that the deputation allowances should be revised and increased. They also stated that they considered that the system of acting appointments, the natural result of the retention of office by absentees, would act beneficially for the public service.

6. After some correspondence on different points the rules now in force were promulgated in India on the 16th June 1868, and a Civil Servant can now obtain during his period of service,—

(1.)—Furlough for six years (limited to two years at one time) with retention of appointment, or a lien on one of equal value and half salary, subject to a maximum of 1,000*l.* per annum.

(2.)—Special leave on urgent private affairs for six months with retention of appointment, and the same allowance as when on furlough.

(3.)—Leave on private affairs for one month in each year on full pay was allowed both by the rules of 1864 and 1868.

7. The general effect of the rules of 1868 was, therefore, to extend the period during which a Civil Servant may retain the office held by him, while absent in Europe, from three years to six and a half years during his whole period of service, and, moreover, to dispense with the condition of sickness for the retention of appointments. The result was to increase in more than a corresponding degree the number of acting appointments.

8. As already stated, the adoption of these rules has led to a great increase of charge in England for furlough and absentee allowances—

	£
In 1866-67 (11 months) the charge was	58,900
„ 1867-68 the charge was	76,468
„ 1868-69 „ „	93,487
„ 1869-70 „ „	123,033

and it was observed in your Financial letter, dated the 29th September 1869, No. 240, paragraph 23, that the Acting Allowances had proved more costly than was expected.

9. I also find, from the Quarterly Lists for the 1st October 1867 and 1st October 1870, that the state of the Bengal Civil Service was as follows:

	1st October. 1867.	1st October. 1870.
Officers discharging the duties of their substantive appointments	283	206
Officers holding acting appointments	135	198
Officers absent on furlough	90	120
„ „ privilege leave	31	37
	539	561

10. The effect of the new rules has, therefore, been to increase greatly the charge in England for furlough pay, to augment to a greater extent than was expected the charge in India for acting allowances, and to add to the number of acting appointments, until the acting officers nearly equal those employed on the duties of their substantive appointments.

11. I do not consider that such a state of things can be regarded as satisfactory, with reference either to the interests of the Government or of its servants. The Civil Servants of the Indian Government, up to a recent period, earned the great administrative reputation which they enjoy by lives devoted from an early age to the service of the Empire. As a rule, their whole interests was in their work, and they looked for the rewards of retirement at Home only at the end of a long career.

12. The rapid increase in the facilities of communication with England, and other changes which are part of the general progress of the world, have inevitably tended to diminish this characteristic of Indian Service, and there is a danger that the interest of our officers in their work may in consequence become less steady, continuous, and engrossing. It cannot be doubted that this tendency is injurious, or that it is calculated to lessen the confidence, respect, and affection of the Natives.

13. I am aware, however, that there is in some degree a counterbalancing advantage, as officers are now able, by more frequent visits to Europe, to keep themselves informed as to the administrative improvements in progress here.

14. Yet rules for furlough, which encourage absence from duty during periods which are unreasonably long or frequent, cannot but aggravate an evil which goes to the root of our rule in India, and, when this temptation is increased by allowing officers to hold their appointments during those long periods of absence in England, the system of furlough degenerates into a dangerous abuse. An absentee, holding a high and responsible office in India, is encouraged to think lightly of its duties. The subordinate officer who fills it temporarily in this absence, however able he may be, may have little inducement to begin reforms or improvements which he has no prospect of completing. The Civil Service, as a body, is injured by a system which retards promotion, and the whole administration of the country is affected by a general spirit of instability and restlessness which must be injurious to the interests of the people, and may become dangerous to the security of the Empire.

15. I am aware that acting appointments afford opportunities for ascertaining the qualification of officers for appointments, but for that purpose it cannot be necessary that the acting appointments should be so numerous as they now are. It also appears to me that, in regard to very frequent and protracted absences, such as are allowed by the existing rules, the officers acting for the absentees must either be inadequately remunerated or the salaries of the incumbents must be larger than they ought to be.

16. Influenced by these considerations, I deem it necessary that the conditions under which Covenanted Servants are allowed to come to Europe should be very carefully weighed, and the following appear to me to be indispensable provisions in any Code of furlough rules:

That leave on private affairs, with retention of office, should not be so frequent or protracted as seriously to lessen the interest of an absentee in the duties of his office.

That, when required in consequence of loss of health, leave of absence should be obtainable for a longer period than on private affairs, and that in such cases it should be sufficiently long to admit of residence out of India for two hot seasons.

That the allowance should be sufficient to enable an absentee to avail himself of the benefit of residence in England.

17. These conditions were, to a great extent, fulfilled by the Rules of 1864, except in regard to furlough, when an absentee was not allowed to retain his office or to draw a larger allowance than 500*l.* per annum.

18. The Rules of 1868 did not alter the total leave with allowance during the period of service, but they permitted an officer to be absent from his appointment for two years at a time on three separate occasions, and this protracted absence I consider objectionable, as increasing the number and prolonging the periods of acting appointments, which affects injuriously the interests of the younger braches of the Service.

19. It appears to me that absence from India, with retention of office and half salary (limited to 1,000*l.* per annum as a maximum, and full salary of below 500*l.*), should only be allowed for the following periods:

On medical certificate for three years during the whole time of service, of which not more than one year and eight months to be taken at once.

Furlough for one year at a time, the first after seven years' service.

Special leave on urgent private affairs for six months, with retention of office and half salary once during the whole period of service.

Second furlough, or second leave on medical certificate, not to be allowed until seven years shall have elapsed since the last return from furlough or leave on medical certificate.

Privilege leave to remain as at present.

20. I request that you will take this subject into your consideration, and furnish me, as soon as possible, with your opinion on the views which I have now expressed, in order that I may communicate to you my final decision on the subject.

21. I would further suggest that you should, at the same time, state also the extent to which you would recommend modification in the military furlough rules.

I have the honor to be,

My Lord,

Your Lordship's most obedient, humble Servant,

ARGYLL.

F. 1871. D. in N° 294

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No. 106 of 1871.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

LEAVE AND ALLOWANCES.

To

His Grace the DUKE OF ARGYLL, K.T.,
Her Majesty's Secretary of State for India.

Simla, the 23rd May 1871.

My Lord Duke,

We the honor to acknowledge the receipt of your Grace's despatch No. 67, dated 9th March, in which you draw our attention to the great increase in the amount of civil absentee allowances paid in England to Covenanted Servants, and to other considerations connected with the existing furlough rules.

2. Your Grace indicates certain principles which appear to you indispensable provisions in any code of furlough rules, and you suggest, for our consideration, that absence from India with retention of office and half salary (limitted to £1,000 per annum as a maximum), and full salary if below £500, should only be allowed for the following periods:

"On medical certifiate for three years during the whole time of service, of which not more than one year and eight months to be taken at once:

"Furlough for one year at a time, the first after seven years' service:

"Special leave on urgent private affairs for six months, with retention of office and half salary, once during the whole period of service:

"Second furlough, or second leave on medical certifiate, not to be allowed until seven years shall have elapsed since the last return from furlough or leave on medical certificate:

"Privilege leave to remain as at present."

3. We are further invited to state the extent to which we recommend modifications in the military furlough rules.

4. It is suggested, in short, that we should abandon the policy adopted in June 1868, with the full consent of Her Majesty's Government, and pass rules to govern the absence of our civil and military officers, from duty in some respects more severe than any regulations that have been in force since the privilege of furlough with allowances was first granted.

5. We should be reluctant to offer any opinion in favor of these suggestions without, in the first place, consulting the local governments as to whether the inconveniences to which so much importance is attached have been observed by them, and we trust that in any case your Grace will see fit to allow time for the full discussion of the question by the several authorities in this country. It would, however, be difficult, and probably inexpedient, to conduct such

a discussion without giving to the officers whose interests are affected an opportunity of stating their own views and feelings in the matter. And, as we are convinced that any considerable restriction of the privileges conceded in 1868, in respect to leave of absence, is likely to cause dissatisfaction of a character injurious to the public service, we entertain a strong opinion that it is undesirable to moot the question at all, unless your Grace, after considering what we have now to urge upon the subject, should decide, nevertheless, that the discussion should proceed.

6. We desire at the outset, to bring to recollection that the rules of 1868 were adopted, after long and careful deliberation, partly with a view to satisfy what were admitted to the "just expectations" of the officers of the Government—expectations which had been freely expressed and were supported by the principal organs of public opinion in India and England—and partly because in the words of Sir Stafford Northcote's despatch, No. 106, dated 13th March 1868, both the Government of India and Her Majesty's Government "fully recognised that the time had arrived when, owing to the altered relations between India and England, a complete review of the existing furlough rules had become necessary." Sir Stafferd Northcote was "clearly of opinion that this revision should proceed in a large and liberal spirit to the removal of all petty restrictions and limitations, and with the view of giving as much reasonable indulgence to the services as was compatible with the public interest and good administration." Accordingly, he warmly supported the Government of India in undertaking the revision and, indeed, pressed us to bring it to a speedy conclusion.

7. The main principles on which the new rules were based were thus recapitulated by Sir Stafford Northcote in the 4th paragraph of the despatch already quoted,—

1*st*.—"The extension of the privilege of retention of appointment to leave on private affairs, so as in a great degree to obliterate the distinction between furlough and leave on medical certificate.

2*nd*.—"The allotment of a fixed (and enlarged) period of absence from office with retention of appointment.

3*rd*.—"The grant of larger allowances during furlough.

4*th*.—"The abolition (generally) of the geographical limits within which furlough may be taken.

5*th*.—"The assimilation of the rules for each branch of the service so far as circumstances permit.

"To these general principles" the Secretary of State was "happy to give his full adherence."

8. The rules, which were thus passed under circumstances calculated to give to the services every confidence in their stability, have been in operation, with some slight modifications, for less than three years; and their full effect has not even yet been completely attained. But it may be said already that they have given general satisfaction: the agitation which had been carried on for some time before they were conceded has ceased; and, as far as we can judge, no evil consequences have resulted to the administration.

9. Your Grace, however, has now taken various objections to them, and it is suggested that they be withdrawn, and amended regulations substituted. We fear that the ragulations thus amended would be far more distasteful to our officers than those which caused the general feeling of dissatisfaction described in our despatch No. 276, dated 21st December 1867, and which had long been known to the Secretary of State.

10. The first of these objections is, that "the effect of the new rules has been to increase greatly the charge in England for furlough pay, and to augment to a greater extent than was expected the charge in India for acting allowances."

11. In paragraph 9 of our despatch No. 276, dated 21st December 1867, we stated that the new rules would "result in a considerable saving" in the cost of the civil service, and that, for the military service, we did "not anticipate any increase of expenditure by the adoption of the measure." It was subsequently found necessary, as reported in paragraph 17 of our despatch No. 138, dated 17th June 1868, to make some addition to civil acting allowances, in order to "remove any grounds of complaint which might have been reasonably urged as to the wide difference between the pay of substantive offices and that of officiating appointments" which would become more frequent under the new rules. It was to be gathered from our despatch that we expected these additional allowances to absorb the saving which we had anticipated in the civil department: thay were conceded in order to obviate what appeared to us a just cause of discontent to the junior civil servants, and were formally approved in Sir Stafford Northcote's financial despatch, No. 450, dated 31st October 1868.

12. We have since reduced acting allowances from 30 to 20 per cent.; but inasmuch as we have retained the rule that an officer shall in no case receive less than two-thirds of the difference between the substantive pay of his own office and that of any office in which he may be appointed to act, the saving thus effected is trifling. Nevertheless, though as we think unreasonably, even this small change has caused not a little anxiety and discontent.

13. We have carefully watched the financial effect of the measures of 1868. It was, of course, well understood that they must lead to a considerable increase of charge in England, for their object was to enable the officers of both services to visit England more freely by giving them more adequate allowances during absence from duty; but our expectation was that there would be a counterbalancing saving in the charge for salaries in India.

14. It is difficult to distinguish precisely, especially in the civil department, the financial effect of the new rules from that of other changes made since 1868; and this difficulty is aggravated by complications arising from certain passing consequences which have attended the introduction of the rules, but which, if the rules continue in operation, will presently cease. Among the papers attached to this despatch will be found a memorandum recently prepared in our financial department, in which the comparative cost of the new and of the old rules, so far as the civil service is concerned, is analysed in detail. We do not profess to place absolute confidence in all the particular conclusions worked out in this memorandum. To make such deductions thoroughly reliable, it would be necessary to enter into still more laborious investigations and to repeat them for several different periods. But we are satisfied generally, and we trust that your Grace will be satisfied in like manner, that the entire net additional cost of the new rules in the civil department is inconsiderable, and that the great increase of charge in England for furlough and absentee allowances in the civil department is, as we expected that it would be, nearly, if not quite, counterbalanced by a reduction of charge in India.

15. As to the military department we append separate memoranda, the conclusions of which as the facts are much simpler may be more readily accepted. Your Grace will preceive that in this department the rules have caused a large saving of expense. On the whole, we are clearly of opinion that if we were to repeal the new rules in both departments and revert to the regulations which they superseded, *the measure would entail an actual financial sacrifice*: if they regulations were, as your Grace proposes to make them, still more unfavorable, this sacrifice *would be still greater*. We need hardly say that it would be in our opinion very difficult, if not impossible, to maintain the new rules in one department and abandon them in the other.

16. We entertain no doubt that our original conclusions were correct, and that the furlough rules *per se* would have caused in the civil department

also a very considerable saving. We have foregone this saving, and even incurred some little extra expense, in order to improve deputation allowances. This measure was not an inseparable adjunct to the new rules, and had enquiry shown that the additional cost was large, we should have been prepared to re-consider it. As it is, we are of opinion that the financial benefit to be expected from any such revision would be far outweighed by the discontent that would be caused by re-opening the question.

17. Your Grace next objects to the existing leave rules because their effect has been "to add to the number of acting appointments until the acting officers nearly equal those employed on the duties of their substantive appointments."

18. You observe that "the rapid increase in the facilities of communication with England, and other changes which are part of the general progress of the world, have inevitably tended to diminish" that devotion to the service of India, which "up to a recent period" was "a characteristic" of our civil servants; and that "it cannot be doubted that this tendency is injurious, or that it is calculated to lessen the confidence, respect, and affection of the Natives." And we gather that you think that the existing furlough rules by encouraging "absence from duty during periods which are unreasonably long and frequent, aggravate an evil which goes to the root of our rule in India, and by allowing officers to hold their appointments during long periods of absence in England, have so increased this temptation as to have degenerated into a dangerous abuse." "The civil service as a body," you say, "is injured by a system which retards promotion, and the whole administration of the country is affected by a general spirit of instability and restlessness, which must be injurious to the interests of the people, and may become dangerous to the security of the Empire."

19. These are indeed weighty objections to the present furlough rules, and, if they are well founded, we certainly agree with your Grace that not even the fear of causing general dissatisfaction to our officers should prevent us from re-considering our policy.

20. It is due to the very high authority which has pronounced this apparent condemnation of the existing system of our administration, that careful enquiry should precede any full or formal answer thereto; and we could not take upon ourselves to offer any such complete or final answer without taking counsel with the Governments of Presidencies and Provinces.

21. For the present, we can only say that we are aware of no grounds whatever for apprehending that the civil officers of our Government now evince any less devotion to their duty than that which has, as your Grace justly remarks, always characterised the service to which they belong. It is no doubt true that, on the first introduction of our rule into the several provinces of India, the immediate improvement of the country could be more readily marked, and there were more frequent opportunities of earning "great administrative reputations." It is also true that as a result of the spread of intelligence, and the introduction of European ideas, the Natives of India are growing less willing to accept the measures of the Government and its officers without question, and more inclined to demand such political changes and improvements as they desire. The duties of our officers of all ranks in the present day are daily becoming more onerous and difficult; but we are happy to believe that they are fulfilled as devotedly and successfully and with as much sympathy for the people of India as were the perhaps more brilliant of duties our earlier officers.

22. As to the general principle involved in your Grace's remarks, we cannot but remember that the existing rules were deliberately introduced, not three years ago, chiefly with the object of giving the increased opportunities for

visiting England which, in the opinion of our Government and of Her Majesty's Government, were just and expedient. Our own views were thus stated in our despatch No. 276, dated 31st December 1867.

"We now proceed to advert to the effect which these rules are calculated to produce on the officers of Government. One principal result, we have no doubt, will be to make both services popular to render them attractive to the particular classes from which it is desirable to recruit them. This, in itself, we regard as a very great desideratum, inasmuch as the future of India depends mainly upon the character of the men who may be admitted into the services, and who, in choosing India for a career, will be prepared to devote the best part of their lives to the country. Few circumstances, we are of opinion, act with more repelling force to those classes from which both services are drawn than the idea that an Indian career is tantamount to an unbroken exile from Europe. The removal of this bar cannot fail to be beneficial alike to the services and to India.

"The result will not be less beneficial to the character and efficiency of the officers of whom the Civil and Military Services are now composed. Nothing can be more prejudicial to a service than the yearning after a privilege, which it is not open to enjoy except by paths which a conscientious man will not tread. We think it has been clearly demonstrated that officers of the Staff Corps are, by existing rules, to a great extent, debarred from furlough on private affairs. We are sure that this was never intended, and fell that, in justice, it ought not to exist. We are confident, moreover, that the removal of the prohibition will tend to make good officers better, to render all contented. The result will be that the officer, especially the good officer, contrasting his want of means and position in England with his emoluments and opportunities of distinction in India, will return to his work with renewed energy, and with far greater contentment than he ever experienced before."

23. The response of Her Majesty's Government has been already quoted; and we have now to say that nothing in the operation of the rules has modified our conviction that the policy of affording to our officers the means of making, under reasonable restrictions, more frequent visits to England was just and advantageous both to them and to the Government.

24. We will now advert in detail to each of the objections taken by your Grace to the effect of the new rules upon the general administration; and first to the increased proportion of civil acting appointments which your Grace shows to have risen from ·225 to ·28 per cent. of the service, or by about one-fourth. We are well aware that frequent personal changes among our officers are most undesirable: we believe that every one engaged in the administration of the Government of this country, is alive to the evil of such changes and anxious to avoid them as much as possible: but we are not convinced that the new furlough rules have in any way increased this inconvenience.

25. We must remind your Grace of the very important alteration of practice introduced with these rules. Whereas under previous rules an officer returning from leave of absence on medical certificate was entitled to revert to the particular appointment which he had vacated, he has now a lien only "on his substantive appointment, *or on an appointment of a similar character*, and not less salary." An officer returning from furlough takes the place not of the particular officer who was originally appointed to act for him, but either of some other officer who obtains leave of absence, or of one of the junior acting officers. Inasmuch as, when once the new rules are in full operation, it may certainly be expected that there will be but little variation from time to time in the number of officers absent, the great majority of acting officers can ordinarily never be disturbed, but will have as complete and permanent an interest in their offices as if they held them substantively. The practical effect of this rule will be, we believe, entirely to change the character of acting appointments which will become for the most part as permanent as if they were substantive appointments.

26. In our despatch of December 1867, we plainly foresaw and stated that the result of the further retention of appointments conceded by the new rules would be that "acting appointments, especially in the civil service, would be largely increased." But, we added: "On the other hand, the system of acting

appointments need not render the tenure of office in effect less permanent than it now is. This has been pointed out by the committee in the 5th paragraph of their proceedings.

27. We would now recall the attention of your Grace to that paragraph* to the policy of which complete effect has been given by the Government. We consider that this policy has been generally successful, and that, as regards officers engaged in the *general* administration of the country, there is not less, but more, permanency of tenure of office than there was under the old rules.

28. In one respect, indeed, the practice of local Governments is believed to have been more liberal than is necessary and, perhaps, desirable. The principle of the rules is that an officer shall, on his return from leave of absence, be replaced in as good a *substantive* position as that which he held when he was last on duty. The practice has been to replace an officer returning from furlough not only in as good a *substantive*, but in as good an *officiating*, position, and, if necessary, to remove another officiating officer for the purpose. We are inclined to think that the new rules do not require this, and that there would be no hardship caused if an officer were not replaced in an *acting* appointment equal to that which he held when last on duty (supposing it to be possible to employ him in a substantive office such as he is entitled to claim) until an acting vacancy shall occur. We will consult the local Governments on this point. If they accept the view to which we now incline, a still more complete permanency in the ordinary tenure of office will result.

29. The remarks which we have made upon the effect of the new rules on the tenure of office, apply absolutely to the general rank and file of the civil service. They are not, we admit, applicable to special appointments by which we mean exceptional and individual appointments not belonging to a class and not interchangeable with others. Uncertainty of tenure and frequent personal changes in such offices are particularly objectionable; and, if the new rules have increased such changes, their effect must certainly be held to have been in this respect unsatisfactory.

30. The temporary tenure of such appointments has no doubt increased in the ratio in which furlough has been taken by officers holding such appointments more frequently than medical leave under the old rules. But such officers, especially if holding important appointments, *e. g.*, Chief Commissioners and Secretaries, for manifest reasons, seldom take furlough unless compelled to do so by sickness; so that the temporary tenure of such appointments has not, it is believed, much increased. In any case, their number is insignificant compared with the number of other appointments.

31. We have further to remark on this branch of the subject that there are very strong reasons for thinking that the number of officers now absent on furlough from both services is still considerably in excess of what will be the normal proportion if the rules are allowed to continue in force. On the

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* "In advancing, as above, the reasons for allowing retention of appointment during absence on furlough, the Committee do not overlook the fact that the proposed system will give rise to the multiplication of acting appointments in India; but it seems to them that some of the main objections now existing in respect of acting appointments will be very much modified under the proposed arrangements. The acting incumbent will be considerably better paid than formerly, for, as will presently be seen, the Committee recommend the appropriation to that object of the large saving which it is shown will result from the new arrangements: and this will go far towards removing one ground of complaint against acting appointments. It is also clear that, with a greater prospect of prolonged tenure of office, the acting incumbent will not, in the same degree as formerly, feel himself to be a merely temporary occupant of the position which he fills. And, further, although there will, of course, be a large proportion of acting appointments there need not perhaps be more or even so many changes of office as under the present system: for the Committee would wish it to be distinctly understood that they do not contemplate the retention during furlough, in the case of Deputy Commissioners, Magistrates, Collectors, Judges, Commissioners, &c., of any claim to particular Districts or Divisions, as is now generally the case. Under present rules, for instance, A, Commissioner of the Rohilcund Division, takes sick leave, and B acts for him; by the time A returns, C, Commissioner of the Allahabad Division, is going home on similar leave; B, is ousted from his acting appointment in Rohilcund and has to go to Allahabad to act for C: But, under the proposed arrangement, B, would be allowed to continue in Rohilcund, A being posted to the Allahabad Division on its vacation by C, one change of office only instead of two being thereby caused. If this principle be observed, the unsettled character of an acting appointment, to which objection is taken with so much force, would be greatly modified."

first introduction of the rules, a large number of officers who had long been expecting them and who became suddenly entitled to long periods of leave, hastened to take advantage of them. The incidental and abnormal excess in the number of absentees thus caused has not yet ceased, and so long as it continues, many of the effects of the rules to which your Grace objects must be aggravated, and a fair judgment upon their general working cannot readily be formed. When this disturbing cause shall cease to operate, if every officer takes all the furlough to which he is entitled during his service (which can never happen), one-fifth or twenty per cent. only on an average would be absent on furlough at one time. This was intended to be the limit of the proportion of absentees; and this limit is now actually being gradually enforced.

32. We address ourselves now to the objection that the periods of absence allowed by the rules are unreasonably long. Upon this point, we wrote in 1867—"We consider that the limit now allowed for furlough on private affairs (two years) could not justly be lessened. After many years of toil in India, an officer actually requires to recruit his health and energies, and this can hardly be effected within a shorter term than two years." Your Grace now proposes to allow only one year at one time on private affairs, and only twenty months on medical certificate, and not to allow absence even for the cause of certified sickness save at intervals of seven years. We can only repeat our conviction that what was allowed in 1868, was no more than is absolutely necessary. It is, therefore, our duty to say that we hope that the suggested alterations will not be pressed.

33. As to the expediency of reviving the distinction between furlough on medical certificate and furlough on private affairs, which distinction it was a main purpose of the rules of 1868, as far as possible, to abolish, we would place before your Grace the following opinion of the late Sir H. Durand recorded in 1867, as, *mutatis mutandis*, still expressing our own views.

"The inevitable consequence of the system of leave rules is, that the hard-working men of the service, however sensible that they ought to recruit by a timely furlough passed in Europe, have either to wait to qualify for a medical certificate by a thorough break-down, or are driven to take, under very unfavorable circumstances, which few men can afford to meet, six months' furlough instead of twenty-four months. The tendency of such a system is, of course, to foster the growth of sick certificates."

34. We adhere to the conviction that it is to the advantage and not to the disadvantage of the administration that officers should be encouraged to resort to England for refreshment of body and mind, even though they be not actually broken down by sickness. There are ample securities, in our opinion, against any abuse of the privilege; for costly sacrifices are always involved in its enjoyment. To reduce the maximum period of leave on private affairs to twelve months would be to give such a preponderance to these sacrifices as to be equivalent in many cases to the withdrawal of the privilege altogether. An officer with a family would have to pay for the expenses of the journey alone to England and back, a large portion of the entire furlough allowances to which he would be entitled, and, of the junior officers at least, few could bear the burden.

35. We must further deprecate the limitation of leave of absence on sick certificate to twenty months. We entirely agree with your Grace that it is essential that in such cases the furlough "should be sufficiently long to admit of residence out of India for two hot seasons; but this would not be secured by a maximum of twenty months, which would suffice only if the officer should fall sick very shortly before the commencement of a hot season; it is probably much more common for sickness to supervene at or about the close of a hot season. We are clearly of opinion that no maximum short of two years will suffice for leave of absence on medical certificate. And as to refusing an officer such leave until seven years have passed since he last returned from leave of absence, we venture to assure your Grace that a rule involving such extreme hardship could not be maintained. The Government could not take the

responsibility of allowing an officer, perhaps, to die, who should fall sick before he was entitled to leave of absence by rule ; while, on the other hand, it would be most injurious to the administration to compel a man unfit for duty to continue at his post under penalty of absolute ruin.

36. Lastly, we refer to your Grace's opinion that "in regard to very frequent and protracted absences such as are allowed by the new rules, the officers acting for the absentees must either be inadequately remunerated, or the salaries of the incumbents must be larger than they ought to be ;" and to your belief that "the civil service as a body is injured by a system which retards promotion," and which "affects injuriously the interests of the younger branches of the service." We would here observe that, while the effect of the new rules has been certainly somewhat to retard *substantive* promotion, they have at the same time much accelerated *acting* promotion, while acting allowances have been largely improved with the object of compensating for the delay of substantive promotion. Even if allowances on the whole had been somewhat reduced, it would have been made up to the service by the increased privileges granted in regard to leave of absence. This subject has, however, attracted our particular attention, and we are able to furnish a memorandum comparing the emoluments of officers of our civil service under the old rules and under the new rules. This memorandum, which we believe states the case somewhat unfairly to the new rules, will, we hope, satisfy your Grace, as it satisfies us, that the interests of our junior officers have not suffered by their operation.

37. There have been, and are, other causes at work which have retarded promotion in the civil service; but they have no connection with the leave rules. The knowledge that proposals to amend the pension rules were under the considertion of the Government has practially stopped retirements for more than two years, and (which is much more serious) an excessive number of recruits was supplied to some provinces a few years back. These are the causes which, we believe, have given rise to the complaints of slow promotion in the civil service which are made not we are sorry to say, without foundation, in some parts of India, and which may have reached your Grace. The new leave rules have, in our opinion, mitigated, rather than aggravated, the evil.

38. However that may be, your Grace will perhaps allow that the junior officers of the civil service are themselves the best judges of their own interests in this matter. We take upon ourselves to assure you that very few indeed of these officers would, if they had the option, elect to revert to the old leave rules, and that fewer still would chose the rules proposed by your Grace in preference to those which they now enjoy. To many of these officers it would appear a special injustice if they were now deprived of privileges, in the anticipation of which in due time they have been cheerfully performing for long periods the work of senior absentees on less than the full salary.

39. There is one point connected with this part of the new rules regarding which we are not quite satisfied, *viz.*, the privilege allowed to officers to take furlough in immediate anticipation of retirement. It may perhaps be that, as a consequence of this privilege, officers remain in the service longer than they would otherwise do, and that, in this way, promotion is retarded. The committee by whom the rules were drafted were, we have reason to know, anxious to avoid this effect of the rules, but failed to devise an unobjectionable expedient against it. We should, therefore, probably find it very difficult to prevent this particular inconvenience ; and, inasmuch as it causes a saving to the State, while the rules for civil furloughs as a whole, probably involve some little financial sacrifice, we deem it unadvisable to attempt to remedy it. The reduction of the maximum furlough allowance to £1,000, and the settlement of the pension question, will tend to make such cases less frequent.

40. We have now set before your Grace the strong objections which, as at present advised, we entertain to the change of policy in regard to the civil

and military furlough rules which you have invited us to consider. We have given reasons for thinking—

that the cost to the State of the new rules in the civil department is inconsidderable, while in the military department there is a large saving which must be forfeited, if the policy suggested be adopted;

that the tenure of civil officers is certainly not less, and probably more, permanent under the new rules than under the old rules;

that promotion is practically not retarded by the new rules; and

that it was with the deliberate intention of giving increased facilities for absence from India that the rules were adopted by the Government of India and the Secretary of State.

41. We desire, in conclusion, very earnestly to represent to your Grace our present conviction that it is on every ground inexpedient to reverse now the policy of 1868, or to modify it considerably. Such a measure must cause dissatisfaction and agitation throughout the civil and military services of the State. We would not shrink from encountering such dissatisfaction for a just and sufficient cause : but, in the present instance, it seems to us that we should be abandoning a policy deliberately adopted but a short time ago, of the wisdom and prudence of which we entertain no doubt. We should not be able to set forth any facts or consequences which were not fully foreseen when this policy was adopted. We could ouly annouce that the Government which had deliberately and publicly made in 1868 concessions highly valued by its officers, and at that time thought just and proper, had now re-considered the matter and resolved to withdraw them.

42. We believe that our officers have strong reasons for considering that the good faith of the Government is pledged to the maintenance of these concessions, until they can be shown to be incompatible with the public interests, and we think that until then it would be injurious to the character of the Government to withdraw them.

43. We deeply regret that our views on this question do not agree with those expressed by your Grace in your despatch ; but we desire to repeat that, in our opinion, no change should be made in the rules without fully consulting the local Goverdments and the military department, and without hearing the representations of our officers who are so much interested in the question. Should your Grace desire that such consultation be initiated, we shall be prepared to address the local Governments and to submit to your Grace their opinions and those of the members of the services whom they may think it right to consult.

We have the honor to be,

My Lord Duke,

Your Grace's most obedient, humble Servants,

MAYO.

NAPIER OF MAGDALA.

JOHN STRACHEY.

R. TEMPLE.

J. F. STEPHEN.

B. H. ELLIS.

H. W. NORMAN.

Copy.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

LEAVE AND ALLOWANCES.

FROM

THE GOVERNMENT OF INDIA.

To

THE SECY. OF STATE FOR INDIA.

No. 106.

Dated Simla, 23rd May 1871.

Received

Regarding Civil Service Furlough Rules.

F. 1871. D.
in No 294.

71

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

(Enclosure to Despatch No. 106, dated the 23rd May 1871.)

MEMORANDUM.

(REFERRED TO IN PARAGRAPH 14.)

On the financial effect of the New Leave Rules.

SUPPOSE we have a hundred appointments which are to be filled by members of a service, and suppose that in that service there is no such thing as leave, but every one has always to be present in his own appointment, then it is clear that the aggregate allowances received by members of the service, that is, the cost to Government of having the work performed, will be equal to the sum of the substantive salaries of the hundred appointments.

2. But now suppose leave and acting allowance rules are introduced into the service, and the result is that ten men can always be on leave at one time, it is manifest that the service required to fill the 100 offices must be composed of 110 men. The allowances drawn by the 110 men, namely (salaries, composed partly of pay and partly of deputation allowance, to the 100 men who are doing the work, and leave allowances to the ten on leave), is now the cost of the service, the work performed being exactly the same and of exactly the same value as before.

3. It follows, therefore, that the cost of the leave rules (including in that term rules regarding acting allowances) is seen by comparing the amount drawn, in the form of salary and leave allowances, by the members of the service, with the value of, or, in other words, the substantive pay attached to, the appointments whose work is actually being done by the service.

4. This last amount is different from the pay attached to the appointments held (*i. e.*, held on paper) by the members of the service. If you allow men to go on leave with retention of appointment, you must have more appointments in the service than the number whose work you require to be done; for the hundred men who are at work will have on paper one hundred appointments, and some of the men on leave will also have appointments. If Rs. 1,000 is the average value of the appointments whose work is required to be done, Rs. 100,000 will be the value of the work actually done by the service, but when you increase the number of men in the service, by adding ten assistants on Rs. 500 to fill up vacancies, then the value of the appointments held on paper will be Rs. 105,000. The amount and nature of this increase depends entirely on the nature of the leave rules; but it is plain that when one is estimating the effect of leave rules, the figure to be taken as the standard is the first one, the Rs. 100,000, and this figure remains the same, and has the same meaning, whatever the leave rules are.

5. The method, therefore, in which to investigate the effect of the leave rules, so far as regards the cost of performing the work, is to compare the aggregate substantive salaries of the appointments filled* with the aggregate of the salaries, acting allowances, and leave allowances drawn by the members of the service which has to be maintained for the purpose of filling them.

(* It should be understood that by *filling* an appointment, is meant doing the work of it; by *holding* it, is meant holding it substantively on paper, whether filling it or not.)

6. In order effectively to make this comparison, it is not necessary to take account of every single appointment whose work is being done by the Civil Service. Our estimate can be made with regard to any particular set of appointments for which any branch of the Civil Service is separated off, and the estimate will be good so far as regards that particular set. For example, if we take up the Civil List of Lower Bengal, we find that besides the appointments of the Regulation Provinces, and a few appointments under India, there are a few men who fill appointments in Non-Regulation Provinces, or in the Education Department. Men set apart for service in such appointments have (for the time

18. In the North-West, there are three men at home without appointments; one, No. 69, has overstayed his leave, and we do not, therefore, take him into account, because we assume that in future as many will have overstayed their leave as now have; but to the remaining two, Nos. 67 and 85, it is necessary to give substantive appointments a step which involves the degradation of some of their juniors,—so far, that is, as substantive rank is concerned, for, of course, officiating position remains unaffected. The detailed changes are as follows.

19. They can get only Joint Magistracies, 1st grade, as all the Magistrates are senior to them. The two junior Joints, 1st grade, Nos. 93 and 95, will be reduced to 2nd grade, and the two juniors, 2nd grade, Nos. 110 and 112, are reduced, in substantive rank to Assistants.

20. These changes in substantive rank being made, we have made also the changes in respect of salary which are caused by them; and no change being involved so far as regards the appointments filled by any individual, we may now regard the list of July 1870 as showing the detailed distribution of furloughs, appointments, leave allowances, and salaries brought about by the new rules in the services of Bengal and of the North-West.

21. We shall first of all take up and discuss the figures of the Bengal service. From the Civil Lists of July 1867 and July 1870 we take the whole of the men who have to do with the following list of appointments, whether they are on leave or on duty. The appointments enumerated are the whole of the ordinary appointments of the service, and the officers enumerated include almost the whole service, those only being excluded who are separated off from it, as explained above, for appointments which we may regard as foreign to the service:

22. Appointments in Bengal—

	July 1, 1867.		July 1, 1870.	
Lieutenant-Governor	1	8,333	1	8,333
Secretaries	1	3,000	2	6,666
	1	1,500	1	1,500
	1	1,000	1	1,000
Board of Revenue	2	8,333	2	8,000
Secretaries	1	2,500	1	2,500
	1	2,333	1	2,333
Commissioners, at Rs. 2,917 ...	8	23,333	8	23,333
Judges, High Court, at Rs. 4,167 ...	8	33,333	7	29,167
Judges, at Rs. 2,500	26	65,000	26	65,000
Additional Judges	1	2,500	1	2,500
Judges, at Rs. 2,167	3	6,500	3	6,500
Magistrate and Collector, at Rs. 1,917	23	44,083	23	44,083
,, 1,500	13	19,500	13	19,500
Joint Magistrate, at Rs. 900 ...	22	19,800	22	19,800
Joint Magistrate, at Rs. 700 ...	...	...	11	7,700
Collector, Customs	1	2,750	1	3,000
Deputy Collector	1	1,500	1	1,500
Chairman, C. J. P.	1	2,500	1	3,000
Legal Remembrancer	1	2,500	1	2,500
Registrar, High Court... ...	1	1,700	1	1,700
Registrar General	1	1,200	1	1,500
Registrar	...	...	1	900
Superintendent, Stamps ...	1	1,500	1	1,500
Judge, Small Cause Court ...	1	1,000	1	1,000
Survey Superintendent ...	1	1,250	1	1,500
	1	1,000 }	1	900
Gazetteer	1	1,000 }		
Secretary, Government, India ...	...	...	1	1,200
Under Secretary	1	4,167	1	4,167
Accountant General	...	...	1	1,500
Opium Agents	1	2,500	1	3,000
	1	2,700	1	3,000
Governor General's Agent ...	1	2,600	1	2,500
...	1	2,000	1	2,000
TOTAL ...	128	2,72,915	141	2,84,282

Special (*i. e.*, appointments in which men are *acting* but which are held by no one substantively).—

	July 1, 1867.		July 1, 1870.	
Joint Magistrates on Rs. 900	4	3,600	4	3,600
,, 700	3	2,100		
Mr. Crawford	1	2,750		
Famine Commissioner	1	2,408		
,, ,, ...	1	1,200		
Railway-Land Commissioner	1	1,800		
Land Commissioner	1	1,200		
Member of Council	...	...	1	3,116
Wahabees	...	...	1	1,500
	...	...	1	800
TOTAL ...	140	2,87,973	148	2,93,298

23. The list of officers, salaries, &c., of the service maintained to fill this list of appointments is given in Table A for 1867 and B for 1870.

24. The first column contains the number on the list of each officer, the second, the salary he draws, being the amount given in the Civil List (amended, in some cases so far as the 1870 tables are concerned, according to the remarks given above in paragraph 30). The third column is the substantive pay of the appointment he is filling, or, in other words, the government value of the work he is doing. The fourth column shows the leave allowances of those who are on leave.

The second column in Table B shows two figures, the first showing the operation of the 30 per cent. rule, the second the state in which the figures are apart from that rule. The 30 per cent. rule is now abolished, but it costs little trouble, and it may be useful to show the figures as influenced by it.

25. It will be perceived that certain names are entered along with the consecutive numbers of the officers in the Bengal List for 1867. The reason of this is as follows: the Bengal Civil Lists as made up in 1867 did not contain the names of persons holding appointments under the Government of India, (High Court Judgeships, and Secretaries and Accountant General). By 1870 they had changed the plan of making up the Civil List, and they entered the names of the members of the service whether holding appointments under Bengal or under India. In order that the comparison between the figures of 1867 and 1870 may be accurate, we have added to the 1867 List the names of the nine gentlemen who where omitted from it on account of this difference in the way of making up the list. All these nine gentlemen, except one of them who had meantime retired, of course appear in the 1870 List; all, too, in the same appointments as it happens.

26. We have for the present left entirely out of consideration those assistants whom we may regard as superfluous. In the lists are included all assistants who are required to officiate in and fill up the appointments vacated by men on leave, but all below that line are, of course, of no use, so far as regards the mere performance of the service of the appointments enumerated above. The case of the assistants so left out will subsequently be considered.

27. The assistants who are above that line do not, of course, all fill appointments, because some of them are on leave. But still if you require a service of assistants to fill up thirty vacated appointments, and if you cannot get them without the condition that six of them must be on leave at one time, your reserve service in question must be composed of thirty-six assistants, thirty of whom fill the appointments and six of whom are on leave. We have, therefore, included in the lists of the service required to fill these appointments those assistants who are above the line down to which the officiating appointments reach, but who being on leave do not actually fill any of the appointments.

28. We find, therefore, from the 1867 Table that in order to fill the 140 appointments whose aggregate value is Rs. 2,87,973, you required, under old rules, a service of 184 men, of whom—

	Rs.
45 were on leave, drawing...	35,175
139 on duty, drawing	2,67,455

29. The 139 on duty are, of course, too few by one for the 140 appointments, the reason being that one of the appointments (No. 138's) was not filled up when the holder went on leave. This same circumstance accounts also for the difference between the total of column 3 of the table (the total of appointments actually filled), and the total shown in the abstract above, paragraph 32, of the appointments in the service—

	Rs.	
Total of Column 3	2,53,734	
Plus eighteen Magistracies, of which 15 are on Rs. 1,916	28,740	
And 3 on Rs. 1,500	4,500	
	2,86,974	
Total of Abstract ...	2,87,973	
Difference ...	1,000	Being 138's appointment, which was left unfilled.

30. The result of the old rules, therefore, was that, in order to have work done worth Rs. 2,87,973 (A), you had to disburse Rs. 2,67,455 (B) in salaries, and Rs. 35,175 (C) in leave allowances.

31. In stating this distribution as the result of the old rules, certain reservations must be made; because whatever civil list we take up, we will always find cases in which the acting allowance rules are not given free scope, or in which their operation is interfered with. Wherever that is the case, it is plain that the relation of the two figures given above, *viz.*, value of work done and cost of having it done, departs from the relation that would subsist if the rules were not modified by casual circumstances. Our object is to compare the operation of the old rules and new rules, and we must, therefore, eliminate any variations caused by these casual circumstances. If, indeed, we were sure that the modifications caused were the same in nature and in amount at the two periods from which we take our figures, then the bare totals, unchanged, would be sufficient for the purposes of our comparison. But as such is not the case, it will be best to eliminate the modificatory circumstances which we find in the two periods we have taken as our types; as when that is done, we can present the totals as showing in their relations to each other the effect of the old and the new rules, respectively.

32. We must, therefore, examine the figures we have selected in order to see whether anything besides the normal effect of the leave rules enters into them.

33. We find first that the figures of 1st July 1867 are affected in this way. Two gentlemen had been appointed Judges of the High Court, and, according to the rule in such cases, they officiated on full pay pending confirmation, but their appointments were not filled up, and there was, therefore, a saving in expenses arising from this causal circumstance. We must, therefore, eliminate the effect of this before we can say that the figures show purely the effect of the leave rules. We do this by supposing the appointments (which were really

vacant) to be substantively filled up, and the following are the promotions that would take place:

	Before Promotion.	Rs.	*After Promotion.*	Rs.
Mr. Caster ..	1st Grade Magistrate, Officiating Judge	1,917+ 450	Judge	2,500
,, MacDonell ..	,, ,, ,, ,, ...	1,917+ 450	,, ...	2,500
,, Alexander ..	2nd ,, ,, ...	1,500	1st Grade Magistrate	1,917
,, Hankey ..	,, ,, ...	1,500	,, ...	1,917
,, Lowis ..	1st Grade Joint Officiating Magistrate	900+ 342	2nd ,, ,, ...	1,500
,, Worgan ..	,, ,, ,, ...	900+ 342	,, ,, ...	1,500
,, Larminie ..	2nd ,, ,, ,, ...	700+ 342	1st ,, Joint Offg. Magistrate ..	900+342
,, Hume ..	On overtime leave allowances.			
,, Price ..	Assistant Officiating Joint Magistrate	500+ 200	2nd Grade Joint Offg. as before ..	700+200
,, MacLean ..	,, ,, Deputy Collector	500+ 240	,, ,, ,, ,, ..	700+240
	,, of Customs.	10,334+2,366		14,134+782
		12,800		14,916

34. The increase of allowances is Rs. 2,216, and this must be added to the total B given above (paragraph 30). We have already valued at their full amount the work done in each of these cases, and no change takes place in that total, the whole change being one of substantive rank to the men affected, but not any change in the appointments they fill.

35. The case of 138's appointment being left untenanted when he went on leave would be another disturbing circumstance, but we shall find an exactly similar case occurring in the statistics of the new rules, and we need, therefore, make no allowance for it. The anomaly is the same in both cases, so that the comparison will not be affected; and the effect is too small to disturb the accuracy of the figures of either period, considered only by themselves.

36. A similar remark applies to another case. There were three appointments thus arranged—

104 held a Small Cause Court appointment, but officiated in another office.

An Uncovenanted Officer officiated for 104.

And No. 193 officiated for this Uncovenanted Officer.

Our list, of course, includes only 104 and 193, but does not include the Uncovenanted Officer, so that there is here a difference between the appointments held by, and the appointments filled by, the members of the service. In the list of appointments held, it is 104's that appears, but in the list of appointments filled, it is the Uncovenanted Officer's. This is the only case in which the items in the two lists are not identical; but as the same feature occurs in both the periods, and hardly affects the figures of either, we need not make any allowances for it.

37. We come now to the case of special appointments, that is, appointments created by deputing an officer on special work and then filling up his appointment only substantively.

38. It will be seen that such an arrangement always results in a saving to Government. The officer performing the service gets a certain salary which we may suppose to be the value Government sets upon the work, but the actual increase of cost is only the acting allowances given by the officiating promotions, plus the pay of an assistant brought in at the foot of the list to fill up the lowest step.

39. The amount of the saving thus effected varies from time to time according to the special work that happens to be called for at each date; but that amount varies so much that it is necessary to eliminate it altogether before we can claim generality for our figures. We shall subsequently deal with the matter of the usual and average saving thus made; but meantime we strike out all these special appointments, so as to make the figures show the effect of the leave rules only upon the expense to Government of having the ordinary provincial service performed without, and apart from, the effect of deputations on special appointments. We therefore suppose the special appointments cancelled, and turn every one back to his own appointment, that is, to the office he would fill if the special appointment did not exist. Of course the assistant, who has been called in to officiate in the lowest step, is also turned out, and he becomes one of the supernumerary assistants, whom, for the present at least, we have entirely excluded from our list of members of the service.

40. It will be perceived that at both periods there were four special appointments as Joint Magistrates. It was the normal state of the service that there were four more Officiating Joint Magistrates than there were Joint Magistracies (because there are 26 1st class districts and only 22 Joint Magistrates). This, therefore, is a normal and regular thing, and we need not make any allowances for it, as it is common to both periods. By abolishing the other special appointments the following changes will occur in the list we have drawn up:

41. There are first three Special Joint Magistracies on Rs. 700 each. These we shall presently deal with.

There is, then, Mr. Crawford's deputation, and there are two famine and two railway appointments, if we suppose these abolished—

		Rs.	Rs.
1	Mr. Crawford has no deputation allowance. Returning to his appointment he ousts 76 from it and from a deputation allowance of	475	
76	ousts 127, the Joint Magistrate, 2nd grade, officiating for him (see para. 33 above), who becomes Officiating Joint, 1st grade, and loses pay ...	40	
127	turns out an assistant who is Officiating Joint Magistrate, and draws salary	700	
			1,215
55	returns to his Magistracy, losing his deputation allowance of ...	492	
	and ousting a Joint-Magistrate, 2nd grade, officiating as Magistrate, so that he comes to officiate only as Joint Magistrate and loses ...	142	
	Ousting an assistant officiating as Joint Magistrate and drawing ...	700	
			1,334
150	returns to a Joint-Magistracy, losing	300	
	and ousting an assistant officiating as Joint Magistrate who draws ...	700	
			1,000
98	returns in the same way as 55, and causes the same changes, except that his deputation allowance is only Rs. 300, so that the whole saving is	1,142	
113	is in the same case with 150, and the saving in his case is, therefore	1,000	
	Total saving in the cost of doing the work ...	5,691	

42. The saving in the cost of doing the work is, therefore, Rs. 5,691, and, of course, we must exclude from the total value of the work to be done the amount which we have put down to represent the value of these special appointments, namely Rs. 9,358.

43. In respect of Joint Magistracies of the 2nd grade, there was always an irregularity of practice under the old rules, which has now been corrected. The Joint Magistrates of this grade were almost always officiating in a higher grade, yet no one used to be promoted to officiate in the appointment thus left unfilled. The irregularity of practice in this respect caused a small saving to Government, which has disappeared, now that the practice has become regular. But it is plain that if we wish to calculate the charges entailed by the new rules, so as to compare them with the old, we must not credit the old rules with this saving, which was not a consequence of them, but rather was contrary to the letter of them. The cessation of the saving does not arise from the new rules, but only because the Government has resumed a regularity of practice which was equally admissible under the old rules. The proper way to show the figures would be, first, to show as the result of the old rules the cost which would be the consequence of them apart from the small saving which used thus to be effected, and to show the saving separately as a saving usually, but not always, effected by the irregularity.

44. There are eleven Joint Magistracies, 2nd grade, in Bengal, and the holders of them were all absent from them at the date from which we take our figures; therefore, had the practise been regular, eleven assistants would have been appointed to fill them, and to draw Rs. 500 + 200 each. As a matter of fact, only three of them were filled, namely, the three we have shown in the list of special appointments, for they were treated as special and not as ordinary appointments. Therefore, to show by our figures the effect of the old rules, we must fill eight more, by giving them, namely, to the five assistants, whom our supposititious abolition of special appointments has ousted from the list, and to three more taken from these assistants, whom we considered supernumerary and did not include in our figures at all. This change will add

Rs. 5,600, both to the item, "value of work done (A)," and to the item, "cost of having it done." Although Government, by not making the promotion, usually saved the extra Rs. 200 which each of these eleven men should have got, this has nothing to do with the comparison of the rules.

45. Let us see now what changes we have to make in our totals.

	Value of work to be done.	Cost of doing it. Salaries.	Leave allowances.
We started with	2,87,973	2,67,455	35,175
By filling up the High Court Judgeships ...	.....	+ 2,216	
By abolishing the special appointments ...	− 9,358	− 5,691	
By filling up the 2nd Grade Joint Magistracies	+ 5,600	+ 5,600	
Result	2,84,215	2,69,580	35,175

46. The effect, therefore, of the old rules was this: if you leave entirely out of consideration all the supernumerary staff of assistants, taking cognizance only of the staff of assistants actually required to fill up appointments by men going on leave, then, in order to perform work which you value at Rs. 284,216, and which, if there were no such thing as leave (not even privilege leave) would be performed at that price, you have to keep up a staff, some of whom are on duty and draw Rs. 2,69,580, and others on leave and draw Rs. 35,175.

47. How large is the staff required? We started, it will be remembered, with 140 appointments to fill; since then we have abolished five special ones and created eight additional ones, namely, the eight Joint Magistracies; there are, therefore, 143 appointments to be filled, of which four (*viz.*, Joint Magistracies) are special, and 139 are ordinary substantive appointments. The staff with which we started was a staff of 139 on duty and 45 on leave. From the list of those on duty we first excluded five, and then we took them back, and took back three more, so that the staff is composed of 142 on duty and 45 on leave.

Of the 139 who were on duty in the figures with which we started, 22 were assistants officiating in higher appointments (they are marked A in the List A). By the promotions made in paragraph 33 we have given two of these substantive appointments, which reduces their number to 20. But we have added three to the bottom of the list, which increases it to 23.

The remainder of the 142 on duty, that is, 119 in all, have substantive appointments; and if to these 119 substantive appointments we add the 20 appointments retained by by men on leave (marked R), we get 139, the number of substantive appointments in the service, the same as before.*

48. Taking up now the figures of Table B, on which we base our calculations regarding the new rules, we proceed to eliminate, in the same way as before, the effect of casual special circumstances.

49. We find that there are 148 appointments to be filled, of the aggregate value of Rs. 2,93,300 (see Abstract paragraph 22); and of these the Table B shows in the third column that Rs. 2,92,400 is actually filled, the difference being due, as in the case of the 1867 List, to one appointment, No. 143's of Rs. 900, being left unfilled. To do the work of these appointments we require a staff to whom are paid salaries aggregating Rs. 2,74,128, or Rs. 2,72,375 (according, as we apply, or do not apply, the 30 per cent. rule), and leave allowances, Rs. 50,754.

* These figures serve as a sort of check, showing that our tables are accurate in respect of appointments held and appointments filled.

50. We have a few anomalies to allow for in the same way as before—

For example, No. 68 got a special acting allowance of Rs. 1,125, whereas by rule he was entitled only to Rs. 844; we must, therefore, reduce the cost shown above by Rs. 281, as we cannot attribute the special allowance to the new rules.

51. We must allow, next, for the special appointments in the same way as before, namely, by supposing them abolished, leaving, however, the four Joint Magistracies for the reasons stated in paragraph 40. The following changes will then take place:

	Rs.	Rs.
56 returning to his own appointment ousts, 176, and loses his deputation allowance of	616	
176 returns to officiate as Magistrate and Collector, losing a deputation allowance of	666	
He turns out Assistant Magistrate, who, becoming an Officiating Joint Magistrate, only loses	400	
And turns out an Assistant who draws	767	
		2,450
159 returning, becomes an Officiating Magistrate and Collector losing	266	
Ousting officers in the same way as 176 above	400	
...	767	
		1,433
158 returning, becomes an Officiating Joint Magistrate and loses	33	
Ousting an Assistant who draws	767	
		800
		4,683

We must, therefore, deduct Rs. 4,583 from the item "cost of doing the work," deducting, at the same time, 3,116 + 1,500 + 800, or 5,416, from the total value of work done.

52. Then a correction has to be applied to the leave allowances, for five men are drawing Rs. 1,000, and one, Rs. 954, whereas the present maximum is Rs. 833; the difference, Rs. 954 in all, should be deducted, as it would not have been a charge had the rules been in their present form.

53. Again, the Governor General's Agent at Moorshedabad went on leave, and the Magistrate performed his duties in addition to his own, getting a special allowance of Rs. 300 for it. This arrangement produced a saving compared with normal and regular arrangements, and we ought, therefore, to exclude its effect. This may be done by supposing an Assistant appointed to officiate, and get Rs. 500 + 1,000. (If a Joint Magistrate were appointed to officiate, and an Assistant for the Joint, the cost would differ only by a few rupees.) This will add Rs. 1,200 to the cost of the work done, namely, Rs. 1,500 given to the Assistant, less the Rs. 300 taken away from the Magistrate.

54. The corrections are, therefore, these—

	Value of the work done.	Cost of doing it.		
		Salaries.		Leave Allowances.
	Rs.	Rs.	Rs.	Rs.
We started with	2,93,300	2,74,128 or	2,72,375	50,754
No. 68's special allowance	.....	−281 „	−281	.....
Special appointments	−5,416	−4,683 „	−4,683	.....
Leave allowances over the maximum ...	.....	.....	.....	−954
Govr. Genl's. Agent, Moorshedabad ...	.....	+1,200 „	+1,200	.....
Result ...	2,87,884	2,70,364	2,68,601	49,800

55. Now, let us see of how many members the service must consist.

The list, Table F, contains 63 members on leave, and 146 on duty. There are 148 posts to be filled, but one is left vacant, and one is grouped up with another. For this last one, however, we have admitted another man which makes 147; but this is reduced to 144 on account of the men excluded by our abolition of the special appointments. After that abolition, therefore, there remained 145 appointments, and 144 men filling them, one being vacant. Of the 145 appointments thus to be filled, four (*viz.*, the extra Joint Magistracies) were special, and the rest, or 141, were the substantive appointments of our list (paragraph 22).

Of these 141, we find 47 were held by men on leave (marked R in the Table), so that 94 were retained by men on duty. The remainder of the 144 men on duty, *i.e.*, 50, ought, therefore, to be assistants officiating in higher grades, and we find this is the actual number; 52 in the Table are marked A, but of these we have excluded 3 by abolishing the special appointments, and we added one, in paragraph 53.

56. The case of the Supernumerary Assistant Magistrates must now be considered, and within this designation are included all those Assistants who are not required for the actual service of the appointments enumerated in paragraph 12, that is, the Assistants below the line down to which the officiating appointments reach (see paragraph 17), and who may be regarded as in training for the regular work of the service.

57. There is a certain objection to mixing up the case of these Supernumerary Assistants with the case of the other officers in the service, because their number varies from time to time from causes that have nothing to do with the leave rules.

58. Their number, whatever it is, will, to a certain extent, affect the percentages we have to show, for the simple reason that the ratio of one sum to another is not the same when an equal amount is added to both; the ratio of A to B is not the same as that of A+C to B+C. If, therefore, we were to take the number of Assistants merely as they happened to be at the date we took for our data, we might have the figures of the two periods affected differently from causes that had nothing to do with the leave rules. It is therefore best to take, not the actual number of Assistants which happened to be on the list at the date we close, but to make an independent estimate of the probable amount required to pay for Assistants kept in training. Any Assistants in the service, beyond this estimated number, may be regarded as external to, and having nothing to do with, the service of the appointments enumerated in paragraph 22, whose cost, under old and under new rules, we are comparing.

59. It should be observed that the new rules will have a certain effect in reducing the training charge. The number of Assistants in training must always be equal to the calculated decrement of the service during the period which is considered sufficient for training each person. And the new rules will have a small effect in reducing this period, because, as "acting" tenure of an office has always something probationary in it, and as officers now serve a longer time "acting" than they used to, before being made substantive, each man can be put into "acting" harness (which takes him out of the training list) sooner than he previously could. These men in training, however, are not an idle burden upon Government, but are actually performing work which has to be done by others, if not by them; and the gain to Government in reducing their number by cutting off, say, the fourth year of their training, is not a saving of the amount it pays to them during that fourth year, but a saving of only the excess of what it pays to them over what it would have to pay to other men, uncovenanted officers for example, for doing the same work. Considering the nature of the work, which is probably, for the most part, charge of sub-divisions, it is doubtful if this is any very large saving, for an uncovenanted officer in charge of a sub-division gets on an average about Rs. 350.

60. The service in Bengal consists of 250 members, and its annual decrement would be about 9. If four years were the training period under the old rules, the number required to be kept in training would be about 36; if three years is the period under the new, it would be 27; the difference is 9. The diminution takes place at the top of the list of the 36, that is, among those whose pay is Rs. 500, and the cost saved is, therefore, Rs. 4,500. But an extra expense of $9 \times 350 = 3,150$ is required in uncovenanted servants to do the work from which the 9 are taken away. The saving effected in this way is, therefore, only 4,500—3,150=Rs. 1,350.

61. If we take Rs. 450 as the average pay of an Assistant in the training list, we find that, under the old rules, Government required to spend $36 \times 450 =$ Rs. 16,200 upon Assistants in training. Under the new rules the charge is less by nine Assistants on Rs. 500, or by Rs. 4,500, that is, it is Rs. 11,700; but as nine men have to be added to the uncovenanted list, on about Rs. 350 each, this charge is raised by $9 \times 350 =$ Rs. 3,150; total Rs. 14,850.

62. It may be remarked that the *absolute* correctness of this estimate of the number of Assistants required is of very little importance so far as regards the result we are leading up to. A very large error in it would hardly produce an appreciable difference in the calculation of *relative* cost; in fact, it is hardly necessary to take cognizance of the Supernumerary Assistants, and we have done it only on grounds of theoretic accuracy.

* * * * * * * * *

63. A word should be added on the subject of special appointments, which it will be remembered we supposed abolished, before we made our deductions. It was explained before that special appointments are always provided for at a saving, because the appointments vacated by the deputation are filled up only by officiating promotions.

64. The value of the special appointments existing at our two dates respectively was Rs. 9,358 and 5,416. We may assume as the usual amount about Rs. 7,000. And in a similar way, adopting a medium supposition, we will calculate the saving by the case of a Magistrate, 2nd Grade, deputed on special duty:

	Old Rules.	New Rules.
The Magistrate being deputed, a Joint Magistrate officiates for him costing ...	342	533
Assistant for the Joint Magistrate	700	700
TOTAL ...	1,042	1,233
Saving on the value of special appointment (Rs. 1,500) ...	458	266
	30 per cent.	18 per cent.

(It is necessary to count in the Assistant's full pay by the method we have throughout adopted of showing the full pay of the working staff against the work done, see paragraphs 26 and 27.)

65. We should, therefore, to calculate for the normal amount of special appointments provided for, add Rs. 7,000 to the value of work done at various periods, suppose four men more brought upon the working staff required, and suppose them to draw, under old rules, Rs. 4,900 70 per cent.) and under new Rs. 5,740 (82 per cent.). The same remark may be added here with regard to this estimate as has just been recorded regarding that of the Assistants (paragraph 62).

66. We may now put side by side the final results obtained:

		Old Rules.	New Rules.
The data, that is, the value of work to be done is	Substantive	139	141 *a*
	Ordinary special	4	4 *b*
	TOTAL ...	143	145 *c*
	Value in Rs.	2,84,216	2,87,883 *d*
Add for four casual special appointments, valued at Rs. 7,000 ...	Total number of appointments ...	147	149 *e*
	Total value in Rs. ...	2,91,216	2,94,883 *f*
Staff required to be maintained ...	No. of officers	187	207 *g*
Add four for the casual special appointments	Total number	191	211 *h*
Of this number, there are on duty ...	With substantive appointment ...	119	94 *k*
	Assistants without substantive appointments	23	50 *l*
	TOTAL ...	142	144 *m*
	Drawing in all Rs.	2,69,580	2,70,364 *n*
			or 2,68,611
	Add for casual special appointments four Assistants brought on the staff ...	146	148 *p*
	And the additional cost caused *viz.*, Rs. 4,900 or Rs. 5,740	2,74,480	2,76,104 *q*
			or 2,74,351
And there are on leave ...	With retention	20	47 *r*
	Without retention	25	16 *s*
	TOTAL ...	45	63 *t*
	Drawing altogether Rs.	35,175	49,800 *u*
A staff of Supernumerary Assistants in training is required ...	No. of officers	36	27 *v*
	Drawing Rs.	16,200	11,700 *w*
The reduction of this staff under the new rules causes an addition to the number of officers uncovenanted	Number of officers	...	9 *x*
	Drawing Rs.	...	3,150 *y*
	TOTAL, *u*, *w*, *y*. ...	3,25,855	3,40,754 *z*
			or 3,39,001

Of the double figures in headings *n*. *q*. *z*., the first is based on the 30 per cent. acting allowance (now abolished); the last on the 20 per cent.

67. Taking up the figures in this Table we may now show our conclusions, and first as to the gross cost of the new rules to Government.

68. We see that under old rules, for Rs 2,91,216 of service work (by which is meant all the work done by the service, excluding that done by the supernumerary staff), the whole cost incurred was Rs. 3,25,855.

69. At the same rate the cost incurred under old rules for Rs. 2,94,883 worth of service work would be Rs. 3,29,959. Under new rules, however, it is Rs. 3,40,754, or Rs. 3,39,001, according as the 30 per cent. rule is put in force or not. In the latter, which is the actual case, the extra charge is Rs. 9,042 or 2·74 per cent. of the whole.

70. One thing, however, is to be borne in mind, namely, that our calculations throughout have been based upon a period when an excessively large number of the service are on leave. When the new rules came into force, the members of the service generally, many of whom had been hanging back in expectation of the new rules, suddenly found themselves with a large amount of leave to their credit, and the consequence is that, in Bengal, there has been for a year or two a regular exodus. The number on leave has been higher than it can possibly remain even if every member takes all the furlough he can get. The number on leave to England has mounted up from 38 to 56. It is not too much to assume that this excess will be, so far as regards the permanent effect of the rules, diminished by one-half, and that when the excess is worked off (which it is already beginning to be), the number permanently on leave to England will be 47 instead of 56. In the North-West, where there appears to have been, under old rules, a more general spirit of leave-taking, and where in consequence there has not been the same sudden accrual

of claims to leave, the number on furlough to England was on 1st July 1870 only 36 or so, which (205 beng the number on the North-West List, and 256, the number in the Bengal List) would give 43 or 44 for Bengal.

71. The expense, therefore, as calculated upon the figures of 1st July 1870, is swollen by this circumstance, and we shall estimate now what reduction of cost will accrue when thisexcess of leave has passed away, as it immediately will pass away.

72. The nine men in excess we will suppose to return, and we will suppose them to be so arranged in the service that, two returning are Judges, three are of the position of Magistrates, 1st grade, or Magistrate, 2nd grade, officiating 1st grade, and four are below that, say Joint Magistrates, who would, if on duty, be Officiating Magistrates, 2nd grade. These suppositions are average suppositions, and cannot be far enough from the truth to produce serious difference in our estimate. We will follow the changes in expenditre that would occur:

NOTE.—From these figures it appears that, in the present state of leave,—

	Rs.
Saving by a Judge returning is ...	...
Saving by a Magistrate returning	... 111
Saving by a Joint Magistrate (Officiating Magistrate, 2nd grade) returning	... 298
Saving by an Assistant, officiating in any appointment, returning	... 452
	... 416

The above is the saving in the *working* staff but each return will cause an extra expense of Rs. 500 or so, in the *supernumerary* staff, on account of the Assistant ousted from the working staff and entering the supernumerary.

		Before the Return. Salary. Rs.	Leave allowance. Rs.	After. Salary. Rs.
Two Judges returning	... ...	.....	833	2,500
„ Officiating Judges ousted (Nos. 102 and 108) become Officiating Magistrae, 1st grade	...	2,167	.....	1,883
Three Magistrates returning	...	1,966	.....	1,578
		.....	750	1,917
		.....	750	1,883
Five men (126, 127, 132, 136, 140), ousted from Officiating 1st grade, become Officiating 2nd grade	Four at Rs. 1,578	6,312	.....	1,883
	One at ...	1,511	.....	5,200
Four men returning become Officiating Magistrate, 2nd grade	.....		2,400	1,167
Nine men ousted from Officiating 2nd grade, fill appointments of Joint Magistrate 1st grade. They are 146, 148, who are substantively Joint Magistrates, 2nd grade; 115, 150, 152, 157, 166, 171, 184, who are Assistants		2,466	.....	5,200
Nine Assistants, ousted from 1st grade Joint Magistracies, fill 2nd grade Joint Magistracies	...	8,167	.....	1,800
Nine Assistants ousted from 2nd grade Joint Magistracies, are removed into the supernumerary list	...	6,900	.....	5,367
		6,300	.....	6,300
		35,789	6,316	39,178
		6,316		
Total allowances before	...	42,105		
Total allowances after	...	39,178		
Reduction of cost, about	...	2,927		

73. THE PERMANENT EXCESS OF COST CHARGEABLE IN BENGAL, TO THE NEW RULES, IS Rs. 9,042—2,928, OR Rs. 6,114, BEING 1·8 PER CENT. OF THE WHOLE COST OF THE SERVICE TO THE STATE*

74. (2). Next, as to leave allowances. We may neglect cases of leave among the Supernumerary Assistants, who, as a matter of fact, are hardly ever on leave. In July 1870, out of 40 such Assistants, only two were on leave, so that practically all the leave falls within the necessary part of the staff.

75. The leave statistics were these—

	Old Rules.	New Rules.
Total numbers on leave	45	63
Allowances	35,175	49,800
Average	782	790

If we deduct from the old rule statistics the case of seven men on privilege leave with allowances aggregating Rs. 15,334, and from the new rule statistics six men on privilege leave, and one on subsidiary leave, with allowances aggregating Rs. 12,317, we get the following as the statistics of leave to England:

	Under old Rules.	Under new Rules.
Number of men on leave to England ...	38	56
Aggregate allowances	19,841	37,483
Average	522	669

76. The Secretary of State, we see, pays nearly twice as much in the form of leave allowances as previously was the case. These leave allowances are unfortunately the most prominent feature of the change, and the large increase of charge in this respect has given rise to the idea that the expense caused by the new rules has been very great. A more minute examination, however, shows that the increased charge in this respect is for the most part met by diminution of charge elsewhere.

77. These figures, which are the actuals of 1st July 1870, will be slightly altered when the excess of leave is used up. There will then be, on an average, about 47 men on leave to England, drawing, at an average of Rs. 669 each, about Rs. 31,443, being about 58 per cent. more than under old rules.

78. It is here to be remarked that it does not at all necessarily follow that, because more men go on leave, therefore there are increased charges to the State. Quite the opposite may be the case; that is, it is quite possible to give additional privileges to a service in the way of leave, which yet cost the Government absolutely nothing, or even cause a saving. This may be proved by a supposititious case.

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* The following changes would have to be made, in the figures shown in the Abstract, paragraph 66, in order to make them show the ultimate effect of the new rules, (20 per cent. acting allowance only).

Heading	*g*	for	207	read	198
„	*h*	„	211	„	202
„	*k*	„	94	„	103
„	*l*	„		„	41
„	*n*	„	2,70,374 or 2,68,611	„	2,71,994
„	*q*	„	2,76,114 or 2,74,351	„	2,77,739
„	*r*	„	47	„	38
„	*t*	„	63	„	54
„	*u*	„	49,800	„	43,484
„	*z*	„	3,40,754 or 2,39,001	„	3,36,073

79. We will suppose a service standing thus—

A.

No.	Pay. Rs.
1	4,000
2	3,000
3	2,500
4	2,000
5	2,000
6	1,200
7	1,200
8	800
9	800
10	500
Total Cost	16,200

Now, some leave rules are introduced; they are not very favorable. No. 4 alone can go home; he must vacate his appointment, and he gets only Rs. 500 allowance. The service then stands thus:—

B.

No.		Pay. Rs.
1		4,000
2		3,000
3		2,500
4	one leave	500
5		2,000
6		2,000
7		1,200
8		1,200
9		800
10		800
11	a new man	500
Total Cost		18,500

Now we will suppose leave rules much more favorable to come into force, and two men No. 2 and No. 6 can go home, on allowances of Rs. 750, both retaining their appointments (and deputation allowances are given at 20 per cent). The service will then stand thus:—

C.

No.		Pay. Rs.	
1		4,000	
2	on leave	750	
3	officiating for 2	3,000	
4	„ „ 3	2,500	
5	„ „ 4	2,000	
6	on leave	750	
7	officiating „ 5	1,600	(1,200+400)
8	„ „ 6	1,040	(800+240)
9	„ „ 7	1,040	(800+240)
10	„ „ 8	660	(500+160)
11	„ „ 9	660	(500+160)
12	„ „ 10	500	
Total		18,500	

80. Now, compare Table C with Table B, and see what changes have been made in the position of the service.

(1) You have allowed twice as many men to go on leave.

(2) You have given *each* of them 50 per cent. higher allowances while on leave.

(3) You have increased the salary of nearly every member of the service by something like 30 per cent.

And the whole thing has not cost one rupee.

81. Now, to show the effect a similar change produces in the income of individual members; we will take the simplest case, and suppose every member on duty to draw Rs. 1,500, and while on leave to draw Rs. 400.

Under the old rules, he could get only one year's leave in ten, and, therefore, drew during ten years' service—

	Rs.
1,500 × 9 =	1,3,500
400 × 1 =	400
Total	13,900

The effect of the new rules we will suppose is—

(1) He gets two years' leave in ten.

(2) He gets Rs. 550 allowance instead of Rs. 400.

(3) He gets Rs. 1,600 pay while on duty, instead of Rs. 1,500.

82. Each of these is to him a distinct advantage, yet he gets, on the whole, no more allowances than before, for he gets now—

	Rs.
1,600 for 8 years	12,800
550 for 2 years	1,100
Total	13,900

Exactly the same as before.

83. Yet, since each individual need not take the leave unless he chooses, he can always feel assured of higher pay.

84. The explanation of these somewhat paradoxical effects is simply that a larger number of people than the old rules permitted are quite willing to give up half their salary to their juniors and go on leave, and their juniors can receive the half salary without being compelled to accept the condition of giving up theirs by subsequently going on leave, though, as a matter of fact, they will at some future time do so. Each person has a perfect option, though we are assured that on the average that option will be exercised in a particular way.

85. (3). What are the allowances drawn in India? Leaving out of account, again, the Supernumerary Assistants, we find the statistics are these:

	Under old Rules.	Under new.
Number of men on duty	146	148
Aggregate allowances	Rs. 274,480	276,104 or 274,351

If we were to show what the 148 appointments of 1870 would have cost had the old rules remained in force, we would have to increase the figure shown above (274,480) in the proportion of 146 to 148. This gives us 278,240. So that the men on duty get, in the aggregate, a little (3,891) less than would have been the case under the old rules. This does not mean that each individual on the average gets less than he would under the old rules, as other circumstances (as is evident from paragraph 79) may and do modify this conclusion.

86. Practically, therefore, the *general* effect of the rules may be stated as this, that they enable a larger proportion of men to go home at the charge of Government than was the case before; they cause a few savings from which the greater part of this increased charge can be met.

87. One thing should, however, be noticed. Privilege leave always causes an increased charge to Government, because there are no savings from which to meet the acting allowances, and it must be remembered that our statistics are based upon the figures of July, when privilege leave is at a maximum. This does not effect the *comparative* estimate of cost, but it shows the cost, both of old and of new rules, as being (in comparison with the value of work done) more than on the average it really is.

88. The cost of the old rules we have represented by the difference between Rs. 2,91,216, the value of work done, and Rs. 3,25,855, the cost of doing it, and that of the new we have represented by the corresponding figures, Rs. 2,94,883 (and Rs. 3,39,001—2,928) or Rs. 3,36,073. In other words, the old rules added 12 per cent. to the expense borne by the State, and the new rules add 14 per cent.

89. It is necessary to remark, with reference to this, and to the assertions made by the Furlough Committee, and by the Government of India in its despatches to the Secretary of State, that there was a *saving* under the old rules, that that which is here termed additional expense is the excess of the money actually defrayed by Government over that which would be required were there no such thing as leave at all, not even privilege leave, or sick leave. It is the excess expenditure caused, not by the leave rules, but by the fact, that it is impossible to base a service upon the supposition that every member of it will continually be present at his work. When people talked of a saving under old rules, they meant that Government paid to the service, in the aggregate, less than the total of the salaries attached to the substantive appointments held by the members of it, which is, as explained in paragraph 4 of this note, a very different thing from the item we have called "value of work done," on comparison with which the estimates of 12 and 14 per cent. additional expense are based.

90. We will, by calculations founded on the figures shown in the Abstract Table, in paragraph 66, give, both for old and for new rules, the figures of the comparison between the aggregate pay of the substantive appointments and the aggregate cost of the service.

Supernumerary Assistants we may leave entirely out of consideration, as the charge paid to them in no case exceeds the value of their substantive appointments. And special appointments we also leave out, as they are beyond the present question, and ought not to be allowed to effect it:

	Rs.
Under old rules, the number of substantive appointments higher than Assistant Magistrate was 139, and their value (284,216 less four times 900)	2,80,616
Only 119 of the incumbents were on duty, and we, therefore, required 19 more men Assistants, to be upon the staff. Their substantive appointments were worth 19 × 500	9,500
4 Assistant Magistrates on leave, whose substantive appointments were 4 × 500	2,000
Total substantive appointments	2,92,116
Add the furloughs 21 in number	8,750
TOTAL	3,00,866

Now the actual sums drawn by all these men were—

By 138 men on duty (269,580 less four times 700)	2,66,780
„ 45 on leave (including furlough)	35,175
TOTAL	3,01,955

being 1,089 more than the salaries of all the substantive appointments.

91. So that our statistics would show that there was not, strictly speaking, any saving, but the extra charge was exceedingly small, namely, $\frac{1}{3}$ per cent.; in fact it would be turned into a saving by taking a period of the year when there was not the maximum of privilege leave.

92. Take now the new rules in the same way:

	Rs.	Rs.
There were 141 appointments, whose salaries were 2,87,883 (less four times 900)	2,84,283	
Only 94 of the incumbents were on duty, and we, therefore, required 46 Assistants also, whose substantive appointments had salaries of	23,000	
14 Assistants were on leave, and the salaries of their substantive appointments were	7,000	
Total salaries of all the substantive appointments in the service	3,14,283	
The total charges were as follows:		
140 men on duty drew 270,364, or 268,611 (less four times 700)	2,67,564	or 2,65,811
63 men on leave	49,800	49,800
TOTAL	3,17,364	or 3,15,611

Being 1,328, or 0·4 per cent. more than the pay of all the substantive appointments.

93. This 1,328 or 0·4 per cent. represents the charge of the services based upon a period of the year when the maximum of privilege leave was taken, and that single circumstance is sufficient to warrant our saying that most of it would disappear if an average of seasons was taken.

94. The charge for the service, we have seen, will ultimately be reduced by Rs. 2,928 by reduction in the number on leave. But the same effect will reduce the number of Assistants in reserve by nine, and of appointments in the service by 9 × 500 or 4,500. So that, comparing the charge of the service with the pay of the appointments held by its members, there will result an apparent excess, and the service will exceed the aggregate pay of the substantive appointment in it by a larger amount in consequence of a change which really brings about a saving:

	Rs.	Rs.	Rs.
The total pay of appointments will be ..	...	3,14,283 − 4,500 =	3,09,783
And the charge of the service ...	...	3,15,611 − 2,928 =	3,12,683

An excess of 2,900 reducible by about 1,500 on account of privilege leave as above explained.

95. The figures of the North-West Provinces may now be separately taken up with a view of making upon them an independent calculation, and we shall take the basis of the calculations the circumstance of the two periods, 1st July 1867 and 1st July 1870, the figures of which are transcribed in detail in Tables C and D, prepared in exactly the same way as that corresponding Tables A and B for Bengal.

96. In the North-West the Settlement Department has been excluded from the calculation, because the ordinary practice in filling up vacancies by officiating men with officiating allowances is not in force in it. The figures will therefore show the relative cost, under old and new rules, of the regular Provincial Service only.

97. The Settlement Department is practically entirely separated off from the other, and were it not for one circumstance, it would have no effect at all upon the variation in charge caused by the leave rules. The circumstance referred to is this. The Settlement Department is in a great measure the creation of the last two or three years, and it was created by transferring men to it from the regular service. Of course men absent on furlough were not

transferred, and the consequence is that, of all the men in the Settlement Department, only those two or three are on furlough who happen to have taken furlough shortly after being transferred. All the men on furlough are therefore debited to the general service, or in other words the general service bears all the furlough charges, both those which are due to itself and those which are due to the Settlement Department. This would not matter much if it affected both periods equally, but it does not, because the proportion of men in the Settlement Department is twice as great in 1870 as it was in 1867.

98. We shall therefore first of all make the calculation for the Provincial Service, as if the Settlement Department did not exist, and we shall then add the Settlement Department under the head of work done, and charge for the work, so as to show the leave allowances, as against the whole work, both the provincial work and the settlement, and not against the former only.

99. The appointments included in the list calculated for are as follows:

NORTH-WEST PROVINCES.

	Appointments filled. 1st July 1867.		Appointments filled. 1st July 1870.		Vacant appointments. 1867.		Vacant appointments. 1870.	
Lieutenant-Governor	1	8,333	1	8,333				
Judges, High Court	3	11,250	2	7,500	1	3,750	1	3,750
Members, Board	2	7,250	2	7,000				
Commissioner, 1st	1	3,167	1	3,167				
„ 2nd	4	11,667	4	11,667				
Judges	16	40,000	16	40,000	2	5,000	2	5,000
Collectors, 2nd	27	60,750	27	60,750	...	...	1	2,250*
Inspector General								
Commissioner, Customs	2	5,000	2	5,000				
Secretary to Government	1	2,500	1	3,000				
	1	1,200	1	1,200				
Secretary, Board	1	800	1	800				
Commissioner, Stamps	1	2,000	1	2,000				
Registrar, High Court	1	2,000	1	2,250				
Deputy Superintendent	1	1,700	1	1,700				
Joint Magistrate, 1st	1	1,200	1	1,200				
Superintendent	17	17,000	18	18,000	2	2,000	1	1,000
Deputy Commissioner	1	1,000	1	1,000	1	1,500	1	1,500
Joint Magistrate, 2nd	1	1,000	1	1,333				
Small Cause Court	7	4,900	9	6,300	2	1,400		
	...	...	1	1,200				
Total	88	1,82,717	92	1,83,400	8	13,650	6	13,500
Special Appointments filled.								
No. 43								
Small Cause Court† D. A.	1	2,250						
No. 99	...	200						
„ 34	...	...	1	2,000				
„ 142	...	...	1	2,500				
Under Secretary, India	...	...	1	700				
	...	...	1	1,233				
Total	90	1,85,168	96	1,89,833				

100. From these figures, which agree with Tables C and D, we see that—

	1867.	1870.
Value of work done by the service	1,82,718	1,83,400
Or adding special appointments	1,85,168	1,89,833

and we see that the cost of doing it was, by Tables C and D—

	1867.	1870.
In salaries	1,73,133	177,206 or 176,532
In leave allowances	32,529	38,011

101. We have now to eliminate those features which are peculiar to one or other of the two periods, so that we may use the figures for comparison.

* The civil list certainly gives an extra magistracy here; in this, and in another case, there is some doubt as to its perfect accuracy, but where anything is doubtful, that supposition is taken which is most unfavorable to the new rules.

† This special appointment was provided for by giving Rs. 200 allowance to the Under Secretary who performed duties of his own office at the same time.

102. The vacant appointments named in the above list are—

(1) Appointments of men who have gone on privilege leave which have not been filled up, a practice adopted to a certain extent in the North-West, and which necessarily appears in figures taken from the time of the year when privilege leave is mostly taken.

(2) An appointment held by a civil servant, but filled by an uncovenanted servant.

103. To show strictly the cost under the leave rules of doing the work, we would have to suppose these appointments actually filled by officiating promotions (although there might be an objection to this, namely, that had it been necessary so to fill them, the leave would not have been given). But, so far as the purposes of comparison between the two periods go, it is plainly sufficient if, leaving unfilled those vacancies which are common to the two periods, we fill only those which are peculiar to one of them.

104. In the 1870 figures we shall presently fill up the vacant Magistracy. In the 1867 figures we fill up the three Joint Magistracies by bringing in three Assistants who will get each Rs. 500+200, or Rs. 2,100 in all. We will of course have to add these three appointments, whose value is Rs. 2,400 (Rs. 1,000+twice Rs. 700) to the value of the work done, diminishing the value of vacated appointments by the same amount.

105. The special appointments we must next eliminate, as in the case of Bengal, by supposing them abolished, their incumbents returning to the ordinary line.

The changes for the 1867 List are these:

	Rs.
No. 43 returning to his appointment draws the same pay. He ousts an Officiating Joint Magistrate who loses a deputation allowance of Rs. 425, and in his turn ousts an Assistant officiating as Joint Magistrate who draws Rs. 700; total diminution	1,125
No. 124, his special appointment being abolished, will hold his own appointment, only drawing Rs. 200 less; total diminution	200

We have, therefore, to deduct Rs. 1,325 from the allowances given, and Rs. 2,450 from the value of work done.

106. There is a correction to make for Joint Magistracies in the same manner as in Bengal. But in the North-West the way in which the practice fell short of the rules was that the Joint Magistrate, 2nd grade, did not get any acting allowance when officiating in 1st grade, as in Bengal they did. Before, therefore, we use the figures for comparing the effects of the rules, we must exhibit the figures of the old rules as they would have been had they been fully acted up to, and this allowance of Rs. 200 each given to the nine Joint Magistrates, 2nd grade, Rs. 1,800, should be added to the cost of work done.

107. The corrected figures for 1867 are these:

Value of work done	1,85,168 + 2,400 − 2,450	=1,85,118
Value of work temporarily left undone	13,650 − 2,400	= 11,250
Spent in salaries ...	1,73,133 + 2,100 − 1,325 + 1,800	=1,75,708
And in leave allowances		= 32,529

108. We will examine now what the number of men and of appointments is.

The total number of substantive appointments was by the Table 89, and eight were left vacant; total number 97. Besides the 89 men filling the 89 appointments, there was one filling a special appointment; total 90. This one we have reduced, but we have added three to fill up three vacated appointments, so that we have 92 men on duty. Our list shows 41 men to have been on leave, of whom 9 retained appointments. There were, therefore, 97—19, or 78 appointments, among the 92 men on duty. The remaining 14 were—one on subsistence allowance, 13 Assistants, namely, the 11 marked A in the Table, and the three whom we have added as above, less the one reduced.

109. We will now similarly take up the figures of 1870, and first make the necessary abolition of special appointments. The changes involved are these :

	Rs.
No. 96 will return to his appointment, ousting 116, who will lose a deputation allowance of Rs. 667. He again will oust an Assistant, officiating 1st grade Joint, who will then officiate as 2nd grade, losing an allowance of Rs. 133, and ousting an assistant who draws Rs. 700 ; total diminution	1,500
No. 34 will return to his Judgeship, and will oust a Magistrate, Officiating Judge, who will lose Rs. 250	250
He will oust the youngest Officiating Magistrate ; but as we have a vacancy to fill up, namely, one Collector on privilege leave (see paragraph 104), the changes we have to make to fill it up will exactly counterbalance those required for this special appointment.	
No. 142 (when his special appointment is abolished) will be excluded altogether from the necessary establishment, so that the cost will altogether be reduced by	700
No. 143 will, on his appointment being abolished, become an Officiating Joint Magistrate, 1st grade, losing Rs. 233 or Rs. 333. He will oust an Assistant officiating as 1st grade, and cause a further reduction of Rs. 833 as in the first case; total diminution. ...	1,066 or 1,166
TOTAL OF ALL ...	3,516 or 3,616

110. The abolition of the special appointments and filling up the vacancy left in the list of substantive appointments causes a decrease of expense by Rs. 3,516, or 3,616, and diminution of the value of work done by the sum of the value of the special appointments, or Rs. 6,433. The correction which we have incidentally made by filling up the vacated Magistracy involves the transfer of the appointment from the list of appointments vacated to the list of appointments filled ; its value is Rs. 2,250.

111. Two of the gentlemen in our list hold substantive appointments in the Settlement Department, and draw for these Rs. 1,000 each. This causes slightly more to be paid to the service than would be the case if all the work was done by holders of appointments in only the regular line, a corresponding saving being made in allowances paid in the Settlement Department.

Our figures being based on the supposition that the Settlement Department is quite apart from the regular line, we must suppose the appointments which these two gentlemen hold in the Settlement Department to be abolished, and we must suppose appointments given them in the regular line, of the same substantive value (Rs. 1,000).

112. The two junior Joint Magistrates, 1st grade, will be reduced to 2nd grade. They are tenants of their substantive appointments, and now they would remain only officiating, and would draw Rs. 1,000 or 900, a reduction of 0 or 100. They would oust two Joint Magistrates, 2nd grade, from their appointments, causing them to become Assistant Officiating Joint Magistrates, drawing Rs. 833, a loss of Rs. 166 or 66. The cost, therefore, would be Rs. 166 less, which sum must be deducted from the cost of doing the work.

113. We have further a correction to make in the leave allowances, for eight men included in our figures were drawing Rs. 1,000, whereas the maximum is now reduced to Rs. 833. The leave allowances should, therefore, be reduced by Rs. 1,333 (or 8 × 166).

114. The figures, therefore, when corrected, stand thus :

	Rs.	Rs.	Rs.	Rs.
Value of work done ...	189,833	— 6,433	+ 2,250 =	185,650
Value of work temporarily undone ...	13,500	— 2,250	... =	11,250
Spent in salaries ...	177,206	— 3,516	— 166 =	173,524
Or ...	176,532	— 3,616	— 166 =	172,750
Leave allowances ...	38,011	— 1,333	... =	36,678

115. The list of men and appointments is as follows :

The special appointments being abolished, our abstract shows, 92 appointments filled and 6 vacant, which by a transfer we have changed into 93 filled and 5 vacant. The total is 98 substantive appointments.

The number on our lists altogether is 133, because, besides the 98 holders of substantive appointments, there are—1 on subsistence allowance, and 34 Assistants. The Assistants are first, 21 marked A in our lists; 14 marked O, being the 14 reduced in accordance with paragraph 15, plus the 2 whom we have reduced from Joint Magistracies (paragraph 18) less the three turned out by the abolition of special appointments.

The whole number on leave is 41, being 30 with retention of appointment, and 2 others with retention according to the change made in paragraph 18 just quoted; 8 Assistants, and one left without any appointment. Thirty-two appointments being retained by absentees, there are left 66, distributed among the 93 men on duty. The 27 other men on duty being 26 Assistants (34—8 on leave), and one on subsistence allowance.

116. The necessary establishment of Supernumerary Assistants in the North-West should be estimated in exactly the same way as in Bengal, but we should take all the figures at $\frac{2}{3}$ of the Bengal figures.

117. We should also, following the plan adopted in the Bengal, include in our figures the supposition that there will be some casual special appointments in the service, say three, valued at Rs. 4,000, and costing, as we then calculated, Rs. 2,800 (*i. e.* 70 per cent.) under old rules, and Rs. 3,200 (*i. e.*, 80 per cent.) under new rules.

118, The results placed side by side are as follows :

Value of work done	Substantive appointments		92	93	*a*
	Value		1,85,118	1,58,650	*b*
Add for three casual special appointments valued at Rs. 4,000 ...	Total number		95	96	*c*
	,, value		1,89,118	1,89,650	*d*
Value of work temporarily left undone	Number		5	5	*e*
	Value		11,250	11,250	*f*
Staff required to be maintained ...	Number of officers		133	...	*g*
Add for three special appointments ...	Total number		136	...	*h*
Of this number there are on duty ...	With substantive appointments		78	66	*k*
	Subsistence allowance, and Assistants without		14	27	*l*
		Total ...	92	93	*m*
	Drawing in all		1,75,708	1,73,524 or 1,72,750	*n*
	Add for special appointments three Assistants brought on the Staff		95	96	*p*
	And additional cost caused Rs. 2,800 or Rs. 3,200		1,78,508	1,76,724 or 1,75,950	*q*
And there are on leave	With retention		19	32	*r*
	Without retention		22	9	*s*
		Total ...	41	41	*t*
	Drawing altogether...		32,529	3,678	*u*
Supernumerary Staff	Number of officers		24	18	*v*
	Drawing		10,800	7,800	*w*
Reduction in this causes increase in uncovenanted	Number		...	6	*x*
	Drawing		...	2,100	*y*
	Total of *g. u. w. y.* ...		2,21,837	2,23,302 or 2,22,528	*z*

119. We proceed to a conclusion as to the increase of charge caused by the new rules.

The value of work done by the service includes both the appointments filled, and the Rs. 11,250 of temporarily vacated appointments. It is therefore Rs. 2,00,368 for the period we have taken for the old rules, and Rs. 2,00,900 for that taken for the new. The cost for the former was Rs. 2,21,837 and for the latter, at the same rate, it would be Rs. 2,22,426, the new rules make it actually Rs. 2,23,302, or excluding the 30 per cent. rule, 2,22,528, so that, in the last mentioned, *i. e.*, the actual case, THE NEW RULES COST IN THE NORTH-WEST Rs. 102 A MONTH—A HARDLY APPRECIABLE SUM.

120. As pointed in paragraph 97, that which we have here shown as the increased cost of the new rules really includes the cost of certain additional leave which should be charged against the Settlement Department,

because at present the Provincial Service bears nearly the entire charge for furlough which is more than its own share.

121. If we suppose P to be a fraction representing the average proportion of members on privilege leave, and S the entire cost of any service, then, if there were no other sort of leave, and if absences on privilege leave were not filled up by officiating appointments, it is plain that the value of work done by the service would be S (1—P), and leave allowances would be S × P. As each person draws the actual pay of the appointment whose work he does, salaries are also equal S (1—P). Now this is almost the case with the Settlement Department.

In 1867 there was no leave in the Settlement Department, except privilege leave, and S was = Rs. 12,400.

In 1870 there were two cases of furlough in the Settlement Department, but, apart from them, there was only privilege leave, and S was Rs. 22,400. The two cases of furlough cost Rs. 809.

Adding these figures of the Settlement Department to those of the Provincial Service, we can estimate more nearly the effect of the new rules on the whole cost of the service in the North-Western Provinces.

	Rs.	Rs.	
For 1867—			
Value of work to be done		200,368 + 12,400	(1—P)
Cost of having it done		221,837 + 12,400	
For 1870—			
Value of work to be done		200,900 + 22,400	(1—P)
Cost of having it done		222,528 + 22,400	+ 809

P at its extremest limit is $\frac{1}{12}$, but so many things prevent its reaching its limit that practically it is only about $\frac{1}{20}$. Taking it at this value the four figures above give this result—

Old rules for 212,148 worth of work 234,237 is paid;
New rules for 222,180 worth of work 245,737 is paid;

whereas, had the old rule rates obtained, it would have been 245,313. The new rules have caused an increase of cost of Rs. 424, a little more than we have shown above, because it would appear that the Rs. 809 furlough charged against Settlement Department in the 1870 figures are more than equal to the excess which would fall to be charged as explained in paragraph .

122. The following are the facts as to leave allowances. The leave statistics were these :

	Old Rules.	New Rules.
Total number on leave	41	41
Allowances	32,529	36,678
Average	793	894
Of whom were on privilege leave	11	6
Allowances	16,400	11,583
Leaving for furlough. Number on leave	30	35
Allowances	16,129	25,095
Average	537	717

Here again, we see that the Secretary of State's disbursements in leave allowances have mounted up from Rs. 16,129 to Rs. 25,095, that is by more than 50 per cent., and yet we have proved that there has been hardly any enhancement on the aggregate charges.

123. (3).—One more matter remains to be shown; what is the whole cost of the service as compared with the aggregate pay of all the appointments in it?

First.—Under old Rules—

	Rs.
The 97 substantive appointments cost Rs. 185,118 + 11,250	= 1,96,368
There were also 13 Assistants on the necessary staff, whose appointments were worth	6,500
Total pay of appointments on the civil list (excluding supernumeraries)	2,02,868
Add eighteen furloughs at Rs. 417	7,500
TOTAL ...	2,10,368
The whole amount drawn, however, was Rs. 1,75,708 + 32,529	= 2,08,237
Saving	2,131

124. *Second.*—Under new Rules—

	Rs.
98 Substantive appointments, whose pay was Rs. 1,85,650 + 11,250	= 1,96,900
26 Assistants on duty, and 8 on leave. Total 34, whose substantive appointments had aggregate pay ...	17,000
Total pay of substantive appointments on the civil list (excluding supernumeraries)	2,13,900
The whole amount drawn by these is Rs. 1,72,750 + 36,678 ...	2,09,428
Saving ...	4,472

So that, compared with the pay of the appointments held in the service, there is a saving both under old and still more under new rules; and that, even though we have taken the most expensive time of the year for our statistics, namely, the time when most privilege leave is taken.

125. We may now sum up the conclusions arrived at in this memorandum—

(1).—The new rules have caused to Government a total extra expense of about Rs. 6,000 per month in the Bengal (Lower Provinces) Civil Service, being about 1·8 per cent. of the whole charge.

(2).—The whole of this increase appears in the item furlough allowances, the other charges borne by Government being diminished, but not so much diminished as furlough allowances are increased.

(3).—In the North-West service, the new furlough rules have caused a hardly appreciable excess of charge. Furlough allowances indeed have increased in amount, but the increase has been met by the diminution of charge for salaries.

(4).—In Bengal, the whole charges of the service are, both under old and under new rules, almost equal to the aggregate pay of all the substantive appointments held by the members of the service (including in that term furlough under the old rules, and assistantships).

(5).—In the North-West there is, compared with that amount, a saving of expense amounting to one per cent. under old rules, and two per cent. under new.

(6).—The reason of the difference in circumstances between the North-West and Bengal is chiefly this. The intervals between the normal salaries in the North-West are rather wide (700, 1,000, 2,250), and acting allowance given to an officiating officer is not sufficient to fill up these wide intervals. Consequently, when an officer goes on leave, the salary drawn by his substitute falls considerably short of the pay of the absentee, that is, there results a saving in salaries.

Now in Bengal, the intervals are not nearly so wide (700, 900, 1,500, 1,917), and acting allowance fills up or nearly fills up the interval. When a man goes on leave, the substitute gets a salary very little short of the absentee's pay, and the saving in salaries is less than in the North-West.

(7).—For the other services, detailed calculations have not been made, but, judging generally from the gradation of salaries, it is possible to conclude as follows:

The grades in Madras are, Head Assistant about 800, Sub-Collector 1,166, Collector 2,421, Judge 2,333.

This is not unlike the North-West gradation, so that probably there is little extra expense in Madras through the new rules.

In Bombay, the grades are Rs. 800, 1,200, 1,800, 2,333, and there is likely an extra expense proportional in amount to that in Bengal.

In Punjab and Oudh, where promotion is by grades of Deputy Commissioners, there is not unlikely an extra expense as in the case of Bengal.

The aggregate expense of the services where the rules are thus estimated to cause increase of expense is as follows :

	Rs.
Bengal	3,22,000
Punjab	64,000
Oudh	25,500
Bombay	1,48,000
Central Provinces	17,500
Add the lower appointments in the last two	27,500
TOTAL ...	6,04,500

If the expense in these services is taken to increase at the same rate as is the case in Bengal, we would get a total increase of expense of about Rs. 11,000 a month, or £13,000 a year, which is about $1\frac{1}{4}$ per cent. of the whole cost of the Civil Service in India.

The 15th March 1871.

F. 1871. D. in No 294.

97

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Enclosure to Despatch No. 106, dated the 23rd May 1871.

MEMORANDUM.

(REFERRED TO IN PARAGRAPH 36.)

On the effect of the new Rules on the distribution of Salaries.

IN the first memorandum regarding the financial effect of the new Leave Rules, we have been dealing with totals and aggregates, and we propose now making some calculations and some remarks regarding the effect which the new rules have upon the salaries and prospects of the individual members of the service.

2. From what has there been recorded, it will be seen that the list of 1st July 1867 may be taken as showing, so far as general features go, the same results as any list under the old rules would show; and that the list of 1st July 1870 (after we have, in the manner shown in paragraphs 13 to 18 of the memorandum, corrected it for the special acting allowance cases) may be taken as showing, in the same way, the general features of the new rule list.

3. We have now to compare these two lists in respect of the detailed distribution of salaries, in order to find out from them whether the salaries have been so re-distributed by the new rules as to cause hardship to any particular grade of the service. Totals of course do not show this, because it may be that the juniors have lost a great deal and the seniors gained a great deal in point of salary and emoluments, or the reverse may be the case; totals will show only the aggregate gain or loss of the service, but not whether any class has gained or any class lost.

4. Lists have been drawn up for Bengal, marked E and F, which simply enumerate the members of the service one after the other, and place opposite them in the second column the salaries which they were actually drawing at the dates mentioned. The 1867 one, as it stands, may be accepted as showing what the distribution of salaries under the old rules used to be; and the 1870 one will show the distribution due to the new rules, if we only correct it in the particular noted above, namely, the special acting allowance cases. These corrections have been made according to the details given in the first memorandum and the necessary corrections are made in the third column, and are those marked A in the 1870 list.

5. We have now two lists of salaries, one which we may call the old-rule list, and one which we may call the new-rule list, and we may say that the effect of the old rules and of the new rules respectively was to distribute salaries according to the two lists in question. Not that in every civil list we would find No. 46 for example always having the same salary, but that if we were to take an average over a certain number of salaries, we would find it always about the same; the first ten men will, under old and new rules respectively on the average, always draw the same salaries as our lists show them to draw, and so will the second ten, and so on.

6. Our object is to compare these two salary lists together, in order to see whether, by the change from old rules to new, officers of any particular standing in the service find that they have been adversely affected in respect of emoluments.

7. It is to be observed that the mere addition of men to the bottom of the list will in no way affect the correctness of the lists which we have drawn up. If the Bengal Civil Service were to be permanently increased to-morrow by the addition of fifty new men, the prospects of the men already in the service would not, in the smallest degree, be affected. The highest ten men would still have the same expectation they before had, of holding the highest ten appointments, and the next ten, of holding the next ten appointments, and so on. The

The number of men of more than 25 years' service, who were absent on furlough or on medical leave in 1867, were as follows:

	January.	April.	July.	October.	Average.
Bengal	2	2	2	2	2
North-Western Provinces ...	4	1	1	0	1½

The number in 1870 was as follows:

	January.	April.	July.	October.	Average.
Bengal	2	5	8	9	6
North-Western Provinces ...	5	9	9	8	7¾

These are therefore in Bengal, four men, and in the North- Western Provinces, seven men, of completed service, absent on furlough under the new rules over and above the number that used to be absent under the old. We will give the objectors the full benefit of the whole number, and assume that these four and these seven men are all men who would have resigned, instead of going on leave, had the old rules remained in force. We will suppose them to have resigned, and thus move each person in Bengal four steps nearer the top, and each person in the North-Western Provinces seven steps nearer the top of the list than he would otherwise be. We allow for this by comparing each salary in the new rule distribution list, not with the one exactly corresponding to it, but with the one which is, in Bengal four, and in the North-Western Provinces seven, places higher.

20. Making the comparison of salaries upon this basis from the lists we have prepared for Bengal, we find that—

Under old rules a Member of the first decade drew an average salary of Rs. 4,041. Under new he draws Rs. 4,008.

Under old rules a member of the second decade drew, on the average, Rs. 2,961, under new he draws Rs. 3,157.

The figures in fact are as follows:

No. of Decade.	Salary. Old Rules.	New Rules, with 30 per cent.	New Rules, without 30 per cent.
1	4,041	4,008	4,008
2	2,961	3,157	3,157
3	2,966	2,778	2,778
4	2,589	2,571	2,571
5	2,479	2,789	2,789
6	2,650	2,907	2,907
7	2,455	2,345	2,284
8	2,271	2,332	2,286
9	2,492	2,208	2,162
10	2,184	2,057	2,005
11	1,660	1,547	1,547
12	1,463	1,408	1,406
13	1,164	1,371	1,360
14	1,115	1,337	1,337
15	964	1,276	1,267
16	1,126	973	973
17	805	962	961
18	640	1,018	1,005
19	700	680	678
20	612	729	728
21	520	762	760
22	450	651	650
23	450	480	480
24	433	428	428
			405

21. In making the comparison between these figures, some things have to be borne in mind. In the first place, it must be remembered that at the same time that the old rules have been changed for new, there has been a change of practice as explained in the first memorandum with regard to Joint Magistracies, a change which amounts to giving Rs. 200 a month to each of eleven men. Our

figures, therefore, do not strictly show the comparison of old rules and new, but of old without this practice and new with it. To make the comparison strictly between old and new, we ought to introduce into the old-rule list which we have drawn up, the changes which this practice would have caused had it been then carried out. These changes have been made, and they are marked G in the list E.

22. Again, we have showed the 1870 or new-rule figures more favorable to the juniors than they can possibly remain. It has been explained in paragraph 70 of the first memorandum that, after a short time (in fact the time is beginning now), the number of their seniors on leave will diminish, and the result will be that they will not be so high in officiating rank as the figures based upon the 1870 list show them. To show more nearly what the permanent effect is, I have in the fourth column of the new-rule list made changes marked H, showing the effect on salaries of the reduction of officiating rank, assuming nine men to return as explained in paragraph 70 of the first memorandum. We may now show the distribution lists as properly compared:

Number of Decade.	Old Rules as practised.	Old Rules as they should have been practised.	New Rules as in 1870, with 30 per cent.	New Rules as in 1870, without 30 per cent.	New Rules in their ultimate effect (without 30 per cent.)	Column 6 compared with Column 3. Per cent.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	4,041	4,041	4,008	4,008	4,008	− 1
2	2,961	2,961	3,157	3,157	3,157	+ 6·5
3	2,966	2,966	2,778	2,778	2,778	− 6·5
4	2,589	2,589	2,571	2,571	2,571	− 0·5
5	2,479	2,479	2,789	2,789	2,789	+12·5
6	2,650	2,650	2,907	2,907	2,907	+10
7	2,455	2,456	2,345	2,284	2,284	− 7·
8	2,271	2,271	2,333	2,286	2,286	+ 0·5
9	2,492	2,492	2,208	2,162	2,162	−13
10	2,184	2,184	2,057	2,005	2,005	− 8
11	1,660	1,660	1,547	1,547	1,459	−12
12	1,463	1,463	1,408	1,406	1,406	− 4
13	1,164	1,164	1,371	1,360	1,180	+ 1·5
14	1,115	1,115	1,337	1,337	1,227	+ 5
15	964	964	1,276	1,267	1,057	+ 9·5
16	1,126	1,126	973	973	893	−21
17	805	805	962	961	827	+ 3·5
18	640	680	1,018	1,005	965	*
19	700	700	680	678	678	−3
20	612	662	729	728	687	+ 4
21	520	600	762	760	693	+14
22	450	472	651	650	550	+16
23	450	472	480	480	460	− 3
24	433	433	428	428	428	− 1
				405	405	

23. The comparison of the figures in column 6 with those in column 3 exhibits the change which the new rules permanently effect in the distribution of salaries, except in the decades numbered 21 and 22, where the additional number of men on leave has caused officiating promotions to reach assistants whom under the old rules it would not have reached; and the decades 9, 10, 11, where there is a slight loss, of which the reason is not clear, the distribution of salaries appears to be much the same under the new as under the old rules, and no particular stage of the service appears either to have gained, or to have lost much in respect of emoluments.

24. Intermediately there have been considerable gains, as will be seen by comparing the figures in column 5 with those in column 3. The figures in column 5 show the distribution of salaries under the new rules if the number on leave were to continue as high as it stood on 1st July 1870; and the salaries as they stood on 1st July 1870 were not only as good as shown in column 5, but were considerably better, for it must be remembered that column 5 falls short of actuals through the correction we made by reduction of substantive ranks.

* Two abnormally high salaries cause an abnormal percentage to appear here.

25. The salaries of the service during the intermediate or transition period have been better than those shown in column 5, and column 5 is, as will be seen by inspection of the figures, considerably better than the old-rule list of salaries.

26. The transition period is, however, now passing away. Both substantive promotion is being lost, because all the ordinary promotion vacancies are bestowed upon the men who have lost appointments, and officiating rank also is being reduced by the reduction in the number of men on leave. The salaries of the service will, therefore, shortly assume their final and permanent condition, that which is shown in column 6, and which we see are not, on the whole, much better than the old rules.

27. The salaries we have shown are only those drawn by the members of each decade who are on duty (including privilege leave in that term), and we have excluded the leave allowances which are admittedly better than the old-rule ones. The general effect, therefore, of the new rules is that they give to each member in the service just as much in the shape of emoluments while on duty as he would have obtained under the old rules, but as regards leave, they both give him more leave, in the aggregate, and higher allowances during it.

28. It has been explained in paragraphs 78 to 80 of the first memorandum that a result of this sort does not necessarily cost the State more money.

29. The effect of the 30 per cent. acting-allowance rule may be seen by a comparison of columns 4 and 5. It has really very little effect at all. The minimum acting allowance is two-thirds of the difference of salaries, and the maximum is the whole of the difference, and these rules confine the working of the percentages within very narrow limits. Most of the acting allowances are either the maximum or the minimum, or are very near one or the other, and they are, therefore, left practically untouched by a small change in the percentage at which they are calculated.

30. We saw in the first memorandum that the total emoluments of the service were, by the application or non-application of the 30 per cent. rule, caused to vary between 340,754 and 339,001 for Bengal, and between 223,302 and 222,528 for the North-West, differences of only about a half per cent. We see here, in the same way, how little the rule affects the salaries drawn.

31. We proceed now to take up the figures of the North-West; and first of all we have prepared two lists G and H, in exactly the same way as E and F were for Bengal, namely, showing the actual salaries, changed only in the case of the 1870 figures, by giving substantive appointments, as detailed in paragraph 25 of the first memorandum, to the men who have none.

32. We must now proceed to make those corrections and reductions which are necessary to enable us to compare the two lists directly with each other, namely, cutting out appointments which appear in one and do not appear in the other, and making appointments appear with similar salaries.

33. First, there is a rather large correction to be made in this way, namely, a large number of new settlement appointments have been created between 1867 and 1870, the period upon which our rules are based. We must correct for these by striking out, and considering non-existent any that are found in the 1870 list, in excess of those of the 1867 list.

There are, first, two Rs. 2,000 appointments which did not exist in 1867. The first of these, No. 89, we cancel. The second, No. 94, we cannot cancel without deranging other matters, as the holder is officiating in another appointment; but we can do what has the same effect, namely, add an appointment of the same value, Rs. 2,000, in the 1867 list, placing it between No. 94 and No. 95, that is, in the same position.

There are, next, three appointments of Rs. 1,500 which did not exist in 1867, Nos. 100, 103, 104. These we strike out.

Next, there are nine appointments on Rs. 1,250, whereas, in 1867, there were only 6; we, therefore, cancel the three last, 123, 125, and 128.

Next, there are three appointments on Rs. 900 (148, 151, 154), and three on Rs. 700 (156, 157, 168), whereas in 1867 there were four on Rs. 900 and one on Rs. 700. We, therefore, restore the 1867 state of matters by converting the highest of the Rs. 700 appointments (156's) into a Rs. 900 one, and cancelling Rs. 168's.

Of the three Rs. 600 appointments in the 1870 list, we cancel the last two (Nos. 178 and 181), because there was only one such appointment in 1867.

(There appears to be some error in the list with respect to No. 86, who is entered as a settlement officer in the gradation list, but not entered in the list of settlement officers. This appointment, whatever it is, we have let stand as it is, without changing the 1867 list or the 1870 list on its account. If in respect of it the two lists are different, it will not be of any consequence, as it involves only a difference of an appointment in respect of which only Rs. 1,000 is drawn.)

34. In order to equalize the number and value of appointments, the following changes also are necessary, and they are marked E in the list:

(1.) There is one High Court Judgeship more in the 1867 list than in that of 1870, and we must, therefore, cancel the last of the appointments (No. 26's) from the 1867 list.

(2.) Nos. 101, 106, and 125 of the 1867 list had been transferred to Oudh, being in the same position as if they had never belonged to the North-Western Provinces list, and holding no appointments in that list. Their names, therefore, are cancelled from the 1867 list.

(3.) The name of Mr. Hume, Commissioner of Customs, is not entered in the 1870 list, whereas it was in the 1867 list. It has, therefore, been added to the 1870 list.

(4.) Nos. 101 and 143 hold appointments which did not exist in 1867, and which we, therefore, cancel from the 1870 list.

35. We have to make also the correction for the change of practice with respect to Joint Magistracies by supposing the practice now adopted to have been in vogue in 1867. The cases are marked G in the list of 1867, Table G.

36. We have not, in the case of the North-West, any change to make on account of the number on leave being reduced from its present standard. For some reason or other, there has not been the same excess of leave-taking in the North-West; apparently more leave used to be taken under old rules so that there was not a sudden placing to credit of large quantities of leave. At any rate, the fact is that the number on leave now is not excessive, and is at a figure at which it may permanently remain.

37. The comparative table drawn up for the North-West in the same manner as for Bengal is as follows:

Number of Decade.	Old Rules as actually practised.	Old Rules as they should have been practised.	New Rules, with 30 per cent.	New Rules, without 30 per cent.	Column 5 compared with column 3. Per cent.
1	3,380	3,380	3,433	3,433	+ 1·5
2	2,778	2,778	2,944	2,944	+ 6·
3	2,750	2,750	2,408	2,398	− 14·
4	2,125	2,125	2,500	2,500	+ 17·5
5	2,369	2,369	2,333	2,333	− 1·
6	2,278	2,278	2,180	2,180	− 4·
7	2,080	2,080	1,834	1,815	− 12·5
8	1,975	1,975	1,833	1,833	− 7·
9	1,283	1,283	1,725	1,725	*
10	1,419	1,419	1,124	1,067	− 25·
11	1,259	1,259	881	881	− 30·
12	1,098	1,118	827	827	− 26·
13	745	805	873	873	+ 8·
14	632	692	775	775	+ 12·
15	656	678	667	662	+ 3·
16	575	600	500	500	− 16·
17	475	475	495	495	+ 4·
18	481	481	444	444	− 8·
19	406	406	414	414	+ 2·
20					

* 1,283 is not a fair average under the old rules; seven out of the ten were on leave, and three others had abnormally low salaries.

38. The comparison made in the last column shows a result not so favorable as in the case of Bengal. There is a considerable period (decades 7, 8, 9, 10, 11, 12) in the middle of the service during which the new rules cause salaries to be lower than they were under old rules. The reason of this is the long interval that there is between the pays of the several ranks in the North-West; intervals so great that the diminution of pay by loss of substantive rank cannot be made up by acting allowances. Those who under old rules would be Magistrates drawing Rs. 2,250 are now Joint Magistrates, Officiating as Magistrates, and draw only Rs. 1,000 + 833 = 1,833, so that their loss is far from made up to them; and in the same way, those who under old rules would be Joint Magistrates on Rs. 1,000 are now either Joint Magistrates, 2nd Grade, or Assistants, officiating as Joint Magistrates, 1st Grade, and drawing Rs. 900 or Rs. 833.

39. From the figures we may make the same deduction as in the case of Bengal, that the allowances of the service for the most part remain unaffected by the abolition of the 30 per cent. rule.

40. We have made a separate deduction from the figures of Tables G and H to show how far the creation or extension of the Settlement Department has served to make up to the North-West Civilians the unfavorable effect which the new rules have had upon their prospects. This is done by simply ommitting from the tables in question the corrections marked C, which we made in order to eliminate from the two lists the differences between them in respect of the number of settlement appointments. If we compare the averages deduced without that correction being made, we shall then compare the salary distribution list under old rules with the salary distribution list under new rules as improved by the creation of several settlement appointments.

41. The comparative table is as follows:

Number of Decade.	Old Rules as practised.	Old Rules as they should have been practised.	New Rules with 30 per cent.	New Rules without 30 per cent.	
1	3,380	3,380	3,433	3,433	+ 1·5
2	2,778	2,778	2,944	2,944	+ 6·
3	2,750	2,750	2,408	2,398	− 14·
4	2,125	2,125	2,500	2,500	+ 17·5
5	2,369	2,369	2,333	2,333	− 1·
6	2,278	2,278	2,180	2,180	− 4·
7	2,080	2,080	1,834	1,815	− 12·5
8	1,975	1,975	1,833	1,833	− 7·
9	1,283	1,283	1,808	1,808	
10	1,325	1,325	1,229	1,179	− 11·
11	1,228	1,228	1,046	1,046	− 15·
12	1,068	1,088	905	905	− 17·
13	745	805	919	919	+ 14·
14	612	672	877	877	+ 30·
15	678	722	722	722	0·
16	550	550	627	622	+ 13·
17	475	475	530	530	+ 11·
18	469	469	785	485	+ 3·5
19	406	406	444	444	+ 9·
20	...	...	..	414	

42. The figures shown are not so unfavorable as those shown in the first table. The loss of emoluments in the middle period of service is, however, far from made up to the service. This was only to be expected, for the officers to whom the loss has accrued are mostly above the standing where the chief extension of the Settlement Department has taken place, and of course they remain unaffected by the creation of new appointments among their juniors. The junior third of the service, on the other hand, have materially benefited by the extension of the Settlement Department, as the creation of new appointments in it has enabled them to be pushed on in the service by a certain number of steps.

The 15th March 1871.

F. 1871. D.
in No 294.

195

Note on the financial effect of the Military Furlough Regulations of 1868.

Mr. Kellner, now attached to the Military Accounts Department, some time ago prepared, at my request, a memorandum on the financial effect of the Military Furlough Regulations of 1868, and this memorandum, and the independent calculations made by myself, enabled me to state with great confidence in the Legislative Council, on the 24th March last, that, on the whole, there was a saving under these regulations, if we took into consideration the combined English and Indian expenditure.

It appears to be now intended to send a copy of Mr. Kellner's memorandum to the Secretary of State in a despatch in the Financial Department on the subject of the new Furlough Rules of the Civil Service, and I, therefore, think it right that I should offer a few remarks on that memorandum, and with respect to the effect of the furlough rules of 1868 generally.

First, I would remark that, in paragraph 11 of Mr. Kellner's memorandum, he gives the increase of cost of the Staff Corps (which is now steadily approaching its maximum) from 1867 to 1871. It appears that the cost has risen in five years from £1,301,103 to £1,553,504,—an increase of £252,401;—but he has not given the decrease in the cost of officers of the local service during the same period. This, I have ascertained from him, has amounted, during the same period, to £105,851, notwithstanding the very few retirements that now-a-days take place for reasons well known to the Government of India and to the Secretary of State.

I have thought it necessary to give this statement, not as being necessary to support any argument in favor of the furlough rules of 1868, but as necessary to show that the increased cost of the Staff Corps has some saving to counterbalance it; and it is further to be recollected that the cost of officers of the local service will go on decreasing till it finally disappears, while the maximum cost of the staff corps, if the corps is kept within reasonable limits, will probably finally not very much exceed its present amount.

I will next observe that I believe entire reliance can be placed on Mr. Kellner's calculations. They have been examined by various officers independently, and all have concurred in their accuracy.

In fact, from the system of remuneration of officers on furlough and of those who act for them, it seems to me quite clear that there must be a saving by the operation of these rules, provided so many officers are not allowed to go on furlough as to necessitate an increase to the service.

We must start with the assumption that every service requires a sort of reserve to meet casualties, and to provide for the duties of absentees on leave, &c. This is more especially necessary in our Indian services. Having fixed what is necessary as a reserve, I think it is clear that up to the number of that reserve there is an advantage in officers being on furlough, as in nearly every individual case the Government is a gainer; but, of course, if the number of officers on furlough necessitates an actual addition to the service, then any saving by the furlough rules is diminished by the cost of these extra officers.

With the excess of officers still in the military service, it has, of course, been unnecessary to add to the strength to supply furlough vacancies. Indeed, for the lowest appointment in the Staff Corps, that of Second-Wing or Squadron Subaltern, we do not allow of any *officiating* appointment; that is, if a second Subaltern goes on furlough, or is acting in a higher appointment, no one is admitted to the service to *act* for him. Officers, indeed, are hardly ever admitted to the Staff Corps, save to fill actual permanent vacancies. It follows, therefore, and I believe is the case, that no admissions have been made in consequence of the regulations of 1868. Nor do I think it will ever be necessary to admit officers in consequence of these regulations; for I assume that at least twenty per cent. must be maintained as a reserve for the Staff Corps, and it is not believed that there will be any difficulty in keeping the absentees within that number.

At present large numbers are absent as, when the rules were promulgated, nearly every officer had furlough to his credit, and as there were surplus officers it was an actual advantage to allow even more than 20 per cent. to go. Already the number

of absentees are diminishing, there being thirty-six fewer officers absent in 1871 than there were in 1870, and no doubt in two or three years the proportion will be within 20 per cent. of the strength, while Government, of course, in case of need can lower the percentage, or temporarily stop all furloughs, save those on medical certificate.

I therefore think no useful end would be gained by touching these rules; while, no doubt, the irritation caused by an unfavorable change in rules very recently framed and deliberately sanctioned, and which are believed to be unobjectionable financially, would be extreme.

A difficulty would also arise in the claims that would, no doubt, be put forward by many officers to revert to the rules of 1854, which they relinquished to accept the rules of 1868 as they were framed, and not as they might stand, if modified in a sense injurious to their interests.

I will give a few instances to show the financial effect of officers going on furlough :

First, as to unemployed officers :

A Lieutenant-Colonel draws £992 in India, and £496 in England—*gain* to the State, £496 per annum.

A Major, £768 in India, and £384 in England—*gain* £384 per annum.

A Captain, £448 in India, and £250 (the minimum furlough allowance) in England—*gain* £198 per annum.

A Lieutenant, £270 in India, and £250 in England—*gain* £20 per annum.

Secondly, I will take an officer in a high situation, say the Inspector General of Ordnance.

He draws £3,000 a year in India, and £1,000 a year at Home. So £2,000 remains with which to provide for his duties.

The Deputy Inspector General, whose ordinary staff salary is £1,200 a year, draws half the difference between the consolidated pay of the Inspector General and the regimental pay of the same officer, or £741 a year, and £600 representing his own half staff salary. He thus receives £1,341 a year staff pay, instead of £1,200— the regimental pay in all cases being the same—£141 a year are thus expended.

A 1st Class Commissary acts for the Deputy Inspector General, and gains (receiving half the salary of the deputy and half his own) £300 a year.

A 2nd Class Commissary acts for the 1st Class Commissary, and gains £60 a year.

A 3rd Class Commissary acts for the 2nd Class Commissary, and gains £60 a year.

And, finally, an Artillery Officer, whose place is not filled up in his corps, as he is only officiating in the Ordnance Department, acts as 3rd Class Commissary, and receives £300 a year staff salary.

The gain, therefore, on the whole in this case, is £2,000, minus £861, or a clear gain of £1,139 per annum.

This is a favourable instance for Government, as the Inspector General of Ordnance, owing to the maximum limit of furlough pay being £1,000 a year, forfeits a very large sum.

I will, therefore, take the second in command of a regiment of Infantry going on furlough, and will assume that he is a Major.

He receives pay and staff salary in India £1,092 per annum, in England he receives £546,—£546 being thus available to provide for his duties.

We need not consider the regimental rank of those who act for him, as their regimental pay is unaffected; but the real result will be as follows:

If an unemployed officer is brought in to act for him, no other acting appointments are needed, and the only sum to set against the £546 saved is £156 given as half staff salary to his *locum tenens*. There is thus a saving of £390 per annum.

If, however, the step goes in the regiment, the Wing Officer, acting as Second in Command, gains £24 per annum; the Adjutant, acting as Wing Officer, £18 per annum; the Quarter Master, acting as Adjutant, £30 per annum; the 1st Subaltern, acting as Quarter Master, £30 per annum.

If an unemployed officer is brought in to act as second Subaltern, he will receive the full salary of £120; but if no unemployed officer is available, no officer can be brought in to act as second Subaltern at all. Thus there may be an outlay of £222, or possibly of only £102 out of £546.

If the Second in Command happened to be a Lieutenant-Colonel, the saving would be £658 per annum, and the outlay as above.

If the Second in Command was a Captain, the saving would be £386 per annum, and outlay as above.

In the very unusual case of a Second in Command being a Lieutenant and going on furlough, he would forfeit £297 a year, and, as the largest outlay would only amount to £222, there would still be a saving.

And so going, I believe, through every kind of contingency, there will almost invariably be *some* saving when an officer goes on furlough, and often a large one.

If the Civil Service acting allowances are based on anything like the same system, I presume there can be no cost from their rules, provided always that the number of officers on furlough does not exceed the number that must be kept up as a reserve,—the number, in fact, in excess of the appointments that have to be filled that must be maintained in every large service.

H. W. NORMAN.

SIMLA;
The 20th May 1871.

F. 1871. D.
in No 294

[*Confidential.*]

No. 3102.

FROM

A. P. HOWELL, ESQ.,
Under Secy. to the Govt. of India.

To The Chief Secretary to the Govt of Madras

Home Dept.
Public.

SIMLA, *the* 23 *June* 1871.

SIR,

I AM directed to forward a copy of the correspondence noted in the margin between Her Majesty's Secretary of State and the Government of India, regarding the existing rules for the grant of leave of absence to Covenanted Civil Servants, and to request that the Governor General in Council may be favoured with the views of His Excellency the Governor in Council on the point discussed in the 28th paragraph of the despatch to the Duke of Argyll, No. 106, dated 23rd ultimo.

From the Secretary of State, No. 52, dated 10th February 1871.
„ ditto, No. 67, dated 9th March 1871.
To ditto, No. 106, dated 23rd May 1871, and enclosures.

2. It is desirable that the practice in respect of the provision of appointments for officers returning from furlough should be uniform, and that no change should be made in the existing system until final orders are received from the Government of India.

3. I am to request that the enclosed papers may not for the present be published, but be treated as *confidential*.

I have the honor to be,

SIR,

Your most obedient Servant,

A. P. Howell

Under Secy. to the Govt. of India.

Financial Department. 1873

No. 279.

To

The Secretary to Government
of India.
Home Department.

Sir,

I am directed to acknowledge the receipt of the confidential letter from your Department No. 3102 dated 23rd June 1871, requesting the views of this Govt. on the points discussed in para 28 of the Despatch from the Government of India to the Secretary of State on the existing rules for leave of absence to Covenanted Civil Servants.

2 The subject of the para in question is the practice in respect of providing appointments for officers returning from furlough

and

Financial - 1871 - Dep.tt

Confidential.

No. 279.

Under Secy. Govt. of India. Home Deptt. 3102. 23.9. 23/30 June 1871.

Rec.d 29th 6 Sept.

Forwards a copy of the correspondence between the Secretary of State and the Govt. of India regarding the existing rules for the grant of leave of absence to Covenanted Civil Servants; and requests the views of Govt. on the points discussed in Paragraph 28 of the despatch of the Govt. of India 23rd May - regarding the replacement of an officer on his return from furlough, in accordance with the practice followed in that Presidency.

A/S.

Send to Bombay

Do so too. On the whole I think it is best to.

D

and I am directed to state that no instance has occurred in this Presidency of a Civil Servant who having gone to England when holding a substantive appointment and acting in a higher one under circumstances which admitted of his retaining his substantive appointment during absence on leave, has on his return been appointed to another acting appointment of the same value as that he before held by him, another Officiating Officer being removed to make way for him - and that this Govt would consider such a practice to be very objectionable.

3d Cases have occurred of late years in this Presidency in which juniors were removed from

I cannot call to mind any instances in this Presidency of a Civil Servant, who having gone to England when holding an substantive appointment and acting in a higher one, under circumstances which admitted of his retaining his substantive appointment, has on his return been appointed to another acting appointment of the same value as that he before held by him, another Officiating Officer being removed to make way for him. I should consider such a practice a very bad one. It has been the practice lately to move juniors from acting appointments to

makes way for Lewis's returning
from Portugal without any
appointment at all. In this
position there has been a
justifiable hope that Lewis
has placed for a time in an
unfortunately unfavourable
position owing to the
change in the Portuguese rules,
but this name will very shortly
cease to exist and then it
does, the position of moving a junior
from an acting appointment
to make way for a senior, which
ought in my opinion to discontinued.
The position should be
given 25 of the latter from the

What the Post Com- will depend
upon some rules change are
Office. 1875

Qu. of which the Secretary of
State has not been actual or in
this Province, as far as I am
aware is a single case. If in my
opinion it might have been
followed in more than one case
without any great hardship to
the public service.

3rd July 71

Agree in the views expressed by
Mr Arbuthnot

from acting appointments
to make way for seniors return-
ing from Furlough without
any appointment at all but
for this practice there was
justification in the fact
that the Seniors in question
have been placed for a time
in an exceptionally unfavour-
-able position consequent
on the change in the furlough
rules during their absence
on leave whereby their pros-
-pect on return of obtaining
any substantive appointment

~~has been very much~~

"This reason however will
very shortly cease to operate
and when it does so the practice
of removing a Junior from an
acting appointment to make
way for a Senior appointed
to act in the Office, ~~obtain~~
~~the opinion of this Court to~~
~~it~~ be discontinued.

without.
It ought to cease now

"I am only sorry to
have materially misjudged"

A. P.
JDL

with
A. P.
JDL

No. 187.

Dated

To The Secretary to the Government of Her Majesty's Department

Colonial Department

I am not prepared to speak to them - to at least two which would disturb the whole scheme of the Cork & Bandon Railway. It would be for the public benefit if this application could be withdrawn

I think it desirable to avoid if possible the disadvantages as well as

A. H.

But high pt. could be passed & State can have & Mr W. if they can fit 187

It does practically. Practically to say that this power is in Govt's disposition if I am with in the pt. is a mere shadow.

A. H.

Fort St. George
12th July 1871.

this Enclosure objected to
[illegible] advised in
para 26 of the Despatch
under reference, has
adopted. In consequence
of the Engineer
it generally proposed
for the first Administration
of the country that
officers serving
from home should
examine this
in detail with
the Chief Engineer
Officer
[illegible]
it is important for the
Government to depend on
home rules
any Chief Engineer
can arbitrary changes
in the system existing
in this Presidency -
[illegible]
[illegible]

A. H.