

*Urgent*  
Public Works (1899) Department.

RAILWAY BRANCH.

*Printed*  
G.O., No. 317. Ry

DATED 21<sup>st</sup> March 1899

120 / 1K

[Despatch Abstract.]

Exchange Compensation Allowance

Coming to the Agents, Mr & Mrs, the  
Resolution of the Govt of India regarding  
The grant of <sup>increase of pay in lieu of</sup> to non-pensionable  
employees on salaries not exceeding  
Rs 400 a month on State & Coy<sup>d</sup>  
lines open to traffic.

Government {1899} of Madras.  
PUBLIC WORKS.

*Spare copies*

MARCH.

\* Communicating to the Agents, Madras and South Indian Railways, the resolution of the Government of India regarding the grant of increase of pay in lieu of — to non-pensionable employes on salaries not exceeding Rs. 400 a month on State and Companies' lines open to traffic.

## GOVERNMENT OF MADRAS.

## PUBLIC WORKS DEPARTMENT.

## Railway.

Read the following paper :—

From—The Secretary to the Government of India, Public Works Department.  
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.  
Dated—Simla, 1st March 1899, No. 390 R. E.

*State and Companies' Lines open to Traffic.*

[Grant of increase of pay in lieu of exchange compensation allowance to non-pensionable employes on salaries not exceeding Rs. 400 a month.]

## READ—

Public Works Department letter No. 1989 G., dated 19th June 1894.  
" " " " 2040 G., " 23rd " "  
" " " " 2191 G., " 14th August 1897.  
" " Despatch to Secretary of State, No. 90 Ry., dated 25th Aug. 1897.  
" " letter No. 3108 G., dated 23rd November 1897.  
Finance and Commerce Department Resolution, No. 4847 Ex., dated 5th November 1898, paragraph 4, last clause relating to class II (b).  
Finance and Commerce Dept. Despatch to Secretary of State, No. 133, dated 12th May 1898.  
Despatch from Secretary of State, No. 94 Ry., dated 10th November 1898.  
Public Works Department letter No. 3 G., dated 3rd January 1899.

*Observations.*—In the orders of 1894, read in the preamble, it was laid down that exchange compensation allowance should not be given to certain employes of open lines of railway, who come under the general description of fluctuating staff and belong to the classes noted in the margin, but that in its place Managers of lines should be empowered to raise the pay of such men to an extent not exceeding 15 per cent. on a consideration of the market value of their services. These orders were also made applicable to railways worked by Companies.

In issuing the orders above referred to, the main objects the Government of India had in view were the partial introduction of the principle that the determinant factor in fixing the pay of the subordinate non-pensionable staff of railways should be the market value, in this country, of the services rendered, and also the reduction to reasonable proportions of the number of claims for exchange compensation allowance.

2. The Government of India, after giving the matter their further careful consideration, were of opinion that the orders of 1894 might, with great advantage, be extended to meet the case of all non-pensionable employes on pay of Rs. 400 per mensem and below, and have obtained the sanction of the Secretary of State to this proposal.

3. This extension of the orders of 1894 will enable Managers to grant increases of pay above the present sanctioned pay of their appointments to the subordinate European staff on a consideration of the market value of the individual services rendered. Those members of the staff who are at present in receipt of exchange compensation allowance, and come within the orders, may be given an increase of

pay in lieu thereof equal to their present allowance at the ruling rate. The classes of employes who will now come within the scope of the revised arrangement, in addition

- (1) Subordinate Superintendents, Traffic, Locomotive and Engineering Departments.
- (2) Stationmasters.
- (3) Chief Clerks in offices of Managers and Heads of Locomotive, Traffic, and Engineering Departments.

to those who came under the orders of 1894, are enumerated in the margin. It will rest entirely with Managers to grant, withhold, or withdraw these increases of pay on a consideration from time to time

mainly of the market value of the services rendered. Thus, it will not necessarily follow that an employe who has once been granted an increase of pay under these orders will always retain it, or that an employe who, in a lower appointment, received an increase above the pay of that appointment, will, on promotion to a more highly paid appointment, receive a similar increase on the pay of the higher appointment.

It should further be understood that the intention is not to raise salaries generally, but merely to increase the pay of individual members of the European staff in cases where, in the opinion of Managers, the sanctioned pay of the class to which the men belong, or of the appointments held by them, is, after taking into consideration the fall in the value of the rupee, below the market value of the services rendered.

The Government of India also desire to draw attention to the fact that the maximum of 15 per cent. on the pay of appointments up to which increases may be given under these orders, is considerably above the present rate of exchange compensation allowance; and, while not wishing to lay down any definite ruling on the subject, or to interfere further with the discretion of Managers in this matter beyond fixing a maximum limit, they are of opinion that all increases of salary in excess of the amount admissible under the rules of exchange compensation allowance, should be subjected to the closest possible scrutiny before sanction.

*Resolution.*—The Government of India, with the approval of the Secretary of State, are accordingly pleased to rule, in modification of the orders in Public Works Department No. 1989 G., dated 19th June 1894, read in the preamble, that non-pensionable subordinate employes on State Railways, on pay of Rs. 400 per mensem and below, other than men paid by the day or job, will in future not be eligible for exchange compensation allowance. Subject, however, to the maximum of Rs. 450 not being exceeded, the pay of individual members of the European staff of the class referred to above may, from time to time be increased, at the discretion of Managers of lines, to an extent not exceeding 15 per cent. of the sanctioned pay of the appointments held, or of the maximum pay of the class to which the men belong. Such increases should, however, be granted only after consideration of each case, and of the market value of the services rendered. In cases where exchange compensation allowance is being now drawn, that allowance should at once be converted under these orders into an increase of pay equal to the allowance.

2. These increases of pay may, in any case in which the Manager deems the concession to be necessary with reference to the principles and limitations above explained, be sanctioned with retrospective effect from a date not earlier than 1st April 1897, in the case of employes who are not in receipt of exchange compensation allowance on the date these orders come into force.

3. The Boards of the Railway Companies noted in the margin having intimated their willingness to adopt the orders laid down in this resolution, the Government of India sanction their adoption on those Companies' lines, subject to the proviso that they shall not be made applicable to the case of employes engaged under coven-

East Indian.  
Great Indian Peninsula.  
Bombay, Baroda and Central India.  
Madras  
South Indian.

Southern Mahratta.  
Indian Midland.  
Bengal-Nagpur.  
Assam-Bengal.  
Bengal Central.

ants which entitle them to exchange compensation allowance, or to receive a portion of their pay at a fixed rate of exchange.

The Boards of the Bengal and North-Western and Rohilkhand-Kumaon Railways have accepted the proposals of the Government of India with certain reservations. As it is believed that the orders in this resolution sufficiently meet their views, the orders can be applied to those railways if the Agent is prepared to accept them.

*Order.*—Ordered that a copy of this resolution be communicated to the Local Governments and Administrations, and to the officers noted in the margin for information and guidance.

Governments of Bombay, Madras and Burma, Public Works Dept., Ry. Branch.  
Chief Commissioner, Assam.  
Resident at Hyderabad.  
Consulting Engineers to the Govt. of India for Bys., Calcutta, Lucknow and Assam.  
Managers, North-Western, Railway, Oudh and Rohilkand Railway, East Coast and Eastern Bengal State Railways.  
Accountant-General, Public Works Department.

Ordered also that a copy be forwarded to the Department of Finance and Commerce for information.

ORDER—No. 317 Ry., dated 21st March 1899.

Communicated to the Agents, Madras and South Indian Railways, in view of immediate effect being given to the orders and to the discontinuance of the grant of exchange compensation allowance as such to the employes affected.

2. Proposals should be submitted for approval for increasing the salaries of men who would, but for these orders, be eligible for the allowance.

(True Extract.)

FRANCIS J. E. SPRING,  
Joint Secretary.

To the Agent, Madras Railway.  
" Agent, South Indian Railway.  
" Examiner, Guaranteed Railway Accounts.  
" Consulting Engineer for Railways.

# Public Works (1899) Department.

*Railway*  
CURRENT No. 366

*3P* *From*  
*The Govt. of India*  
*Order. No. 317 Ry. dated 21/3/99*  
*Communicated to*

No. 390 R.E.

*the Agents, Madras and*  
*S.I. Ry.: in view to immediate*  
*effect being given to the orders &*  
*to the discontinuance of the*  
*grant of Exchange Compensation*  
*allowance as such to the*  
*Employes affected.*

Dated 1st March 1899

Received

Registered

Enclosures

Spare copies

SUBJECT.

*Exchange Compensation*  
*allowance.*

*Grant of increase of pay*  
*in lieu of — to non-pensionable*  
*Employes on Salaries not*  
*exceeding Rs 400 a month*  
*on State and Companies*  
*lines open to Traffic.*

Despatched on 7.4.99.

To the Agent, Madras Ry.

To the Agent, S.I. Ry.  
To the Agent, S.I. Ry.  
To the Agent, S.I. Ry.

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Mechanics, Drivers, Shunters, Guards, Permanent-way Inspectors, Station Masters, etc., on pay of Rs. 200 and below.

2. The Government of India, after giving the matter their further careful consideration, were of opinion that the orders of 1894, might, with great advantage, be

extended to meet the case of all non-pensionable employes on pay of Rs. 400 per mensem and below, and have obtained the sanction of the Secretary of State to this proposal.

3. This extension of the orders of 1894 will enable Managers to grant increases of pay above the present sanctioned pay of their appointments to the subordinate European staff on a consideration of the market value of the individual services rendered. Those members of the staff who are at present in receipt of Exchange Compensation Allowance, and come within the orders, may be given an increase of pay in lieu thereof equal to their present allowance at the

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ruling rate. The classes of employes who will now come within the scope of the revised arrangement, in addition to those who came under the orders of 1894, are enumerated in the margin. It will rest entirely with Managers to grant, withhold, or withdraw these increases of pay on a consideration from

time to time mainly of the market value of the services rendered. Thus, it will not necessarily follow that an employe who has once been granted an increase of pay under these orders will always retain it, or that an employe who, in a lower appointment, received an increase above the pay of that appointment, will, on promotion to a more highly paid appointment, receive a similar increase on the pay of the higher appointment.

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The Government of India also desire to draw attention to the fact that the maximum of 15 per cent. on the pay of appointments up to which increases may be given under these orders, is considerably above the present rate of Exchange Compensation Allowance; and, while not wishing to lay down any definite ruling on the subject, or to interfere further with the discretion of Managers in this matter beyond fixing a maximum limit, they are of opinion that all increases of salary in excess of the amount admissible under the rules of Exchange Compensation Allowance, should be subjected to the closest possible scrutiny before sanction.

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2. These increases of pay may, in any case in which the Manager deems the concession to be necessary with reference to the principles and limitations above explained, be sanctioned with retrospective effect from a date not earlier than 1st April 1897, in the case of employes who are not in receipt of Exchange Compensation Allowance on the date these orders come into force.

3. The Boards\* of the Railway Companies noted in the margin, having intimated their willingness to adopt the orders laid down in this Resolution, the Government of India sanction their adoption on those Companies' lines, subject to the proviso that they shall not be made applicable to the case of employes engaged under covenants which entitle them to Exchange Compensation Allowance, or to receive a portion of their pay at a fixed rate of exchange.

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The Boards of the Bengal and North Western and Rohilkhand-Kumaon Railways have accepted the proposals of the Government of India with certain reservations. As it is believed that the orders in this Resolution sufficiently meet their views, the orders can be applied to those railways if the Agent is prepared to accept them.

**ORDER.**—Ordered that a copy of this Resolution be communicated to the Governments of Bombay, Madras and Burma, Public Works Department, Railway Branch, Chief Commissioner, Assam, Resident at Hyderabad, Consulting Engineers to the Government of India for Railways, Calcutta, Lucknow and Assam, Managers, North Western Railway, Oudh and Rohilkhand Railway, East Coast and Eastern Bengal State Railways, Accountant General, Public Works Department, Local Governments and Administrations, and to the officers noted in the margin for information and guidance.

Ordered also that a copy be forwarded to the Department of Finance and Commerce for information.

*E. M. Walker*

Under Secy. to the Govt. of India.

Documents accompanying.

Nil.

To The Joint Secy to the Govt. of Madras.  
To The Joint Secy to the Govt. of Bombay.

OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,

Madras, 15<sup>th</sup> March 1899.

No. 886.

OFFICE NOTE.

317<sup>R.</sup>Govt of India Resolution  
Letter from the Agent,

Railway, No. 390. R.C.

dated 14<sup>th</sup> March 1899, forwarded to the Examiner of Railway

Accounts. For favour of Remarks.

a/jb

for E. R.

## EXAMINER'S REPLY.

Copies of the Resolution should be furnished to the Agents of the Madras and South Indian Railways, who should be instructed to give immediate effect to the orders, and discontinue the grant of Exchange compensation allowance as such, to the employees affected.

Proposals should also be sent in for your approval for increasing the Salaries of men who would but for the ruling be eligible for Exchange compensation allowance.

16.3.99

16<sup>3</sup>/<sub>99</sub>