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G.O., No. 5-91-592

DATED 5-th Septr: 1899

[Despatch Abstract.]

Compensation for dearness of provisions

Reporting to the Govt. of India on the proposed revision of the rules for the grant of —— to Government employés in the Civil Department.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
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Government {1899} of Madras.

REVENUE.

Recd. / *Regd.* {1899. *Enclosures* / *Spare copies*

G.O., No. 591, 5th September 1899.

SEPTEMBER.

Compensation for dearness of food.

Accepting the views expressed by the Board of Revenue in regard to the proposed revision of the rules regulating the grant of — to Government employés in the Civil Department, and ordering that the Government of India be addressed in the matter.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—again G.O., No. 295, Revenue, dated 19th January 1898.

Read—the following Resolution of the Government of India (Finance ... Department—Salaries, Establishments, &c.—Compensation), ... 5th January 1898, No. 4-Ex. :—

Read—

Resolution by the Government of India in the Finance and Comme... No. 1648, dated 28th March 1888.

Resolution by the Government of India in the Finance and Commerce ... No. 3332, dated 2nd August 1893.

Letter from the Government of Madras, No. 136, dated 4th March 1897.

Letter to the Government of Madras, No. 2287, dated 20th May 1897.

Letter from the Government of Madras, No. 802, dated 22nd September 1897.

Resolution.—The correspondence with the Government of Madras read in the preamble and printed as an appendix to this resolution, and other references received by the Government of India during the recent famine have suggested the necessity for considering whether the rules regulating the grant of compensation for dearness of food to Government employés in the Civil Department, which in their present form or embodied in article 72, Volume I, of the Civil Account Code, might not with advantage be made more clear as to their application and possibly modified in other respects also. But before coming to any final decision, the Governor-General in Council desires to be in possession of the views of the various Provincial Governments, and all Local Governments and Administrations which have lately been affected by famine are accordingly requested to report at an early date as to whether experience has shown that the rules require alteration, and, if so, in what directions.

2. The following are indicated as salient points to be specially considered and answered :—

(1) Are the limits of 12 and 10 seers per rupee of the common staple food-grain of the district, which must be reached before the rates of compensation at present admissible can be drawn, suitable, having regard to the normal prices of these grains in ordinary times? If not, what modification of the rule should be made, and on what grounds?

(2) Would it be fairer, and equally consistent with economy, to substitute for the price of the common staple food-grain of the district a test based on an average of the prices of the principal food-grains in common use?

(3) Is it necessary to extend the benefits of the compensation allowance as widely as is done at present, *i.e.*, do not the existing limits—Rs. 16 in ordinary cases, and Rs. 25 in the case of men who have to keep a horse or camel—include Government servants who ought to be in a position to meet the extra expenses caused by the vicissitudes of seasons, without special allowances? If so, what limits of pay should be substituted?

(4) It has already been ruled by the Government of India (*vide* Notification in this department, dated 17th May 1870, No. 465), that grain compensation allowance should not be given to men absent on leave. Should not the same principle be extended to part-time servants who are only engaged by Government for specific duties which do not prevent their earning money in other ways? On the other hand, should it not be made clear that the allowance is admissible to acting men and temporary hands, provided always that they are drawing rates of pay which have been fixed with reference to normal circumstances?

(5) In the case of Government servants drawing consolidated rates of pay, part of which has been expressly granted for the upkeep of a horse or camel, should not the question whether they are eligible for grain compensation be decided according as their net pay, excluding the above-mentioned allowance, falls within or without the limit prescribed for ordinary Government servants? Thus, taking the present rates, if a man receives Rs. 30 to maintain a horse for the performance of his ordinary duties, but does not receive any special allowance therefor as part of his consolidated pay, he would be within the Rs. 25 limit; but if he receives a horse allowance, such allowance would be excluded, and the test to be applied for determining his eligibility for the compensation would be whether his remaining net pay is in excess of Rs. 16 or not.

Salem	
Kistna	
Nellore	
Cuddapah	
Anantapur	
Bellary	
Kurnool	
Trichinopoly	
Madura	
Tinnevelly	
South Arcot	
Coimbatore	

In replying to this reference, Local Governments and Administrations are requested to keep the following general principles in view :—

From W. S.—Rules for the grant of compensation for dearness of food must be as definite as possible. If they are vague or indefinite, any temporary pressure will inevitably give rise to numerous claims and to unnecessary additional expenditure. Government employés should not be encouraged to think that their pay is liable to increase in years of high prices any more than it is liable to decrease in years in which prices fall below the average; and it is only in entirely exceptional cases that any claim for a special compensation allowance really arises. The problem is therefore how to give an accurate and workable definition of these exceptional circumstances.

Second.—The rules must in any case be such as to leave with the Local Governments the discretion of pronouncing whether in any districts the exceptional circumstances above mentioned exist or not, and at the same time to ensure that the various Governments will on the whole (though not necessarily in all details) proceed on the same lines in doing so.

4. It is further necessary to guard against the fallacy that the wages of menial servants have a definite relation to the ordinary price of the staple food of the particular district in which they are employed, and are therefore inadequate when this rises. The Government of India do not consider that such an assumption has any adequate foundation. Wages in the case of petty servants are largely determined by the custom and practice of the Local Government as a whole. The Government is therefore under no obligation to give compensation to a man merely because he will otherwise be getting for the time less real remuneration than his brethren elsewhere.

Order.—Ordered, that a copy of the foregoing resolution be forwarded to all Local Governments and Administrations, and to all Departments of the Government of India.

(By order.)

(Signed) W. S. MEYER,
Offg. Depy. Secy. to the Govt. of India.

Enclosures.

From the Hon'ble Mr. G. STOKES, I.C.S., Acting Secretary to the Government of Madras, Revenue Department, to the Secretary to the Government of India, Finance and Commerce Department, dated 4th March 1897, No. 136.

I am directed to forward copy of the marginally-noted Proceedings of this Government, in which His Excellency the Governor in Council has sanctioned the grant of famine batta to Government servants in Ganjám in accordance with the provisions of article 72 of the Civil Account Code, Part I, Volume I, and to invite your attention to paragraphs 4 and 5 of the Board's Proceedings printed therein, pointing out that the adoption of a fixed price for all grains and all districts alike as indicative of a general scarcity and distress gives rise to anomalous results, and suggesting a modification of the present rules regulating the compensation for dearness of provisions.

No. 135, dated 4th March 1897.

2. The Government of India has directed that the grain to be adopted for regulating the grant of compensation should be the cheapest grain of any kind commonly used by the people, that is, the common staple food of the people of the district (*vide* paragraph 9 of the Government of India Resolution No. 1648, dated 28th March 1888, Finance and Commerce), and it has been explained in Mr. Sinkinson's letter, No. 3040, dated 18th June 1889, that the basis of this rule is that "if in any district the common food of the people has risen in price beyond a certain point, the fact indicates a general scarcity and pressure in the district causing distress to Government servants there employed as to warrant an increase to their pay to mitigate the hardship caused by high prices." The staple-grains adopted by the Government for the different districts in accordance with the above resolution of 1888 are shown in the annexed statement, from which it will be seen that the normal prices of the staple grain such determined from the averages of ordinary years vary evidently from 13·4 seers, sufficient Malabar to 33 seers in North Arcot. It will be obvious from an examination of the Government prices (column 3 of the statement) that the fact that the price of the staple adopted given in 13 seers per rupee in any district does not necessarily show that there is scarcity of grains as in the district, and that where it *does* indicate distress, the limiting price is reached when rupee in stages of distress in different districts. Thus, in Malabar and South Canara, the normal prices over the normal entitles Government employés therein to famine batta, and has risen to of Ganjám, Nilgiris and Tinnevelly the grant of such batta is permissible long before scarcity rates are reached. On the other hand, in North Arcot, Salem and the Deccan districts no compensation will be payable till prices exceed scarcity rates considerably and till probably very severe distress has set in. The Government has till now avoided inequalities in the working of the rules by the exercise of the discretion vested in it by article 72 of the Account Code, but this discretion only enables it to withhold compensation where it is permissible under the rules and not to grant it in cases where there is undoubted distress, though the staple grain has not risen in price above 12 seers per rupee.

3. Second-sort rice is the staple grain adopted for Ganjám, and as the price of this grain has been for months past higher than 12 seers per rupee, and has now risen beyond the scarcity rate of 10·2 seers, orders have been issued directing the grant of famine batta to Government employés in the district. As yet, however, only test works have been opened in the district on which about 1,629 persons are employed, and the distress, though undoubted, is not so severe as in the Deccan districts, where regular relief works have been opened in various parts and where over 50,000 persons are in receipt of State relief. Government servants in these districts in receipt of small salaries are certainly in greater need of help from Government than those in Ganjám, but as the staple grain of these districts, viz., cholam, is still cheaper than 12 seers per rupee, they are not entitled to any concession under the rules. This is an undoubted inequality in the working of the rules which the Local Government cannot rectify.

Months.	Seers per rupee.
November	10·4
December	10·3
January	10·2
February (average of the first three weeks).	10·2

Week ending 26th February 1897.

Districts.	Seers per rupee.
Kurnool	14·2
Bellary	13·1
Anantapur	13·7
Cuddapah	14·5

4. The object of the Government of India in framing the rules being to mitigate the hardship caused to its employés by high prices in times of general scarcity and pressure, it appears to His Excellency the Governor in Council, for the reasons set forth above, that definite percentage increases over normal prices are a fairer and surer gauge of such scarcity

and pressure than a fixed price for all grains and places alike. The warning and scarcity rates adopted for the various districts are based on the principle of percentage increases, and I am to suggest that the same principle may also be adopted in article 72 of the Civil Account Code.

Districts.	Grain.	Normal price.	Scarcity rates.	Percentage rise above normal prices when compensation will be allowed.	Percentage rise above scarcity rates before compensation may be allowed.
Ganjám	Rice, 2nd sort ..	17·0	10·2	41·7	..
South Canara		14·0	8·4	16·7	..
Malabar		13·4	8·0	11·7	..
Vizagapatam		28·0	14·0	133·3	16·7
Gódávari		28·0	14·0	133·3	16·7
Madras		24·0	12·0	100·0	0·0
Chingleput	Ragi	24·0	12·0	100·0	0·0
North Arcot		32·0	16·0	166·7	33·3
Tanjore		28·0	14·0	133·3	16·7
Nilgiris		21·0	10·5	75·0	..
Salem		31·0	15·5	158·3	29·2
Kistna		26·0	13·0	116·7	8·3
Nellore		26·0	13·0	116·7	8·3
Cuddapah		30·0	15·0	150·0	25·0
Anantapur		30·0	15·0	150·0	25·0
Bellary	Cholam	30·0	15·0	150·0	25·0
Kurnool		30·0	15·0	150·0	25·0
Trichinopoly		24·0	12·0	100·0	0·0
Madura		24·0	12·0	100·0	0·0
Tinnevelly		2·30	11·5	91·7	..
South Arcot	Cumbu	2·60	13·0	116·7	8·3
Coimbatore		26·0	13·0	116·7	8·3

From W. S. MEYER, Esq., Officiating Deputy Secretary to the Government of India, Finance and Commerce Department, to the Secretary to the Government of Madras, Revenue Department, dated 20th May 1897, No. 2287-Ex.

I am directed to acknowledge the receipt of your letter, No. 136, dated the 4th March 1897, on the subject of the modification of the rules regarding the grant of compensation for dearness of provisions to servants of Government on civil establishments.

2. Under the rules, as they now stand, grain compensation is not admissible until the selling price of the cheapest grain of any kind commonly used by the people of the district is dearer than 12 seers a rupee. It is explained, however, that the normal prices of the staple food-grains in different districts in the Madras Presidency vary considerably, so that in some districts a slight increase in the price of the staple food-grain "entitles" Government servants to compensation, while in others no relief is admissible even when the prices have risen very largely. Inequalities such as these in the working of the rules are, it is stated, a source of great hardship, and a remedy is suggested by the adoption of percentage increases over normal prices as the basis of compensation.

3. In reply, I am directed to refer to the letter from this Department, No. 3040, dated the 18th June 1899, and to observe that the price limits stated in the present rules should not be regarded as those beyond which Government employés are *entitled* to compensation. They are merely laid down as the rates at which discretion is given to Local Governments to grant it. Most of the inequalities, which the Government of Madras urge in the operation of the present limits, can therefore be met and avoided by the discretion vested in the Local Governments as regards the application of the rules. Compensation for dearness of food should not be given, that is, merely because the case falls technically within the limits of article 72, Volume I, of the Civil Account Code; there must be at the same time such a pressure on the resources of the inferior Government servants that a temporary increase in their pay is urgently required. As the Madras Government justly observe, the discretion vested in them enables them to withhold compensation in cases where, though permissible by rule, it is not really required.

4. I am to add that, in the opinion of the Government of India, a departure from the present rule to that of a standard fixed by a ratio of increase over normal rates would open the door to so many difficulties in the establishment of rates that it would give rise to more doubts and correspondence over the settlement of cases than the present rule of fixed rates tempered in their application by the discretion allowed to Local Governments. The Government of India are also of opinion that, as a general rule, it is reasonable to hold that, until the pressure of scarcity has reached the point indicated by price of 12 seers the rupee, the need has not arisen for resorting to the exceptional step of increasing, temporarily, the pay of Government servants on account of the dearness of food.

Enclosures.

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Madras		24·0	12·0	100·0	16·7
Chingleput		24·0	12·0	100·0	0·0
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Madura		24·0	12·0	100·0	0·0
Tinnevelly		23·0	11·5	91·7	..
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Coimbatore		26·0	13·0	116·7	8·3

From W. S. MEYER, Esq., Officiating Deputy Secretary to the Government of India, Finance and Commerce Department, to the Secretary to the Government of Madras, Revenue Department, dated 20th May 1897, No. 2287-Ex.

I am directed to acknowledge the receipt of your letter, No. 136, dated the 4th March 1897, on the subject of the modification of the rules regarding the grant of compensation for dearness of provisions to servants of Government on civil establishments.

2. Under the rules, as they now stand, grain compensation is not admissible until the selling price of the cheapest grain of any kind commonly used by the people of the district is dearer than 12 seers a rupee. It is explained, however, that the normal prices of the staple food-grains in different districts in the Madras Presidency vary considerably, so that in some districts a slight increase in the price of the staple food-grain "entitles" Government servants to compensation, while in others no relief is admissible even when the prices have risen very largely. Inequalities such as these in the working of the rules are, it is stated, a source of great hardship, and a remedy is suggested by the adoption of percentage increases over normal prices as the basis of compensation.

3. In reply, I am directed to refer to the letter from this Department, No. 3040, dated the 18th June 1899, and to observe that the price limits stated in the present rules should not be regarded as those beyond which Government employés are *entitled* to compensation. They are merely laid down as the rates at which discretion is given to Local Governments to grant it. Most of the inequalities, which the Government of Madras urge in the operation of the present limits, can therefore be met and avoided by the discretion vested in the Local Governments as regards the application of the rules. Compensation for dearness of food should not be given, that is, merely because the case falls technically within the limits of article 72, Volume I, of the Civil Account Code; there must be at the same time such a pressure on the resources of the inferior Government servants that a temporary increase in their pay is urgently required. As the Madras Government justly observe, the discretion vested in them enables them to withhold compensation in cases where, though permissible by rule, it is not really required.

4. I am to add that, in the opinion of the Government of India, a departure from the present rule to that of a standard fixed by a ratio of increase over normal rates would open the door to so many difficulties in the establishment of rates that it would give rise to more doubts and correspondence over the settlement of cases than the present rule of fixed rates tempered in their application by the discretion allowed to Local Governments. The Government of India are also of opinion that, as a general rule, it is reasonable to hold that, until the pressure of scarcity has reached the point indicated by price of 12 seers the rupee, the need has not arisen for resorting to the exceptional step of increasing, temporarily, the pay of Government servants on account of the dearness of food.

5. In these circumstances the Governor-General in Council does not consider it desirable to amend the rules in the manner suggested, and accordingly regrets his inability to sanction the proposals of the Madras Government. If, however, the exceptional circumstances of any district give rise to cases of such hardship that the Government of Madras consider special intervention to be necessary, the Government of India will be prepared to consider any proposal of the Madras Government to admit compensation in such cases, although it may not fall within the terms of the rule.

From the Hon'ble Mr. G. STOKES, Acting Secretary to the Government of Madras, Revenue Department, to the Secretary to the Government of India, Finance and Commerce Department, dated 22nd September 1897, No. 802.

I am directed to acknowledge the receipt of Mr. Meyer's letter No. 2287-Ex., dated 20th May 1897, in which the Government of India declines to accept the modification suggested by this Government in the rules regulating the grant of compensation for dearness of provisions to Government servants. The adoption of a fixed price for all grains and for all districts alike as the test of scarcity often defeats the benevolent object of the Government of India in framing these rules, and the feeling of hardship among the poorer paid Government servants at the unequal results which the working of the present rule necessarily involves is so considerable that His Excellency the Governor in Council desires to make a further representation to that Government on the subject.

2. As already pointed out in my letter of the 4th March last, the normal prices of the cheapest of the food grains commonly used by the people vary from 13·4 seers to 32 seers per rupee in several districts of the Presidency, and the limit of 12 seers per rupee prescribed in article 72 of the Civil Account Code, represents a condition of things but little removed from the normal in some of the districts, while it indicates an advanced stage of distress in others. The grant of compensation therefore becomes permissible in the case of the former districts long before there is any need for it, while it is not allowable in the case of the latter till long after it is absolutely necessary. This inequality cannot be fully rectified by the discretion vested in Local Governments, which only enables them to withhold compensation, where it is allowable under the rule; not to grant it in cases where there is undoubted distress, though the staple grain may not have risen in the price above 12 seers per rupee. As an illustration of the unequal treatment which has necessarily to be accorded to different districts under the present rule, it was pointed out in the above letter that, while the inferior Government servants in Ganjám who were severely distressed were drawing famine batta at the time, those employed in the Deccan districts, were the distress was considerably more severe and the need for compensation considerably greater, could not be shown any concession, as the prices in these districts were then cheaper than 12 seers. It was also pointed out that definite percentage increases over normal prices were a fairer and surer test of general scarcity and pressure than a fixed price for all grains and districts alike, and that the warning rates intended to warn districts officers of the possibility of distress and the scarcity rates indicating the stage at which it is necessary to open relief works were being calculated on the principle of proportionate increases over the normal, and it was suggested that the same principle should be adopted in article 72 of the Civil Account Code.

3. In declining to accept the above suggestion, the Government of India says (*a*) that a departure from the present rule to that of a standard fixed by a ratio of increase over normal rates would open the door to so many difficulties in the establishments of rates that it would give rise to more doubts and correspondence in the settlement of cases than the present rule of fixed rates tempered in their application by the discretion allowed to Local Governments, and further remarks that (*b*), as a general rule, it is reasonable to hold that, until the pressure has reached the point indicated by the present limit, the need has not arisen for resorting to the exceptional step of temporarily increasing the pay of Government servants on account of dearness of provisions, but (*c*) that it would be prepared to consider any proposal of this Government for special intervention in exceptional cases not covered by the present rule.

4. With reference to this last remark (*c*), I am to say that, since the receipt of Mr. Meyer's letter, the prices of the staple food-grains have become dearer than 12 seers per rupee in the four Deccan districts, the circumstances of which were specially brought to the notice of the Government of India in paragraph 3 of my letter of the 4th March, and in Vizagapatam t[illegible]rs per which distress has since extended. This enabled the Local Government to sanction the payment of famine batta for some time in these five districts also without a special reference to the Government of India, but not, I am to add, till after distress had become very severe in them and the inferior servants employed therein had been put to great hardship for several months owing to the prevalent high prices.

5. In reference to remark (*b*), I am to observe that, under the rules laid down by the Government of India, the grains that regulate the grant of compensation are not the grains used as food by the Government servants interested nor necessarily the staples consumed by the majority of the labouring population, but the cheapest and the coarsest grains used by any

considerable section of the community, the aggregate demand for which is consequently comparatively limited. The prices of these grains rise much less rapidly in the times of scarcity than those of staples largely consumed by the people, and it is doubtful whether it can be safely assumed that, as a general rule, the need for the grant of compensation does not arise till these prices rise from two to three times their normal level; on the other hand, it is to be feared that in this Presidency the exceptions to be allowed to such a rule will be far more numerous than the cases covered by it, as will be apparent from the statement appended to my letter of the 4th March last, from which it will be seen that in twelve out of the twenty-two districts of this Presidency the price fixed in article 72 of the Civil Account Code is higher than the scarcity rates, and in the case of seven of them considerably higher. These scarcity rates determined by the Local Government from time to time under fixed rules are (*vide* section 2 of the Madras Famine Code) taken as a sure indication of the existence of severe scarcity calling for the immediate introduction of relief measures, and it appears to His Excellency in Council that it may be reasonably assumed that when the state of the season and of prices is such as to render it necessary for Government to undertake special measures for the relief of the general population, the need has also arisen for affording relief to such of its own servants as are put to hardship by the prevalent high prices, and that it is therefore unsafe in this Presidency to act on the principle laid down by the Government of India. This was fully exemplified in the famine of 1891–92, when prices never rose to 12 seers per rupee in any of the affected districts, though relief works on a large scale had to be opened in some of them and by the course of prices in the early part of the current year. It would only seem natural that when the reason for granting famine batta is scarcity, the scarcity rates should be referred to as the gauge of that scarcity and not an arbitrary universal rule.

6. The scarcity rates represent a rise of 100 per cent. over normal prices in the case of dry grains and of 66⅔ per cent. in the case of rice; the normal prices are fixed for each district from time to time by the Board of Revenue with the previous sanction of the Local Government, for the purposes of section 2 of the Famine Code, with due regard to the average prices of previous non-famine years; the present normals adopted in 1896 being subject to revision at the end of five years. The scarcity rates thus represent a very high percentage of increase over normal prices, and, on considering the question in the light of the criticisms in the letter now under reply, His Excellency the Governor in Council is of opinion that they may also be adopted for regulating the grant of famine batta. These rates are less arbitrary than the present fixed price of 12 seers per rupee, and will greatly reduce the inequalities in the treatment of the different districts. If their adoption makes the grant of batta permissible in some cases at an earlier stage than at present, it also puts off the grant till a considerably later stage in others, and the increased cost, if any, to the State which would result from it must be inconsiderable.

7. It is not understood why the adoption of the principle of percentage increases over normal prices should give rise to doubts and correspondence in the settlement of particular cases, nor what difficulties the Government of India anticipates in the establishment of rates. The normal rates are capable of easy determination from the records of prices, and the percentage of rise indicative of severe scarcity can be settled with reference to the circumstances of each tract; and when these two elements are fixed, the point at which the grant of batta becomes permissible is determined at once. It is not proposed that compensation should be paid as a matter of course when the prices reach the scarcity rates, but only that the Local Government should be vested with discretion to grant it at this stage instead of at the stage prescribed by the present rule.

8. With these remarks, I am to resubmit the question for the consideration of the Government of India. The change proposed is so desirable that in the opinion of this Government it should be given effect to even at some increased cost to the State; but if the slight increase in cost which might ensue is a serious objection to the change, I am to suggest that it may be met by lowering the superior limit of the pay of servants to whom compensation is payable.

Order—Mis. No. 295, Revenue, dated 19th January 1898.

Referred to the Departments of the Secretariat, the Board of Revenue and the Superintendent, Madras Survey, for favour of an early expression of opinion.

(True Extract.)

(Signed) G. S. FORBES,
Ag. Secretary to Government.

To the Departments of the Secretariat.
„ the Board of Revenue (all departments).
„ the Superintendent, Madras Survey.

Read—also the following G.O., R. No. 28, Legislative, dated 4th February 1898.
Read—G.O., Mis. No. 295, Revenue, dated 19th January 1898.

Order—R. No. 28, Legislative, dated 4th February 1898.

The Revenue Department will be informed that the Legislative Department has no remarks to offer.

(True Extract.)

(Signed) A. R. KNAPP,
for Ag. Secretary to Government.

To the Revenue Department.

Read—also the following office-note from Francis J. E. Spring, Esq., Joint Secretary to Government, Public Works Department (Railway Branch), to the Secretary to Government, Revenue Department, dated 9th February 1898, No. 67-R.M. :—

The Railway Branch of the Public Works Department has no particular opinion to offer, that would be of any value, on the subject of Revenue Department's G.O., Mis. No. 295, dated 19th January 1898, except that it is obviously desirable that rules should be so framed as to be likely to give rise to the minimum of reference. I may, however, say that I think that, in such a matter as this is, a Local Government ought to have a wide discretion, so that anomalies may not result, giving rise to individual hardship in certain districts, owing to the inelasticity of a rule.

Read—also the following G.O., R. No. 54, Political, dated 14th February 1898 :—
Read—G.O., Mis. No. 295, Revenue, dated 19th January 1898.

Order—R. No. 54, Political, dated 14th February 1898.

The Political Department has no remarks to offer.

(True Extract.)

(Signed) A. L. HANNAY,
for Chief Secretary.

To the Revenue Department.

Read—also the following G.O., R. No. 24, Ecclesiastical, dated 4th March 1898 :—
Read—the following letter from the Venerable the Archdeacon of Madras, to the Chief Secretary to Government, dated 28th February 1898, No. 4307 :—

I have the honour to acknowledge the receipt of G.O., No. 24, Ecclesiastical, dated 7th February 1898, forwarding a copy of G.O., Mis. No. 295, Revenue, dated 19th January 1898, and to state that I have no remarks to offer for the consideration of Government on the correspondence forwarded with that order.

Order—R. No. 24, Ecclesiastical, dated 4th March 1898.

Recorded.

(True Extract.)

(Signed) S. G. ROBERTS,
for Chief Secretary.

To the Revenue Department.

Read—also the following G.O., R. No. 300, Financial, dated 11th March 1898 :—
Read—G.O., Mis. No. 295, Revenue, dated 19th January 1898.

Read—the following letter from F. C. HARRISON, Esq., Accountant-General to the Government of Madras, to the Chief Secretary to Government, dated Fort St. George, 11th February 1898, No. 501 :—

With reference to your endorsement No. 287, dated the 3rd of February 1898, on Proceedings of the Revenue Department, Mis. No. 295, dated 19th January 1898, regarding the revision of the rules for the grant of compensation for dearness of provisions to Government servants, I have the honour to observe that of the several points mentioned in paragraph 2 of the Government of India Resolution, No. 4-Ex., Financial, dated 5th January 1898, questions (1) and (2) appear to have been fully discussed by the Madras Government. It might, however, be considered whether it would not be simpler in the mofussil to make the fact of relief works existing in the vicinity the touch-stone of the propriety of granting compensation to lowly-paid servants. In the case of large towns, an appeal to the price of various food-grains might be more suitable.

As regards point (3) Rs. 12 is, in my opinion, a sufficiently low limit of salary.

The question involved in point (4) is the grant of the compensation to part-time servants of Government and to acting and temporary employés. As the former devote only a portion of their time to Government service, and are thus able to employ their other time in supplementing their earnings, they do not appear to deserve the concession granted to full-time servants. The cases of acting and temporary men have already been decided in G.O., No. 781, Revenue, dated 13th September 1897, and I have no further remarks to offer in their case.

In regard to point (5), I think that the claim of an officer who draws consolidated pay, a portion of which has been expressly granted for the upkeep of a camel or a horse, should be settled with reference to his net salary after the deduction of the amount granted for special expenses.

The papers received with your endorsement are returned.

Order—R. No. 300, Financial, dated 11th March 1898.

The letter from the Accountant-General will be transferred to the Revenue Department.

(True Extract.)

(Signed) S. G. ROBERTS,
for Chief Secretary.

To the Revenue Department (with Current No. 482, in original).

Read—also the following G.O., Mis. No. 573 L., dated 25th March 1898 :—
Read—G.O., Mis. No. 295, Revenue, dated 19th January 1898.

Read—the following letter from the Sanitary Engineer to Government, to the Secretary to Government, Local and Municipal Department, dated 16th February 1898, No. 235 :—

With reference to your endorsement No. 190, dated 14th February 1898, on G.O., Mis. No. 295, dated 19th January 1898, I have the honour to remark as follows :—

(1) The limit of 12 and 10 seers per rupee of the common staple food-grain of a district is not a practical indication of the severity of famine, and is therefore unsuitable as a means of forming a basis for the grant of compensation for dearness

of food-grains. The scarcity rates are applicable for the grant of famine batta, because they represent, for each particular district, the point at which the pressure of famine begins to tell.

(2) It does not seem necessary to extend the benefits of compensation allowance beyond existing limits of pay.

(3) Part-time servants, engaged for specific duties, which do not prevent their earning money in other ways, should not receive grain compensation allowance; but acting men and temporary hands drawing salaries within compensation limits should do so.

(4) The question of the eligibility of a Government servant for grain compensation allowance should be determined by the amount of his *net* pay.

Order—Mis. No. 573 L., dated 25th March 1898.

The remarks of the Sanitary Engineer numbered (1) and (4) are concurred in and will be communicated to the Revenue Department with reference to its Order, No. 295, Revenue, dated 19th January 1898. As regards his remarks (2) and (3) the following observations are made :—

Remark No. (2).—What the Government of India desires to know is whether the existing limits of pay within which compensation allowance is granted are not wider than what is absolutely necessary and not whether such limits need to be extended. The Government is of opinion that the present limits may be left unaltered.

Remark No. (3).—The Sanitary Engineer's opinion regarding part-time servants engaged for specific duties is concurred in by Government. As regards acting men and temporary hands, the Government of India wishes to know whether it should not be made clear that compensation is admissible to such servants, only when they are drawing rates of pay which have been fixed with reference to normal circumstances. The Government is of opinion that this should be done, and that no compensation should be allowed to such servants if their pay has been fixed with reference to the prevailing scarcity.

(True Extract.)

(Signed) S. G. ROBERTS,
for Ag. Secretary to Government.

To the Revenue Department.
„ the Sanitary Engineer.

Read—also the following G.O., No. 483, Public, dated 29th March 1898 :—

Read—G.O., Mis. No. 295, Revenue, dated 19th January 1898.

Read—the following letter from the Surgeon-General, Madras, to the Chief Secretary to Government, dated 16th March 1898, No. 245 :—

In returning herewith endorsement No. 331, dated the 7th February 1898, on Current No. 458, Public, I have the honour to state that, with reference to questions I and II of the Government of India Resolution embodied in G.O., Mis. No. 295, Revenue, dated the 19th January 1898, the rate in my opinion should be fixed not on one staple food-grain but on the average price of all food-grains selling in the particular district. No arbitrary rate should be fixed but compensation should be drawn when the normal selling price of grain rises 50 per cent. I am informed that in the late famine in the Ganjám district the local grain merchants ran up the price of the staple food fixed upon as the standard grain of the district.

2. With reference to question III, I consider the present limits fair and would not advise their being curtailed; there may be instances where a person drawing Rs. 16 if married is worse off than the famine cooly, as his wife and children cannot always attend relief works and earn daily wages.

3. As regards question IV, I consider that servants absent on leave should not be given compensation allowance. Part-time servants should similarly be dealt with. Acting and temporary servants whose pay has been fixed according to normal circumstances should be admissible to grain compensation allowance subject to a maximum of Re. 1.

4. With reference to question V, there are no servants of the class alluded to serving in the Medical Department.

Order—No. 483, Public, dated 29th March 1898.

The Surgeon-General's letter will be forwarded to the Revenue Department for consideration. This department concurs with the Surgeon-General's views in paragraph 1, and is not prepared to offer an opinion as to paragraph 2.

(True Extract.)

(Signed) A. R. KNAPP,
for Chief Secretary.

To the Revenue Department.

Read—also the following letter from H. O'C. CARDOZO, Esq., C.I.E., Superintendent, Madras Survey, to the Secretary to Government, Revenue Department, dated 21st May 1898, No. 65-G. :—

[*Reference.*— G.O., Mis. No. 295, Revenue, dated 19th January 1898, referring for opinion papers relative to the proposed revision of the rules regulating the grant of compensation for dearness of food to Government employés in the Civil Department.]

I have the honour to submit replies to the five questions asked by the Government of India.

Enclosure.

Queries by the Government of India.	*Reply of Superintendent, Madras Survey.*
I. Are the limits of 12 and 10 seers per rupee of the common staple food-grain of the district which must be reached before the rates of compensation at present admissible can be drawn, suitable, having regard to the normal prices of these grains in ordinary times? If not, what modification of the rule should be made, and on what grounds?	I. Having regard to normal prices, these limits of 10 and 12 seers would not appear fair, because, normal prices vary greatly in different districts. A very slight rise above the normal rate, *e.g.*, less than 2 seers per rupee in Malabar, would give compensation, while in North Arcot no compensation would be given until prices had risen to more than double the normal rate, *i.e.*, from 30 seers to 12 seers per rupee. 2. It seems doubtful whether consideration of normal rates is really the fairest way of looking at the question which is practically, I venture to submit, how much, or what fraction of a man's pay can he be fairly expected to spend on his food. 3. Taking the A famine ration as the quantity required, it would seem that, when fixing the limit of 12 seers, the Government of India considered that as soon as prices rise so high that a man must spend the cost of 30 A

Queries by the Government of India.	*Reply of Superintendent, Madras Survey.*
	rations at 12 seers per rupee, viz., Rs. 3–4–6 a month, it is time to come to his assistance wherever he may be employed. If normal rates are made the basis of calculation and compensation is not granted until prices have risen so much above the normal as to reach what are defined as scarcity rates in appendix to G.O., No. 136, Revenue, dated 4th March 1897. A man in Malabar would have to pay Rs. 4–14–9 for 30 A rations before he could receive compensation while a man in North Arcot would receive compensation as soon as he had to pay Rs. 2–7–5 for 30 A rations.
II. Would it be fairer and equally consistent with economy to substitute for the price of the common staple food-grain of the district, a test based on an average of the prices of the principal food-grains in common use?	II. I think not, because the staple food-grain is generally cheaper than any other grain commonly used in the district.
III. Is it necessary to extend the benefits of the compensation allowance as widely as is done at present, *i.e.*, do not the existing limits Rs. 16 in ordinary cases and Rs. 25 in the case of men who have to keep a horse or camel include Government servants who ought to be in a position to meet the extra expenses caused by the vicissitudes of seasons, without special allowances? If so, what limits of pay should be substituted?	III. I would not advocate any reduction. The present limit of Rs. 16 gives compensation to surveyors on Rs. 12 and Rs. 15 who, for their own food at scarcity rates, have sometimes to pay as much as Rs. 5 a month. Their wives and children do not, as a rule, earn anything while those of peons on less than Rs. 10 often do earn enough to pay for their own food.
IV. It has already been ruled by the Government of India (*vide* notification in this department, dated 17th May 1870, No. 465), that grain compensation allowance should not be given to men absent on leave. Should not the same principle be extended to part-time servants who are only engaged by Government for specific duties which do not prevent their earning money in other ways?	IV. I think that part-time servants should not receive compensation allowance.
IV-A. On the other hand, should it not be made clear that the allowance is admissible to acting men and temporary hands, provided always that they are drawing rates of pay which have been fixed with reference to normal circumstances?	IV-A. Acting and temporary men ought to receive the allowance.
V. In the case of Government servants drawing consolidated rates of pay, part of which has been expressly granted for the upkeep of a horse or camel, should not the question whether they are eligible for grain compensation be decided according as their net pay, excluding the above-mentioned allowance, falls within or without the limit prescribed for ordinary Government servants? Thus, taking the present rates, if a man has to maintain a horse for the performance of his ordinary duties, but does not receive any special allowance therefor as part of his consolidated pay, he would fall under the Rs. 25 limit, but if he receives a horse allowance, such allowance should be excluded, and the test to be applied for determining his eligibility for the allowance is whether his remaining net pay is in excess of Rs. 16 or not.	V. I think that compensation allowance should be granted according to net pay excluding horse allowance.

Read—also the following Endorsement, No. 1372, Educational, dated 20th June 1898:—

Read—letter from the Hon'ble Mr. D. DUNCAN, M.A., D.Sc., LL.D., Director of Public Instruction, Madras, to the Secretary to Government, Educational Department, dated 15th June 1898, No. 6622.

Adverting to Endorsement No. 324, Educational, dated 7th February 1898, referring, for remarks, G.O., Mis. No. 295, Revenue, dated 19th January 1898, I have the honour to submit the following answers to the several questions raised in paragraph 2 of the Government of India Resolution therein embodied:—

(1) The limits of 12 and 10 seers per rupee laid down in article 72 of the Civil Account Code might be reduced to 10 and 8 seers, respectively, in view of the enhanced price of food-grains. During the last quarter of the century, successive famines have raised the price of food-grains; but owing to a general and steady increase in population, the revision of land assessment and other causes, the price of grains did not, when the famines were over, come down to the original figure, *i.e.*, the rate at which it stood before the commencement of the famine, but has, on the other hand, shown a tendency to advance steadily; and I am inclined to think that this tendency will continue. A reduction in the limits seems, therefore, necessary.

(2) The introduction of a test based on an average of the prices of the principal food-grains in common use in a district seems impracticable and inexpedient. The prices of the principal food-grains and the proportion of population consuming each of such grains to the total population vary so widely that a suitable average can hardly be struck. Further, a goodly portion of the population consume two kinds of food-grains, as rice and ragi or rice and cholam, in varying proportions according to their pecuniary circumstances; and they alter the proportion when the prices vary or even abandon the use of rice temporarily when its price rises.

(3) The higher limit of pay in ordinary cases seems to be susceptible of reduction, say from Rs. 16 to Rs. 14; and in the case of men who have to keep a horse or camel, the limit may be reduced from Rs. 25 to Rs. 22. The lower limit, viz., 1 to 5, is low enough and should, I think, be allowed to stand.

(4) Grain compensation allowance need not be given to part-time Government servants; but it is only fair and reasonable that all acting and temporary hands, whose full time is devoted to Government service, should be granted the allowance.

(5) Whether a person is or is not granted a special allowance for the upkeep of a horse or camel, I think he must be given grain compensation allowance on the whole emolument he receives, if he has to keep a horse or camel for the proper performance of his duties and if this has been taken into account in fixing his emolument. The increase in the cost of food-grains is generally accompanied by an increase in the cost of horse-gram or other grains used to feed a horse or camel, and the exclusion of the special allowance from calculation would be a hardship to persons enjoying such allowances.

2. I beg to suggest that opportunity may be taken of the revision of the article to extend the concession to stipendiaries in training and technical schools. The holders of stipends in such schools mostly subsist on their stipends, and the present scale of such stipends is inadequate to meet the increased cost of living during the period when famine and scarcity prevail.

Enclosure.

Article 72, Civil Account Code.

Compensation for dearness of food may be given, when necessary, at the discretion and under the special orders of Local Governments and Heads of Imperial Departments in accordance with the following rules:—

When grain, the common staple food of the district, is dearer than Re. 1 for ten seers, all servants of Government on Civil Establishments, whose pay does not exceed Rs. 16 per mensem, or in the case of men required to keep a horse or camel Rs. 25 per mensem, may

receive an extra allowance of Rs. 1–8–0 per mensem. If the pay of the officer is less than Rs. 5 per mensem, the extra allowance may be increased at the discretion of the sanctioning authority, so as to bring up the aggregate pay and allowances to Rs. 6–8–0 per mensem.

When such grain is not dearer than Re. 1 for ten seers, but is dearer than Re. 1 for twelve seers, the said servants may receive an extra allowance of Re. 1 per mensem. If the pay of the officer is less than Rs. 5 per mensem, the extra allowance may be increased at the discretion of the sanctioning authority, so as to bring up the aggregate pay and allowances to Rs. 6 per mensem.

The orders in each case should be strictly temporary, and unless specially renewed, should in no case be held to continue in force beyond the end of the financial year in which they were issued.

Heads of Imperial departments should not grant compensation, save after reference to the Local Government of the province in which the officials to whom it is proposed to grant compensation are serving.

N.B.—The common staple food of the district means the cheapest grain of any kind commonly used by the people of the district.

Endorsement—No. 1372, Educational, dated 20th June 1898.

Transferred to the Revenue Department.

(Signed) A. EDGINGTON,
Ag. Asst. Secy. to Government.

To the Revenue Department.

Read—also the following Proceedings of the Board of Revenue (Land Revenue), Mis. No. 1708, dated 30th June 1898 :—

Full Board.

Read—G.O., Mis. No. 295, Revenue, dated 19th January 1898.

Resolution—Mis. No. 1708, dated 30th June 1898.

In the Government Order read above, Government refers to the Board, for opinion, the question raised by the Government of India, whether the present rules regulating the grant of compensation for dearness of provisions (otherwise called "famine batta") to Government employés in the Civil Department, which are embodied in Article 72, Volume I of the Civil Account Code, require alteration, and if so, in what directions.

2. The existing rules on the subject are as follow :—

(*a*) when grain, the common staple food of the district, is dearer than Re. 1 for 10 seers, all Government servants whose pay does not exceed Rs. 16 per mensem or, in the case of men required to keep a horse or camel, Rs. 25 per mensem, may receive an extra allowance of Rs. 1–8–0 per mensem ;

(*b*) when such grain is not dearer than Re. 1 for 10 seers, but is dearer than Re. 1 for 12 seers, the said servants may receive an extra allowance of Re. 1 per mensem ;

(*c*) if the pay of the officer is less than Rs. 5 per mensem, the extra allowance may be increased, at the discretion of the sanctioning authority, so as to bring up the aggregate pay and allowances to Rs. 6–8–0 per mensem in case (*a*) and Rs. 6 per mensem in case (*b*) ;

(*d*) the common staple food of the district referred to in the above rules is the cheapest grain of any kind commonly used by the people of the district, and not necessarily by the Government servants to whom the allowance is granted ;

(*e*) the grant of the extra allowance is discretional with Government.

3. The working of these rules has, as already pointed out in the papers printed with G.O., Mis. No. 295, Revenue, dated 19th January 1898, produced anomalous results owing to the fact that, while the normal prices of the staple food-grains vary widely, from 13·4 seers (rice) per rupee in Malabar to 32 seers (ragi) in North Arcot (*vide* columns 2 to 5 of annexed statement No. I), the price, which should be reached before the extra allowance is granted, is the same for all grains and for all districts. The discretion vested in Government as regards the grant of the batta has only enabled it to withhold compensation where it is allowable under the rules, and not to grant it in cases in which, though the staple grain may not have risen in price above 12 seers per rupee, there are clear indications of the existence of distress. That this rule cannot but be unequal in its operation will be seen from the figures in column 2 of statement No. II annexed, which show the percentages by which the prices of the staple food-grains should rise above the normal in each district before famine batta can be granted therein. A rise of 11·7 per cent. in the prices of rice is sufficient in the case of Malabar, while in North Arcot the prices of ragi must rise by about 16·7 per cent. This inequality was exemplified in the recent famine. In Ganjám, for which rice is taken as the staple grain, it was found possible to grant the extra allowance to Government servants nearly three months before relief works were opened in the district, while in the Deccan districts, for which the staple grain is cholam, it was not possible under the rules to grant the batta until six months after the starting of relief works. It is thus clear that the existing rules require modification, and the direction in which they should be altered will be best seen by a consideration of the salient points on which the opinion of the Local Government is specially invited in paragraph 2 of the Government of India Resolution.

4. The Board would premise by observing that, though it may be admitted, as pointed out by the Government of India, that the wages of menial servants have no *definite* relation to the ordinary price of the staple food-grain of the district in which they are employed, and cannot therefore be considered inadequate when this rises, still it cannot be denied that, when an abnormal rise in prices makes it impossible for such servants to procure with their wages even a bare subsistence, it is the duty of Government to grant them such additional allowance as will enable them to do so. A failure to recognise this fact is sure to lead to most undesirable results, especially in the case of the police. It must be observed that the scale of pay of the Civil establishments was fixed at a time when prices were generally much lower than now, and that, as the tendency is for prices to rise while the pay is fixed, it seems both necessary and expedient that, in exceptional years, some extra allowance should be given to low-paid servants to enable them to supply themselves with the means of bare subsistence.

5. The Board will now proceed to answer *seriatim* the salient points referred by the Government of India. The first question raised is, whether "the limits of 12 and 10 seers per rupee of the common staple food-grain of the district, which must be reached before the rates of compensation at present admissible can be drawn," are "suitable, having regard to the normal prices of these grains in ordinary times. If not, what modification of the rules should be made and on what grounds." The unsuitability of the present limits of 12 and 10 seers per rupee has already been commented on by the Board. If, as pointed out in paragraph 2 of the Government of India letter, No. 3040, dated 18th June 1889, famine batta is to be granted when the price of the common food of the people of the district indicates a general scarcity and pressure in the district, the limit of price determining the grant of batta should necessarily vary for each district, and the proper limit would seem to be the scarcity rate fixed for each district, under the Famine Code, in respect of the food-grain declared by Government to be the common staple of the district (column 10 of statement No. I). This scarcity rate, according to section 2 of the Famine Code, is, as a general rule, "a sure indication of the existence of severe scarcity calling for the immediate introduction of relief measures." Power may, however, be reserved to Government to declare when the grant of famine batta should be commenced after the scarcity rate has been reached. If the above proposal is approved, the one-rupee

allowance may be given when the price of the staple food-grain has reached the scarcity rate, and the higher rate of allowance, Rs. 1½, when the price has risen by 100 per cent. above the normal where rice is the staple, and 150 per cent. above normal where the staple is a dry grain. The Board would ask Government to consider whether, in the grant of batta, the taluk and not the district should not be taken as the unit. For geographical and other reasons, prices vary much in different parts of the same district, and it is not uncommon that prices should approximate to the normal in one taluk while they are dearer than scarcity rates in another taluk of the same district. Thus, in the month of July 1897, the price of ragi in Hindupur and Madakasíra of Anantapur was 17·52 measures and 18·0 measures per rupee, while the price in Tadpatri, Yadiki and Gooty was 12·67, 12·61 and 12·65 measures, respectively, per rupee. It is no alleviation to the condition of poor employés in one taluk, when suffering from scarcity prices, that the district average has not risen to the scarcity rate.

6. The next question for consideration is, whether "it would be fairer and equally consistent with economy to substitute for the price of the common staple, a test based on an average of the prices of the principal food-grains in common use."

The Board understands the proposal to be that famine batta should be payable when the average price of the principal food-grains in common use in a district *becomes dearer than Re.* 1 *for* 12 *seers.* The principal food-grains for each district, as fixed in 1893 with the concurrence of the Government of India, are shown in statement No. I, from which it will be seen that, while rice is recognised as a staple in all districts, it is the only staple in two districts, only one dry grain is recognised as an additional staple in five districts, two dry grains in five others, while in the remaining ten districts three dry grains are recognised as such.

7. Assuming that the average price for the purposes of the proposed rule is to be determined for each district, with reference only to the recognised staples, it will be seen from a comparison of the figures entered in columns 2 and 3 of the annexed statement No. II that, under this rule, famine batta will, except in three districts in which rice is the staple, become payable earlier than at present, and to that extent the rule may be considered fairer than the existing one in the case of districts for which dry grains are taken as staples.

8. One objection to this rule is that the larger the number of dry grains recognised as staples in any district the later will be the time when it will become eligible for the concession. This objection will be obviated if, in addition to rice, only one dry grain is taken in those districts for which more than one such grain is recognised as staple; and this additional grain may be the grain with reference to which famine batta is granted under existing rules (*vide* columns 6 and 7 of statement No. I).

9. Even as thus modified, the proposed rule will be open to the objection of inequality urged against the existing rule, though perhaps the inequality may not be quite as glaring (*Cf.* the figures in columns 2, 3 and 4 of the statement No. II). This inequality cannot be avoided so long as the limit of price which is to regulate the grant of batta is fixed without reference to the widely varying prices of the staple food-grains in different localities.

The Board's proposal, in paragraph 5 *supra*, avoids this inequality (*vide* column 5 of statement No. II); and, if it is considered that the scarcity rate proposed therein is too low a limit, a higher percentage of increase over normal rates may be adopted.

10. In view, however, of the possibility that the grain now fixed as the staple in the case of any district may not be the only grain and, in times of scarcity, the cheapest grain, in common use in that district, it will be a better plan, and one in accordance with the suggestion of the Government of India under consideration, if, instead of taking the price of a single grain for each district, the average prices of all the principal food-grains in use therein is taken; and famine batta is declared payable when such average price is either dearer than the average of the scarcity rates of those grains, or exceeds the average normal price thereof by a fixed percentage (columns 6 and 8 of statement No. I).

11. How the various proposals made in paragraphs 5 to 10 above will w... be seen from the annexed statement No. III, which shows the months during which famine batta would have been payable under each of those proposals, in the several districts of the Presidency, during the year 1897.

On a careful consideration of this statement, the Board is inclined to think that its proposals in paragraphs 5 and 10 (of which, it would prefer the latter) are not only fairer than the other schemes discussed in these proceedings but will also, on the whole, be more *economical.*

12. The third point to be considered is whether "the existing limits of pay of the servants to whom compensation allowance may be paid do not include those who ought to be in a position to meet the extra expenses caused by the vicissitudes of seasons without special allowances, and if so, what limits of pay should be substituted." The Board considers that the present limits of pay are not excessive and should be maintained.

13. As regards the next two questions put by the Government of India, the Board considers that part-time servants should not receive the allowance but that temporary hands should receive it, provided that their pay is fixed with reference to normal circumstances.

14. The last question to be considered relates to Government servants drawing consolidated rates of pay of Rs. 25 or less, part of which has been expressly granted for the upkeep of a horse or camel. As this class of officers does not exist in this Presidency, the Board does not consider that it need express any opinion on the point.

(True Extract.)

(Signed) LIONEL DAVIDSON,
Acting Secretary.

To the Secretary to Government, Revenue Department,
with three statements.

Enclosures.

No. I.

Statement showing the prices of the staple food-grains of each district in the Madras Presidency, in seers of 80 tolas per rupee.

District.	Normal rates.				Averages of normal rates of		Averages of scarcity rates of all staple grains.	Scarcity rate of the staple grain, the price of which now regulates famine batta.
	Rice, second sort.	Ragi.	Cholam.	Cumbu.	All staple grains.	Rice and one dry grain.		
1	2	3	4	5	6	7	8	9
Ganjám	**17·0**	30 0	..	..	23·5	23·5	12·6	10·2
Vizagapatam	15·0	**28·0**	..	30·0	24·3	21·5	13·0	14·0
Gódávari	15·0	**28·0**	28·0	28·0	24·8	21·5	13·0	14·0
Kistna	15·4	..	**26·0**	26·0	22·5	20·7	11·7	13·6
Kurnool	13·2	..	30 0	28·0	23·7	21·6	12·3	15·4
Bellary	13·2	..	30·0	..	21·6	21·6	11·4	15·
Anantapur	13·2	32·0	30·0	28·0	25·8	21·6	13·2	15·
Cuddapah	13·2	32·0	**30 0**	28·0	25·8	21·6	13·2	15·
Nellore	14·0	28·0	**26·0**	24·0	23·0	20·0	11·8	13·
Chingleput	14·0	**24·0**	..	22·0	20·0	19·0	10·4	1
Madras	12·0	**24·0**	..	..	18·0	18·0	9·6	1
South Arcot	14·0	28·0	..	**26·0**	22·7	20·0	11·8	
North Arcot	14·0	**32·0**	26·0	27·0	24·8	23·0	12·7	
Salem	13·6	**31·0**	26·0	27·0	24·4	22·3	12·5	
Coimbatore	13·0	28·0	**24·0**	26·0	22·8	19·5	**11·7**	
Trichinopoly	14·0	28·0	**24·0**	26·0	23·0	19·0	11·8	
Tanjore	15·0	**28·0**	..	..	21·5	21·5	11·5	
Madura	14·0	28·0	**24·0**	26·0	23·0	19·0	11·8	
Tinnevelly	13·4	26·0	**23·0**	22·0	21·1	18·2	10·9	
Nilgiris	11·0	**21·0**	..	..	16·0	16·0	8·5	
Malabar	**13·4**	..	..	..	13·4	13·4	8·0	
South Canara	**14·0**	..	..	..	14·0	14.0	8·4	

The figures in antique type indicate the grains with reference to the price of which famine batta is now gr...

also the following Endorsement, No. 588-D., dated 6th July 1898:—

Read—the following note by W. B. deWINTON, Esq., Chief Engineer, Public Works Department, dated 6th July 1898, No. 587-D:—

With reference to G.O., Mis. No. 295, Revenue, dated 19th January 1898, I have the honour to reply as follows to the five questions asked by the Government of India.

In view of the importance of the subject the Government Order was circulated to a number of officers of the department for expression of opinion, and considerable delay in replying has therefore been unavoidable.

2. *Question* 1.—Opinion in this department is unanimous that the limits of 12 and 10 seers per rupee now embodied in article 72, Vol. I of the Civil Account Code, are unsuitable, because conditions in the different districts of the Presidency vary so greatly that no hard and fast rate can, with justice, be applied. The proper course is to fix a percentage above normal rates as the rate at which compensation may be given, and I consider that the percentages already fixed by the Madras Government as the "scarcity" rate, viz., 100 per cent. for dry grains, and 66⅔ per cent. for rice above normal rates, are sound and just. The normal rates are subject to revision every five years, and an arrangement of this kind seems to me to fulfil admirably the Government of India's condition that the rules on the subject should be definite, and I fail to see why it should give rise to "more doubts and correspondence" than the present fixed rates. I think if compensation is given on the principle now proposed there is no need to alter it throughout the period of distress, *i.e.*, the compensation given when the price of grain reaches the above percentages above normal rates should remain the same, however much further prices may rise. I also consider that the grant of a fixed allowance irrespective of pay is wrong in principle. There is no doubt that famine presses more hardly on a peon on Rs. 6 than on a peon on Rs. 12. I would therefore give compensation in increased ratio as the pay diminishes. A scale somewhat on the following lines would, I think, be suitable:—

Pay.	Compensation per rupee.	Total monthly compensation.	Remarks.
Rs.	A. P.	Rs. A. P.	
1	4 0	0 4 0	Part-time servants whose total earnings probably amount to Rs. 6 or 7 per mensem.
2	4 0	0 8 0	
3	4 0	0 12 0	
4	4 0	1 0 0	
5	4 0	1 4 0	
6	3 6	1 5 0	Whole-time servants.
7	3 0	1 5 0	
8	2 6	1 4 0	
9	2 3	1 4 3	
10	2 0	1 4 0	
11	1 9	1 3 3	
12	1 6	1 2 0	
13	1 3	1 0 3	
14		1 1 6	
15		1 2 9	

The few annas increase for the lower-paid men may not seem much, but it bles them to buy their chillies and other little luxuries, and makes considerable erence to them.

3. *Question* 2.—The officers of the department consulted are practically unanimous t would be fairer to substitute for the price of the common staple food-grain of the t a test based on an average of the prices of the principal food-grains in common ut are generally of opinion that it would not be so economical. My own opinion a test based on an average of prices would be a complicated and difficult matter nge, and would certainly be unintelligible to the people interested. I consider e system in force answers well provided that the staple selected is not the est grain of any kind commonly used by the people," but "the common food eople." The former might mean the cheapest sort of ragi or arika or cholam very poor soil, and used only by the poorest and lowest of the people. I th (c

would define "the common food of the people" as the grain commonly used by Government peons, these being the class of people whom these rules are directly intended to benefit. I also think that it is not necessary to fix one staple for the whole of one district; *e.g.*, in the Kistna, the common food of the class above mentioned is rice in the deltaic taluks and cholam in the upland taluks. To prescribe cholam for the whole district involves distinct hardship, especially as in times of distress rice rises in price more rapidly than dry grains.

It must always be remembered that a native of India cannot change his ordinary food without detriment to health and comfort and would generally sooner semi-starve than do so.

I would therefore leave this rule as it is with the proviso that care should be exercised in the selection of the staple that it is in reality the common food of the people chiefly interested.

4. *Question* 3.—The majority of the officers consulted consider that the present limits of pay are suitable. One proposes to lower the limit to Rs. 12, another to raise it, although he does not say to what extent.

There is no doubt that distress presses heavily on poorly paid clerks, because they are usually men in such a position in native society that their families can in no way assist in bread-winning, as can those of peons, &c. It is therefore necessary in my opinion to extend the concession to this class of Government servants, but I think it is sufficient to fix the limit at Rs. 15 which includes all clerks of the lowest grade, and the junior clerks in the next grade.

It would be generous to extend the concession to Rs. 20, but I do not think it is absolutely necessary.

There are no Government servants to my knowledge in the Presidency who are drawing consolidated rates of pay, part of which has been expressly granted for the upkeep of horse or camel, so the Rs. 25 limit does not apply here. There are, however, such men as channel superintendents on Rs. 20 or so, who *ought* to keep a pony for the proper discharge of their duties. To such men I would grant compensation for dearness of horse-gram at the following rates:—

Price of gram above normal.	Rate of compensation per mensem.
	Rs. A. P.
Per cent.	
50	1 0 0
75	1 8 0
100	2 0 0

on the production of a certificate that the pony was maintained.

5. *Question* 4.—The officers consulted are unanimous that part-time servants should not be compensated, and that all acting and temporary men, including those charged to "Works" should receive compensation at the same rate as permanent men.

I do not agree with them with regard to the first point. The part-time servants usually employed are sweepers, watermen, punkah-pullers, &c., who are paid salaries of Rs. 1, 2, 3, &c., per mensem, it being understood that their services are only required for a part of the day, and that they are at liberty to supplement their pay elsewhere.

Now the total earnings of such people are not likely to exceed Rs. 6 or 7 per mensem: they are tied down by their partial duties as much as whole-time servants are, and cannot leave their homes in search of work elsewhere, and it seems to me very hard that they should be excluded from the benefit of the compensation rules. Their part-time duties prevent their going to relief works, and I do not see what prospects they have of increasing their scanty earnings during times of distress. I would certainly admit them to the rules. I would also admit all acting and temporary men whose pay has been fixed with reference to normal circumstances, and it is very necessary to include men charged to "Works," *i.e.*, watchmen, store lascars, tappal coolies, &c., &c.

6. *Question* 5.—There are no such Government servants, to my knowledge, in Madras. So it does not seem necessary to answer this question. In the few cases of men on Rs. 25 or under who ought to keep a horse, but whose pay has not been fixed

...lso the following Endorsement, No. 588-D., dated 6th July 1898:—

Read—the following note by W. B. DEWINTON, Esq., Chief Engineer, Public Works Department, dated 6th July 1898, No. 587-D:—

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There is no doubt that distress presses heavily on poorly paid clerks, because they are usually men in such a position in native society that their families can in no way assist in bread-winning, as can those of peons, &c. It is therefore necessary in my opinion to extend the concession to this class of Government servants, but I think it is sufficient to fix the limit at Rs. 15 which includes all clerks of the lowest grade, and the junior clerks in the next grade.

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with that obligation in view, I would give compensation for dearness of horse-gram as explained above. Lower subordinates in Public Works Department on Rs. 25 would not come under this rule, because they draw horse allowance in addition to their pay.

The maximum limit for personal compensation should be fixed at Rs. 15.

Endorsement—No. 588 D., dated 6th July 1898.

Forwarded to the Revenue Department with reference to Government Order in that department, No. 295, Revenue, dated 19th January 1898.

(Signed) W. B. deWINTON,
Secretary to Government.

To the Revenue Department.

Read—also the following Memorandum, No. 363-E, Marine, dated 6th July 1898:—

With reference to G.O., Mis. No. 295, Revenue, dated 19th January 1898, the undersigned has the honour to state that the points on which the Government of India called for the views of this Government in connection with the revision of the rules regulating the grant of compensation for dearness of food to Government employés in the Civil department have been fully discussed in the note by the Chief Engineer forwarded to the Revenue Department with Public Works endorsement, No. 588 D., dated 6th July 1898, and that there are no further remarks to be offered in the Marine Department.

(Signed) W. B. deWINTON,
Secretary to Government.

To the Revenue Department.

Read—the following Endorsement of the Judicial Department, No. 1532, dated 12th July 1898:—

Read—the following letter from A. G. CARDEW, Esq., I.C.S., Inspector-General of Prisons, to the Chief Secretary to Government, dated Camp, Nellore, 20th February 1898, C. No. 740:—

In reply to G.O., No. 249, Judicial, dated 15th February 1898, I have the honour to state that, in my opinion, the grant of "famine batta" should be determined in accordance with percentage increases over normal prices.

2. In paragraph 2 of Revenue letter, No. 136, dated 4th March 1897, the Government drew attention to the fact that through the adoption of a fixed price for all grains rice reached the limiting price much sooner than ragi. But it is further to be considered that the nutritive values of the food-grains of India vary enormously. A servant living on wheat at 12 seers per rupee is far better off than a servant on rice or ragi at 12 seers. Hence perhaps the Government of India's disinclination to change the rule, no complaint arising in the provinces of Upper India. From every point of view the adoption of a fixed price for all grains is absolutely indefensible.

3. To the questions propounded in the resolution, I would submit the following replies:—

(1) The limits of 12 and 10 seers are not suitable, because they attempt to apply a common measure to grains which vary both in level of price and in nutritiv value. Instead of this, the grant of famine batta should be based on proportional rise over normal prices. The normal rate would then be fixed for each district separately and the percentage of increase justifying famine batta might fairly be taken at that laid down by Government as constituting scarcity rates. A scale at once definite and adjusted to local conditions would thus be obtained.

(2) The adoption of an average of the prices of food-grains in common use would introduce elements of uncertainty which are not present when the price of the common staple is adopted, and this change is therefore inexpedient.

(3) The salary limit of Rs. 16 should not, in my opinion, be reduced. Representing, as it does, an income for food purposes of less than 8 annas per diem, it embraces a class of servant who undoubtedly suffers considerably when prices rise much above their normal level. Of course the pressure is much heavier on the servant on the lowest limits, a warder on Rs. 7 per mensem suffering more than a head warder on Rs. 15 per mensem, and, in my opinion, famine batta should be allowed to servants under Rs. 10 per mensem at a rate 50 per cent. higher than that allowed to servants on Rs. 10 per mensem and upwards.

(4) Famine batta should be granted to temporary and acting hands, but not to part-time servants who can supplement their pay.

(5) Does not affect the Jail department.

Read—the following letter from A. L. HANNAY, Esq., Registrar of the High Court of Judicature, Madras, to the Chief Secretary to Government, dated 3rd March 1898, No. 490:—

With reference to G.O., R. No. 249, Judicial, dated the 15th ultimo, communicating the Resolution of the Government of India (Finance and Commerce Department), No. 4-Ex., dated 5th January 1898, regarding the necessity for considering whether the rules regulating the grant of compensation for dearness of food to Government employés in the Civil department might not be made more clear as to their application, and requesting the opinion of the High Court thereon, I am directed to inform you that the Honourable the Judges have no opinion to offer on the subject.

Read—the following letter from A. P. AGAR, Esq., Acting Commissioner of Police, to the Chief Secretary to Government, dated Madras, 20th April 1898, No. 46:—

In reply to Order, R. No. 249, Judicial, dated 15th February 1898, I have the honour to give my opinion on the several points raised by the Government of India in Resolution, No. 4-Ex., dated 5th January 1898.

(1) The limits of 12 and 10 seers per rupee are suitable for Madras.

(2) It would be unfair to substitute a test based on an average of the prices of the principal food-grains in common use, as the difference in price between some of these grains is great.

(3) I do not consider the limits of Rs. 16 in ordinary cases and Rs. 25 in the case of men who have to keep a horse or camel include Government servants who ought to be in a position to meet the extra expenses caused by the vicissitudes of seasons.

(4) We have no servants of this class in the City police.

(5) The question of whether they are eligible for grain compensation or not should, I think, be decided on their net pay, but I also think the horse allowance should be subject to compensation, as in time of famine, horse food is as prohibitive in price as the staple food-grain consumed by the people.

2. In my opinion the ratio system proposed by Mr. G. Stokes in his letter, No. 136, dated 4th March 1897, would be the fairest.

Read—the following letter from the Hon'ble M.R.Ry. P. RAJARATNA MUDALIYAR, Diwan Bahadur, Inspector-General of Registration, to the Chief Secretary to Government, dated Madras, 2nd May 1898, G. No. 2531:—

I have the honour to submit the following remarks in reply to G.O., No. 249, Judicial, dated 15th February 1898, calling for my opinion regarding the proposed revision of the rules regulating the grant of compensation for dearness of food to Government servants employed in the Civil department.

2. Under article 72 of the Civil Account Code, Part I, Vol. I, grain compensation is admissible only when the selling price of the cheapest grain of any kind commonly used by the people of the district is dearer than 12 seers per rupee. As pointed out by the Government in its letters to the Government of India printed in the Government Order under reference, this arbitrary limit has led, and must certainly always lead, to very anomalous results, as the prices of the several grains vary widely in different tracts. The simplest plan appears, therefore, to be to lay down a rule that compensation shall be granted to all low-paid servants directly the Government finds it necessary to begin relief operations. The conditions which would necessitate the opening of such operations are clearly laid down in the Famine Code, and I would submit that the same conditions should be taken as the basis for the grant of relief to public servants in the way of compensation for dearness of provisions. Such a rule would be simple and intelligible and would be easy to apply in practice.

3. I do not think that the existing limits of pay which entitle a public servant to the benefit of the compensation, viz., Rs. 16 in ordinary cases and Rs. 25 in the case of men who have to keep a horse or a camel are at all too liberal, and I would recommend that they be continued unchanged. In this Presidency, however, there are no servants falling under the second class, that is, men drawing Rs. 25 subject to the condition of maintaining a horse or a camel.

4. I would suggest that the compensation should take the form of a percentage addition to the pay, the addition being fixed at 10 per cent. or one-tenth of the pay. This seems preferable to fixing the compensation at the arbitrary limit of one rupee in certain cases and one and a half [illegible] others. Under the proposed rule, a servant drawing Rs. 10 a month would get an addition of one rupee; one getting Rs. 5 a month an addition of half a rupee, and so on. A clerk drawing Rs. 16 would get Rs. 1-8-7 or only seven pies more than the present maximum, but on the other hand, those drawing less than Rs. 5 a month would get less than under the present rule. The number of servants who draw less than Rs. 5 a month in this Presidency is, however, insignificant, and it seems unnecessary to make a special provision in their case.

5. The compensation may be extended to acting and temporary men at the discretion of the Local Government, but not to "part-time" servants.

Read—the following letter from H. A. STUART, Esq., I.C.S., Acting Inspector-General of Police, to the Chief Secretary to Government, dated Madras, 28th May 1898, No. 1970:—

I have the honour to reply to G.O., R. No. 249, Judicial, dated 15th February 1898.

2. The officers in the Police department, who fall within the terms of article 72 of Vol. I of the Account Code, are 3rd and 4th grade head constables and 1st and 2nd class constables, their pay being, respectively, Rs. 16, Rs. 14, Rs. 8 and Rs. 7 per mensem. When grain is selling at 12 seers and 10 seers the rupee, the respective grain equivalents of the remuneration of these officers are as shown below:—

Office.	Salary.	Grain equivalents at			
		12 seers		10 seers	
		Per mensem.	Per diem.	Per mensem.	Per diem.
	Rs.	LB.	LB.	LB.	LB.
Third-grade head constable	16	384	12·8	320	10·7
Fourth-grade head constable	14	336	11·2	280	9·3
First-class constable	8	192	6·4	160	5·4
Second-class constable	7	168	5·6	140	4·7

The wage paid to the ordinary male relief-worker during the recent famine was the equivalent of $2\frac{2}{5}$th lb. of grain per diem, and having regard to the position of our subordinate police officers, I do not think that we shall err on the side of liberality if we take this as the minimum requirement for both sexes, though, as a relief wage, it is, in my opinion, too high. It is not easy to arrive at any satisfactory conclusion as to the normal family of a head constable or constable, but the average number of inmates in a house is a little over five and assuming two of these to be adults and the rest children, we arrive at three and a half adults as the ordinary number to be supported by the man's earnings. In case of head constables, however, who usually have more dependants than the rank and file, five adults would not be an excessive number. The grain equivalents of the requirements, therefore, are 11·9 lb. for head constables and 8·3 lb. for constables.

3. On this assumption, head constables of the 3rd grade require no compensation when grain is at 12 seers the rupee, but they would need the equivalent of 37 lb. of grain per mensem when the price is 10 seers. That is, their compensation allowance should be 1·85 of a rupee. The monthly money allowances, calculated on this basis, are as shown below:—

	Compensation per mensem	
	At 12 seers.	At 10 seers.
	Rs.	Rs.
Third-grade head constable	...	1·85
Fourth-grade head constable	0·9	3·85
First-class constable	2·4	4·45
Second-class constable	3·4	5·45

It follows from these figures—

(1) that 3rd-grade head constables do not require any compensation when grain is at 12 seers the rupee and that the sanctioned addition of Rs. $1\frac{1}{2}$ is probably sufficient when grain is selling at 10 seers;

(2) that the sanctioned scale of compensation is sufficient for 4th-grade head constables when the price is 12 seers, but insufficient at 10 seers;

(3) that the sanctioned scale is insufficient at both prices for 1st and 2nd-class constables; and

(4) that compensation is required for 1st and 2nd class constables before the present limit of price (12 seers the rupee) has been reached.

4. Any variation of the family from the standard assumed will, of course, affect the result considerably, but I think the size of family assumed in the case of constables is a very close approximation to the average, though in the case of head constables the variations may be larger and more frequent. Then again, the calculation is considerably affected if any member of the family is a wage-earner, but it is rare for the wives or children of constables to work for hire and there is less likelihood of their doing so in time of famine, when the demand for labour is so greatly contracted.

5. There is one more point of great importance. If my calculations be correct, the constables of Malabar are habitually underpaid for the normal price of rice, the staple grain, is 13·4 seers the rupee, and the grain equivalent of the salary is less than the calculated minimum requirement. This is also true of South Canara. In both of these districts, however, fish and fruit are very cheap and the family system there prevailing throws a less burden on the individual male than elsewhere. I believe, however, that ordinary wages are higher there than in other districts, and I have little doubt that the salaries of the police also should be somewhat higher. I made inquiries when I was recently in Malabar, but the information furnished to me was conflicting and inconclusive. It is with considerable hesitation that I suggest that compensation for dearness of provisions should be granted there only when the price of the standard grain has risen to 10 seers the rupee. At that point I am confident that compensation is required.

6. I have not discussed the circumstances of the village police, as they will no doubt be dealt with in connection with those of other village servants.

Endorsement—No. 1532, Judicial, dated 12th July 1898.

Transferred to the Revenue Department.

(Signed) A. R. KNAPP,
Ag. Under Secretary to Government.

To the Revenue Department.

Order—No. 591, Revenue, dated 5th September 1899.

Miscellaneous.

The Government accepts the views expressed by the Board of Revenue.

2. Ordered that the following letter be addressed to the Government of India.

(True Extract.)

(Signed) H. TREMENHEERE,
Ag. Secretary to Government.

To the Board of Revenue (Revenue Settlement, Land Records and Agriculture).
„ the Departments of the Secretariat.
„ the Superintendent, Madras Survey.
„ the Board of Revenue (Land Revenue).
„ the Board of Revenue (Separate Revenue).

Exd. A. Rangaswmy Aiyangar.

250 Copies.

1899.

FINANCE AND COMMERCE DEPARTMENT.

From *The Government of Fort St. George.*

Recd. } 1899. *Enclosures*
Regd. } *Spare copies*

Letter, No. 592, 5th September 1899.

SEPTEMBER.

Communicating the views of the Madras Government on certain questions regarding the proposed revision of the rules regulating the grant of compensation for dearness of provisi to Government employés in the Civil Department.

7. *Question 4—It has already been ruled by the Government of India that grain compensation allowance should not be given to men absent on leave. Should not the same privilege be extended to part-time servants who are only engaged by Government for specific duties which do not prevent their earning money in other ways? On the other hand, should it not be made clear that the allowance is admissible to acting men and temporary hands, provided always that they are drawing rates of pay which have been fixed with reference to normal circumstances?*—This Government considers that part-time servants whose duties do not prevent their earning money in other ways should be excluded from the benefit of the rules. The allowance should be declared admissible to acting and temporary men subject to the proviso that their rates of pay have been fixed with reference to normal conditions.

8. The class of officers referred to in question (5) does not exist in this Presidency.

I have the honour to be,
Sir,
Your most obedient servant,

(Signed) H. TREMENHEERE,
Ag. Secretary to Government.

Exd. A. Rungasawmy Aiyangar.

25 Copies.

No. I

Statement showing the prices of the staple food-grains of each district in the Madras Presidency in seers of 80 tolas per rupee.

District.	Normal rates.				Averages of normal rates of the staple grains.	Averages of scarcity rates of the staple grains.	Scarcity rate of the staple grain, the price of which now regulates famine batta.	The grains the price of which now regulates the grant of famine batta.
	Rice, second sort.	Ragi.	Cholam.	Cumbu.				
Ganjám	17·0	30·0	..	..	23·5	12·6	10·2	Rice.
Vizagapatam	15 0	28·0	..	30·0	24·3	13·0	14·0	Ragi.
Gódávari	15·0	28·0	28·0	28·0	24·8	13·0	14·0	Do.
Kistna	15·4	..	26·0	26·0	22·5	11·7	13·0	Cholam.
Kurnool	13·2	..	30·0	28·0	23·7	12·3	15·0	Do.
Bellary	13·2	..	30·0	..	21·6	11·4	15·0	Do.
Anantapur	13·2	32·0	30·0	28·0	25·8	13·2	15·0	Do.
Cuddapah	13·2	32·0	30·0	28·0	25·8	13·2	15·0	Do.
Nellóre	14·0	28·0	26·0	24·0	23·0	11·8	13·0	Do.
Chinglepat	14·0	24·0	..	22·0	20·0	10·4	12·0	Ragi.
Madras	12·0	24·0	..	..	18·0	9·6	12·0	Do.
South Arcot	14·0	28·0	..	26·0	22·7	11·8	13·0	Cumbu.
North Arcot	14·0	32·0	26·0	27·0	24·8	12·7	16·0	Ragi.
Salem	13·6	31·0	26·0	27·0	24·4	12·5	15·5	Do.
Coimbatore	13·0	28·0	24·0	26·0	22·8	11·7	13·0	Cumbu.
Trichinopoly	14·0	28·0	24·0	26·0	23·0	11·8	12·0	Cholam.
Tanjore	15·0	28·0	..	..	21·5	11·5	14·0	Ragi.
Madura	14·0	28·0	24·0	26·0	23·0	11·8	12·0	Cholam.
Tinnevelly	13·4	26·0	23·0	22·0	21·1	10 9	11·5	Do.
Nilgiris	11·0	21·0	..	..	16·0	8·5	10·5	Ragi.
Malabar	13·4	..	..	..	13·4	8·0	8·0	Rice.
South Canara	14·0	..	..	..	14·0	8·4	8·4	Do.

Statement showing the months for which the famine batta would have been admissible during 1897 under certain conditions.

District.	When the price of the staple food-grain was dearer than 12 seers per rupee (the present rule).		When the price of staple food-grain was dearer than the scarcity rate.		When the average price of the principal food-grains was dearer than the average scarcity rate of these grains.	
	Months.	No.	Months.	No.	Months.	No.
1	2	3	6	7	8	9
Ganjám	January to December	12	June to October	5	May to October	6
Vizagapatam	June and July	2	Do.	5	June to September	4
Godávari	July to September	3	Do.	5	Do.	4
Kistna	August to December	5	August to December	6	July to December	6
Kurnool	July to September	3	February to December	11	February to December	11
Bellary	June to September	4	January to October	10	February to October	9
Anantapur	July to September	3	January to September	9	June to September	4
Cuddapah	July and August	2	January to December	12	Do.	4
Nellore	December	1	November and December	2	December	1
Chingleput						
Madras					August and Sept.	
South Arcot					July to September	
North Arcot			August	1		
Salem						
Coimbatore						
Trichinopoly						
Tanjore						
Madura						
Tinnevelly						
Nilgiris					July to December	
Malabar	January to December	12	August	1	January to December	12
South Canara	February to December	11	August and September	2	February to December	11

Scarcity rate for *Rice* is reached when the price becomes 66⅔ per cent. dearer than normal price.
Scarcity rate for a dry grain is reached when the price becomes 100 per cent. dearer than normal price.

D/4 1,000—8-4-97.

Revenue Department.

Read again C.C. No. 295 Rev. 19.1.98

.. also file of replies to the above C.C. (printed file).

From Cabert dated July 98

Dated 189 .

FOR ORDERS.

To The Under Secretary.

The above papers relate to the question of whether the existing rules regulating the grant of compensation for dearness of food to Government servants in the Civil Department require to be amended and, if so, in what directions.

These rules are embodied in Article 72, Vol.I of the Civil Account Code, and are reproduced below for easy reference:-

"Compensation for dearness of food may be given, when necessary at the discretion and under the special orders of Local Governments and Heads of Imperial Departments in accordance with the following rules:—

"When

FOR ORDERS.

"When grain, the common staple food of
the district is dearer than Re.1 for ~~four~~
ten seers, all Government servants on
"Civil establishments whose pay does not ex-
"ceed Rs.16 per mensem, or in the case of
men required to keep a horse or camel
s.25 per mensem, may receive an extra al-
lowance of Rs.1-8-0 per mensem. If the pay
of the Officer is less than Rs.5 per men-
"sem, the extra allowance may be increased,
"at the discretion of the sanctioning au-
"thority, so
pay and allowances to Rs.6-8-0 per mensem.
"Re.1 for ten seers, but is dearer than
"Re.1 for twelve seers, the said servants
"may receive an extra allowance of Re.1
"per mensem. If the pay of the officer is
"less than Rs.5 per mensem, the extra allow-
ance may be increased, at the discretion
of the sanctioning authority, so as to
bring up the aggregate pay and allowances
to Rs.6 per mensem.

X X X X X X

N.B. The common staple food of the dis-
trict means the cheapest grain of any

G.O. 324-325
30-4-89

any kind commonly used by the people of
the district"

2. It is well to note here ~~pointed~~ ~~out~~ ~~that~~ that according to the above explana-
~~tory~~ note) the grain to be adopted as the stan-
ard in any district for the grant of com-
pensation is not necessarily the grain used as food
by the Govt. servants concerned, nor ne-
cessirily the staple consumed by the
majority of the people of the district,
but the cheapest ~~consumed~~ grain con-
sumed by any considerable section of the
Community. In 1889 this Government point
ed out to the Government of India that in
several districts of this Presidency, the
Government servants of the classes con-templated by Article 72 of the C.S.C. R. were habitually rice-eaters who would not resort to dry grains even under pressure of severe distress, and that in their cases a strict application of the rules would cause hardship by deferring the dispensation of relief in the shape of famine batta until long after the neces-

If they will not eat a wholesome grain to keep them in life, how Govt can duty ultra ? SR

sit

much

"When grain the common st

necessity for it had risen, and suggested to that Government that the rules may be modified so as to admit of the grant of such batta being regulated not with reference to the prices of the cheapest staple food-grain of the district, but of the cheapest staple food of the servants to whom it was intended to afford relief. In declining to adopt this suggestion the Government of India stated that the basis of the compensation rule which was laid down in 1870 was that if in any district the common food of the people had risen in price beyond a certain point, the fact indicated a general scarcity and pressure in the district causing such distress to Government servants there employed as to warrant an increase to their pay sufficient to mitigate the hardship caused by high prices, and that the change proposed by the Madras Govt. would render admissible the grant of compensation before such general scarcity had occurred.

? But how many classes of these are there under Rs 16? Peons, Naraikies, Attenders, Coast Guards composed mostly of Muhammadans Pariahs, Cumbalapatis Sudras. In addition there are the lowest paid Clerks, some of whom are no doubt Brahmins.

G.I. letter 3040 18-6-89 in G.O. 16-7-97 (P)

It was a mere test or standard

B.P 101 (Sett) 5-2-97 in G.O 435 4-3-97

3. It will thus be seen that the principles underlying the rules in Article 72 of Civil Account Code are (1) that compensation is to be given only when the scarcity and pressure in the district cause such distress to Government servants as warrants an increase to their pay and (2) that the point at which this interference is rendered necessary is indicated by a rise in price of the cheapest staple grain to 12 seers per Re.1

4 In February 1897 it was prominently brought to the notice of Govt. by the Board of Revenue that while the rule permitted the grant of famine batta to Govt. servants in Ganjam (staple grain-rice) where distress was comparatively slight, none was allowable in the Deccan districts (staple grain cholum) where distress was more severe and relief works were being organized on a considerable scale, and that this was due to the fixed limit, adopted in the rules, of 12 seers which represented a rise of over 150 per cent over the normal in the Deccan districts

x among Govt servts?

districts, and of only 42 per cent over the normal in Ganjam. The Government thereon decided to address the Government of India in view to a modification of the rules.

5. In letter No.136,d/ 4th March 1897 the Government of India was accordingly informed that the normal prices of the staple grains adopted as standards for the grant of famine batta (the cheapest grain of any kind commonly [redacted] by the people) varied considerabily in different districts, from 13.4 seers per rupee in Malabar to 32 seers in N.Arcot, that the fact that the price of the staple adopted had risen to 12 seers per rupee in any district did not necessarily show that there was scarcity or pressure in the district, that where it did indicate distress, the limiting price was reached at different stages of distress in different districts, that this Government had till then avoided inequalities in the working of the rules by the exercise of the discretion vested in it by Article 72 of

But the fact that you can get 12 seers for a rupee has an independent significance, for that quantity of grain represents a known equivalent of life sustaining food. Govt of India knows this and adopt it as a test. A percentage increase may or may not have any material significance

G.O. letter 2287-Exc: 20-5-97 in C.O. 439 4.6.97

of the Civil Account Code, but that this discretionary power enabled the Local Government only to withhold compensation where it was permissible under the rules and not to grant it in cases where there was undoubted distress, though the staple grain had not risen above 12 seers per rupee. The case of Ganjam and of the Deccan districts referred to above was mentioned in the letter as an illustration of unavoidable inequalities in the working of the rule, and it was suggested that the object in framing the rules was to mitigate the hardship caused to the employes of Government by high prices in times of general scarcity and pressure, definite percentage increases over normal prices similar to those adopted in fixing the warning and scarcity rates in this Presidency were a fairer and surer gauge of such scarcity and pressure than a fixed price for all grains and places alike.

6. The Government of India however much

however did not deem it desirable to modify the rules in the manner suggested and in declining to sanction the proposals of this Government observed:-

" A departure from the present rule to
" that of a standard fixed by a ratio of
" increase over normal rates would open
" the door to so many difficulties in
" the establishment of rates that it
" would give rise to more doubts and cor-
" respondence over the settlement of cases
" than the present rule of fixed rates
" tempered in their application by the
" discretion allowed to Local Governments
" and that as a general rule it was rea-
" sonable to hold that, until the pressure
" of scarcity had reached the point indi-
" cated by a price of 12 seers the rupee,
" the need had not arisen for resorting
" to the exceptional step of increasing
" temporarily, the pay of Government ser-
" vants on account of the dearness of food"

para 4 ibid

7. This letter showed a misconception of the proposals of this Government, and as it was further understood from

There is not the slightest reason to think the G.I. misconceived their letter. They understand the position quite well, Vide Secy. S.17. note on the margin of the original draft of letter to India No. 802 22-9-97.

(from Mr. Meyer) that the Government of India intended to take up the question, again after the cessation of the famine, it was decided to make a further representation to that Govt. to explain matters more clearly.

8. In letter No. 802 dated 22nd September 1897, the attention of the Government of India was accordingly again drawn to the arguments adduced in letter No. 136 d/ 4th March 1897 and the arguments used by that Government in its reply of 20-5-1897 were traversed at some length. It was pointed out that under the rules laid down in the Civil Account Code, the grains that regulated the grant of compensation were not the grains used by the Government servants interested, nor necessarily the staples consumed by the majority of the labouring population, but the cheapest and the coarsest grains used by any considerable section of the Community, that the aggregate demand for such grains was comparatively limited, that their prices rose

in P. 439 4-6-97

The point is may be by some: but quite irrelevant to the principle adopted by the G.I. Their rate is fixed as a mere barometer. Moreover the food-value of 12 seers of any staple food grain has after all a known average value, the limits are not very wide.

Why worried?

It is a pure assumption that they are the coarsest, & in any case it does not affect at all the principle

much less rapidly in times of scarcity than those of staples largely consumed by the people, that it was doubtful whether it could safely be assumed that as a general rule the need for the grant of compensation did not arise till these prices ~~rose~~ have risen from two to three times their normal level, and that in this Presidency the exceptions to be allowed to such a rule would be far more numerous than the cases covered by it (vide statement appended to letter No.136 d/ 4-3-97).

With reference to the difficulty in the establishment of rates, anticipated by the Government of India under a system of percentage increases, it was pointed out that the normal rates were capable of easy determination from the record of prices, that the percentage rise indicative of severe scarcity could be settled with reference to the circumstances of each tract, and that when these two elements were fixed, the point at which the grant of batta became permissible could be determined at once.

9. For these reasons the question was resubmitted to the Govt. of India with the recommendation that the scarcity rates which represented a rise of 100 percent over the normal ~~of~~ in the case of dry grains, & 66 2/3 per cent in the case of ~~the dry~~ rice may be adopted as the prices at which the Local Government should be vested with the discretion to grant famine batta, that this change was so desirable that it should be given effect to even at some increased cost to the State, but that if the slight increase in cost which might ensue was a serious objection to the ~~charge~~ change it might be met by lowering the superior limit of the tion to the pay of servants to whom he staple food payable.

The present refer istrict in which with which the report , and are therefore head of this note ha rises. The Go- the result of th do not consider points to b specia maption has any ade- answered as indicated are :— . Wages in the case s are largely deter- mined

are

(1) Are the limits of 12 and 10 seers per rupee of the common staple food-grain of the district, which must be reached before the rates of compensation at present admissible can be drawn, suitable, having regard to the normal prices of these grains in ordinary times? If not, what modification of the rule should be made, and on what grounds?

(2) Would it be fairer, and equally consistent with economy, to substitute for the price of the common staple food-grain of the district a test based on an average of the prices of the principal food-grains in common use?

(3) Is it necessary to extend the benefits of the compensation allowance as widely as is done at present, *i.e.*, do not the existing limits—R16 in ordinary cases, and R25 in the case of men who have to keep a horse or camel—include Government servants who ought to be in a position to meet the extra expenses caused by the vicissitudes of seasons, without special allowances? If so, what limits of pay should be substituted?

(4) It has already been ruled by the Government of India (*vide* Notification in this Department, dated 17th May 1870, No. 465) that grain compensation allowance should not be given to men absent on leave. Should not the same principle be extended to part-time servants who are only engaged by Government for specific duties which do not prevent their earning money in other ways? On the other hand, should it not be made clear that the allowance is admissible to acting men and temporary hands, provided always that they are drawing rates of pay which have been fixed with reference to normal circumstances?

(5) In the case of Government servants drawing consolidated rates of pay, part of which has been expressly granted for the up-keep of a horse or camel, should not the question whether they are eligible for grain compensation be decided according as their net pay, excluding the abovementioned allowance, falls within or without the limit prescribed for ordinary Government servants? Thus, taking the present rates, if a man has to maintain a horse for the performance of his ordinary duties, but does not receive any special allowance therefor as part of his consolidated pay, he would fall under the R25 limit; but if he receives a horse allowance, such allowance should be excluded, and the test to be applied for determining his eligibility for the allowance is whether his remaining net pay is in excess of R16 or not.

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be determined at once.

para 3 of G.I. Resolution No. 4-Ex 5-1-98.
in G.G. 295 19.1.98.

In replying to this reference the Local Governments and administrations are to bear in mind that the rules for the grant of compensation should be definite and should ensure a certain amount of uniformity of procedure throughout India, while leaving with the Local Government the discretion of pronouncing whether in any districts the exceptional circumstances above mentioned exist or not. The Government of adds that "it is further necessary to guard against the fallacy "that the wages of menial servants "have a definite relation to the "ordinary price of the staple food "of the particular district in which "they are employed, and are therefore "inadequate when this rises. The Government of India do not consider "that such an assumption has any adequate foundation. Wages in the case of petty servants are largely determined

are

determind by the custom and practice

(1) of the Local Government as a whole. The

Government is therefore under no obli-gation

(2) gation to give compensation to a man ~~merely~~ b

merely because he will otherwise be

getting for the time less real remunera-

tion than his brethren elsewhere."

(4)

10. The first point is: -

(5) Are the limits of 12 and 10 seers per rupee of the common staple food-grain of the district, which must be reached before the rates of compensation at present admissible can be drawn, suitable, having regard to the normal prices of these grains in ordinary times? If not, what modification of the rule should be made, and on what grounds? "

The Board of Revenue (Full Board) draws attention to the remarks already made by it in the matter, and argues that if, as pointed out in para 2 of G.I. letter No. 3040/ 18-6-89 famine batta ~~is to~~ is to be granted when the price of the common food of the people of the district indicated a general scarcity and

B.B. 1708 / 30.6.98 pp. 8-10 of the printed file

C. Circ. 597 / 16.7.89

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grant of batta be

be determined at once.

para 2 of letter ... p. 5 ...

(1) Para 2 of C.E.'s note of 6.7.98 p. 587 D. p. 5 of printed file.
(2) Para 3 of letter of 20.2.98 No. 740. p. 2. of printed file.
(3) Letter of 16.2.98 No. 235 p. 22 of printed file.

para 1 of letter of 16.3.98 No. 248. p. 21 of printed file.

Letter of 21.5.98 No. 65-A p. 20 of printed file.

and pressure in the district, the limit of price determining the grant of batta should necessarily vary for each district It considers that the scarcity rates determined by Govt. for each district should be regarded as the proper limit for the purpose, but that power may be reserved to declare when the grant of batta should be commenced after the scarcity rate has been reached. The (1) Public Works Department Engineer, the Inspector General of Pri- (2) (3) sons and the Sanitary Engineer to Government also consider that the present limit of 12 and 10 seers are not suitable, and that the scarcity rates which have been fixed on a scale of percentage increases over the normal prices would be a fair limit for regulating the grant of batta. The Surgeon-General also considers that no arbitrary rate should be fixed, but is of opinion that compensation should be drawn when the normal price of grain rises by 50 per cent. The Superintendent Madras Survey says that fixed limits do not appear to be fair but doubts are

doubts whether consideration of normal ~~rates~~ rates is really the fairest way of looking at the question.

11. The Inspector General of Registration Dewan Bahadur Rajaratna Mudaliyar agrees that the present arbitrary limit of 12 seers ~~had~~ has led and will always lead to very anomalous results, and is of opinion that the simplest plan will be to lay down a rule that compensation shall be granted to all low-paid servants directly the Govt. finds it necessary to begin relief operations. This proposal would take away the discretion vested in the Local Govts. to withhold the grant of compensation. The Accountant-General also recommends for consideration whether it would not be simpler in the mofussil to make the fact of relief works existing in the vicinity the touchstone of the propriety of ~~the~~ granting compensation, reference to the prices of the food grains being made in the case of large towns.

12. The Commissioner of Police Madras

para 2 of letter d/2-1-98. C. No 2531
p. 3 of printed file.

Letter d/ 11-2-98, No. 501.
p. 23 of printed file.

Letter dy 20.4.98. No. 46
p. 30 of printed file

Letter dy 15-6-98 No. 6622
p. 18 of printed file.

Madras Mr. Agar considers that the existing limits are suitable for Madras. The standard grain for Madras is ragi and its scarcity rate is 12 seers the rupee.

The Director of Public Instruction is the only officer who considers that the present limits of 12 and 10 seers might be reduced to 10 and 8 seers in view of the enhanced prices of food-grains. He states that during the last quarter of a century successive famines have raised ~~status that owing to successive famines~~ prices of food grains; that owing to increase ~~of~~ population, the revision of land assessment and other causes, the prices do not fall to their old level, ~~prices of food grains have advanced and on the cessation of the famine but advance steadily even are still advancing~~ in non-famine years, that this tendency to advance will continue, and that therefore a reduction in the limits seems necessary. Granting what Dr. Duncan states to be true, it does not follow ~~as~~ that the limits should be reduced ~~reduction in the limits~~ in the manner suggested by him. If prices have risen the rise will show ~~shewn~~ itself in the normal rates, & the adoption of a percentage rise over the normal will be the best means of effecting the reduction proposed.

13 It will thus be seen that the majority of the authorities consulted are

× This does not seem true Mly

are against the present arbitrary limits;
the Board of Revenue, the Chief Engineer
Public Works Department, the Inspector-
General of Prisons and the Sanitary En
Engineer to Govt. are in favour of adopt-
ing the scarcity rate as the basis for
the grant of compensation. It is submitted
that this basis which ~~is~~ was advocated by
this Govt. in its letter of 22-9-97 should be adhered
to.

14 Rates of Compensation.

The Board of Revenue proposes
no change in the present rates of Re.1 ~~Rs.1-8-0~~ para 5 of B.P. 1708/30.6.98
and 1½ Rs.) and suggests that the former allow- p. 9 of printed file.
ance may be given when the price of the staple
food grain ~~has reached~~ reaches the scarcity rate,
and Rs.1-8-0 when the price ~~has risen~~ rises
100 per cent above normal in the case of
rice and 150 per cent in the case of dry
grains. The experience of 1897 having
shown that the taluk prices in the same
district varied differently the Board
takes ocasion to suggest for considera-
tion whether in the grant of batta, the
taluk and not the district should not be
taken

× para 5 of B.P. ibid.

But this would be an unnecessary complication. The distinction of Road Rams bet. taluq & taluq in same dist. cannot ordinarily represent such a real difference as to make necessitate a distinction in treatment: & what clamour it would give rise to!

17.
para 4 of letter d/2.5.98 No. 2531/G
p. 30 of printed file.

A percentage addition would indeed be a complication! I consider a sensible man like the D.C. of Rep^n proposing so un-practical a rule! See note below. 8/2

Vetti, Talayari &c

taken as the unit.

15. The Inspector General of Registration suggests that compensation should take the form of a percentage addition to pay the addition being fixed at 10 per cent, and says that this seems preferable to fixing the compensation at the arbitrary limit of one rupee in certain cases and one and a half rupee in others. He points out that under his proposal a clerk drawing Rs.16 per mensem would get Rs.1-8-7 or only 7 pies more than the present maximum, that on the other hand those drawing less than Rs.5 would get ~~Re~~ less than under the present ~~circumstances~~ rule but that as the number of servants who draw less than Rs.5 a month in this Presidency is insignificant it ~~seemed~~ seems unnecessary to make a special provision in their case. The Inspector-General appears to over-look the fact that under his proposal all persons getting less than Rs.10 per mensem would get less than under the present ~~circumstances~~ rule, and that all village servants of the lower grades get less than

14.

20

than Rs.5 per mensem.

The Chief Engineer Public Works Department is also of opinion that the compensation when once it is given should remain the same however much prices may rise further, and that the grant of a fixed allowance irrespective of pay is wrong in principle; but he differs from the Inspector-General of Registration in holding that the compensation should increase as the pay diminishes. The graduated scale proposed by him varies fitfully & irregularly from ~~Rs 10-5 to Rs 1-5~~ Rs1-0-3 to R1-5-0 in the case of whole-time servants.

16 ~~Mr. H.A. Stuart Inspector~~ as the Inspector-General of Police, states that the class of servants in the Police Department to whom compensation is admissible, are the 3rd and 4th grade Head Constables and the 1st and 2nd grade constables. Taking the wage paid to an ordinary male relief worker (2 3/8lbs.) as the minimum requirement for both sexes Mr. Stuart concludes:-

(a) That 3rd grade Head Constables do not

+ para 2 of C.E's note of 6.7.98 No 587 D
p. 6 of printed note.

* What principle? The grant is a matter of grace. What we are in search of is a rough rule by which we may determine whether a low paid servant ought get R1 or R1-8 extra.
S.H.

Letter of 28.5.98 No 1970
pp. 4-5 of printed file.

× pay R16
† - R14
≠ - R8
₸ - R7

× pay R16

The Govt of India have asked whether R16 servants should get any allowance at all.
S.H.

× pay R14

× on R8 & R7

But in time of scarcity they ought do so. However they probably would not be able to get it.

not require any compensation when grain is at 12 seers the rupee and the sanctioned addition of Rs.1½ is probably sufficient when grain is selling at 10 seers.

(b) that the sanctioned scale of compensation is sufficient for 4th † grade Head Constables when the price is 12 seers, but insufficient at 10 seers.

(c) that the sanctioned scale is insufficient at both prices for 1st & 2nd ≠ class Constables; and

(d) that compensation is required for 1st & 2nd class Constables before the present limit of ~~office~~ price (12 seers the rupee) has been reached. In making his calculations Mr. Stuart takes the normal family of a constable at three and a half adults and that of a Head Constable at five adults, and has not made any provision for the earnings of any other wage-earner in the family, as in his opinion it is rare for the wives or children of this class of servants to work for hire. He also brings to notice that the

Constables

Constables in Malabar and S. Canara where rice is the staple are habitually under-paid but in view of the peculiar family system prevailing in those districts, which throws a less burden on the individual male than elsewhere, and of the fact that fish and and fruit are very cheap there, Mr. Stuart is of opinion that compensation should be granted in the two districts when the price of the standard grain had risen to 10 seers the rupee. In the case of Constables in whose case Mr. Stuart considers that the compensation is granted inadequate under the present rules no recommendation is made as to how the difficulty should be met.

Prices of rice rise in Malabar & because in time of famine it is a granary for the rest of the Pg

This is a complete mistake - Malabar depends for one-third of its rice on imports & when those imports are diverted by high prices elsewhere, prices in Malabar rise - H.S.

But he says that the substantive pay is inadequate: that cannot be specially made up in a time of famine

The Superintendent of Revenue Survey considers the question is practically how much or what fraction of a man's pay he can ~~be~~ fairly be expected to spend on his food. Taking the A famine ration (2 5/8 lbs.) as the daily requirement for each employe and understanding the Govt. of India's intention in framing the present rule to be that as soon as it becomes necessary for

(a) that 3rd grade [illegible]

not

Letter of 21.5.98 No. 65-C
p. 200 of printed file.

& during the month

There is no intention to ~~fact~~ compute a theoretical compensation

S.H.

para 4 of G.I. Resolution 4-Rx 5-1-98
in G.G. 295 19.1.98

for a man to spend for his subsistence 30 "A rations" at 12 seers the rupee, it is time to come to his assistance wherever he may be employed, Mr. Cardozo argues that the adoption of the scarcity rate or a rate based upon a fixed percentage above normal would work unequally, in that it will be necessary for a man in Malabar with second sort rice as staple to spend Rs. 4-14-9 for 30-A rations before he could become eligible for batta, while a man in N. Arcot (ragi) would receive compensation as soon as he had to pay Rs. 2-7-5 for 30 A rations

17 The arguments of the two officers last mentioned need not be considered as they are apparently due to the fallacy referred to by the Govt. of India that the wages of menial servants have a definite relation to the ordinary price of the staple food of the particular district in which they are employed. It is doubtful whether the Chief Engineer's complicated scale will find favour with the Govt. of India, and

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(a) Pass 3rd grade Retail Selection

not

Letter of 21.5.98 No. 65-C
p. 20 of printed file.

& during the months

There is no intention to compute a theoretical compensation

para 4 of G.I. Resolution 4-Rx. 5-1-98
in G.G. 295 / 19.1.98

for a man to spend for his subsistence 30 "A rations" at 12 seers the rupee, it is time to come to his assistance wherever he may be employed, Mr. Cardozo argues that the adoption of the scarcity rate or a rate based upon a fixed percentage above normal would work unequally, in that it will be necessary for a man in Malabar with second sort rice as staple to spend Rs.4-14-9 for 30-A rations before he could become eligible for batta, while a man in N. Arcot (ragi) would receive compensation as soon as he had to pay Rs.2-7-5 for 30 A rations

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and the proposal of the Inspector ~~of~~ General of Registration under ~~the~~which the amount of compensation varies in inverse ~~erease~~ ratio to the need therefor (appears to be) ~~is~~ also out of the question. It is submitted that the Board's proposal may be adopted.

18. ~~18~~.
Would it be fairer, and equally consistent with economy, to substitute for the price of the common staple food-grain of the district a test based on an average of the prices of the principal food-grains in common use?

The Board of Revenue understands that under this proposal, the existing price limit of 12 seers will be retained, the only change being the substitution of the average price of the principal food-grains in common use for the price of the common staple food-grain as the standard for the grant of batta; and taking the average of the prices of the recognized staples as the average normal, it has worked out the percentages of increase ~~price~~ over the average normals at which compensation will become payable, and comparing these percentages with the percentages of increase in prices at which compensation is payable at present, it finds

para 6 et seq. of B.P. 1708 30.6.98
pp. 9-11 of printed file.

Ganjam, Malabar & S. Canara.

X

finds that, except in the three districts where rice is the staple the batta will become payable earlier than at present. To this extent the proposed rule may, the Board of Revenue considers, be deemed fairer than the existing one, but that it is open to objection in the following respect viz: that the larger the number of dry grains recognized as staples in any district the later will be the time when it will become eligible for the concession. The Board states that this difficulty will be obviated, if in addition to ~~rice~~ rices only one dry grain (the grain now adopted as the standard for the grant of compensation in each district) is taken in those districts in which more than one dry grain is recognized as the staple. The percentages of increase under the scheme ~~are~~ as thus modified are worked out by the Board of Revenue in column 4 of statement No. II appended to its Proceedings. It will be seen that even under this scheme the percentages of increase at which compensation

This to me is not self evident

U X

compensation will become payable vary for the different districts. The Board of Revenue points out that this inequality cannot be avoided so long as the limit of price which is to regulate the grant of batta is a fixed arbitrary price.

After discussing the various schemes the Board concludes that the best plan would be to take the average price of all the principal food grains and to declare famine batta payable when such average is dearer than the average of the scarcity rates of these grains or exceeds the average normal price thereof by a fixed percentage.

The Surgeon-General thinks that the rate should be fixed on the average price of all the food grains selling in the district while the (1) Inspector-General of Prisons, the (2) Commissioner of Police, Madras, the (3) Director of Public Instruction and the (4) Superintendent of Revnue Survey are all against taking such average. The Inspector-General Prisons says that the adoption of such average would not

Letter dt 16.3.98 No 245 p. 21 of printed file.

1. Letter dt 20.2.98 No. 760 (p. 2 of file)
2. Letter dt 20.4.98 No 46 (p. 3 of file)
3. Letter dt 15.6.98 No 662 (p. 18 of file)
4. Letter dt 21.5.98 No 65-C. (p. 20 of file.)

para 3 of Note dt 6.7.98 p. 6 of printed file.

would introduce elements of uncertainty, the Commissioner of Police Madras thinks that it would be unfair as the difference in price between different grains is great, the Director of Public Instruction is of opinion that it would be impracticable to find a suitable average and that the propsal is inexpedient, and the Supdt. of Rev. Survey thinks that the proposal would neither be fair nor consistent with economy as the staple food grain is generally chaaper than any other grain commonly used in the district.

The Chief Engineer Public Works Department states that the officers of his Department are practically unanimous that it would be fairer to substitute for the price of the common staple food grain of the district a test based on an average of the principal food garins in common use, but that it would not be so economical; he is however of opinion that the test of an average of prices would be a complicated and difficult matter to arrange and would cer-

certainly be unintelligible to the people interested. He thinks that the ~~existing rule will be answer well~~ present system will answer well if, instead of the "cheapest grain of any kind commonly used by the people", the food-grain commonly used by the servants eligible for the grant of batta is taken as the basis of its grant. This suggestion was specifically rejected by the Govt. of India in 1889.

It is submitted that the conclusion of the Board of Revenue may be accepted.

This would involve separate rules for various classes of the clerical community & the application of the rules to those classes at different times S.R.

× C.S. letter No. 3040/18.6.89 in C.O. 597/16.7.89

19. Is it necessary to extend the benefits of the compensation allowance as widely as is done at present, *i.e.*, do not the existing limits—R16 in ordinary cases, and R25 in the case of men who have to keep a horse or camel—include Government servants who ought to be in a position to meet the extra expenses caused by the vicissitudes of seasons, without special allowances? If so, what limits of pay should be substituted?

The Board (1) of Revenue, the Inspector (2) General of Prisons, the Commissioner of Police, Madras, (3) the Inspector-General of Registration, (4) the Surgeon-General (5) and the Supdt. of Rev. Survey (6) are all against a reduction in the existing limits of pay.

The majority of the Public Works Department Officers consulted are reported to be of the opinion that the present limits ~~of pay~~ are suitable, but the Chief Engineer would not

(1) para 12 of B.P. 1708 d/30.6.98 (p.10 of file).
(2) Letter d/20.2.98 No. 740 (p.2 of file)
(3) letter d/20.4.98 No. 46 (p.3 of file)
(4) para 3 of letter d/2.5.98 No. 2531 (p.3 of file)
(5) letter d/16.3.98 (p.22 of file)
(6) letter d/21.5.98 (p.21 of file).

Food & Forests

para 40 of C.S.'s Note d/6.7.98 p.6 of file

Letter d/15.6.98 No. 6822 (p.19 of file)

Letter d/11.2.98 No. 501 p.23 of printed file.

Engineer Public Works Department thinks that it is sufficient to fix the limit at Rs.15.

The Director of Public Instruction considers that the higher limits of pay might be reduced to Rs.14- and Rs.22 respectively but ~~it~~ would leave the lower limit ~~(Rs.1 to 5)~~ Rs 5 untouched.

The Accountant-General would reduce the limit from Rs.16 to Rs.12. ~~In conclu-~~ In the concluding ~~sion~~ para. of letter No. 802 d/ 22nd September 1897 the Govt. with a view to ~~press~~ induce the Govt. of India to accede to its views in the matter of substituting a standard of percentage increases over normal prices as the basis for the grant of famine batta in lieu of the present rule, stated:-

"The change proposed is so desirable that in the opinion of this Govt. it should be given effect to even at some increased cost to the state; but if the slight increase in cost which might ens is a serios objection to the change I am to suggest that it may be met by lowerin the

" the superior limit of pay of servants

" to whom compensation is made". This

statement is of course no admission on

the part of the Local Govt that the

existing limits of pay are high. Orders

20. are solicited.

It has already been ruled by the Government of India (*vide* Notification in this Department, dated 17th May 1870, No. 465) that grain compensation allowance should not be given to men absent on leave. Should not the same principle be extended to part-time servants who are only engaged by Government for specific duties which do not prevent their earning money in other ways? On the other hand, should it not be made clear that the allowance is admissible to acting men and temporary hands, provided always that they are drawing rates of pay which have been fixed with reference to normal circumstances?

In G.O.No.781,d/ 13th September 1897

the Govt ruled that persons holding act-

ing and temporary appointments are en-

titled to famine batta ~~when~~ ^ it is allow-

ed to permanent men. Almost all the

officers consulted are of this view.

Mr. de Winton is ~~also~~ of opinion that

the batta should be allowed to part-time

servants also. He states that the offi-

cers of the Dept. consulted are unanimous

that part-time servants should not be

compensated and that all acting and tem-

porary men, including those charged to "Works"

should receive compensation at the same

rate as permanent men. In expressing

his

would not

his dissent from the general view so far as regards part-time servants, Mr. D.E. Winton argues:- " The part-time servants usually employed ~~as~~ are sweepers watermen, punkah-pullers &c. who are paid salaries of Rs.1,2,3,&c. per mensem it being understood that their services are only required for a part of the day and that they are at liberty to supplement their pay elsewhere.

"Now the total earnings of such people are not likely to exceed Rs.6 or7 per mensem; they are tied down by their partial duties as much as whole-time servants are, and cannot leave their homes in search of work elsewhere and it seems to me very hard that they should be excluded from the benefit of the compensation rules. Their part-time duties prevent their going to relief works and I do not see what prospects thay have of increasing their scanty earnings during times of distress. I would certainly admit them to the rules".

As

para 5 of Note ibid

As regards "Works" establishments to whom all the officers of the Public Works Department including Mr.D.E.Winton consider that batta should be paid, it is submitted that this class of servants do not appear to be paid any fixed rate of pay (but to be) recruited at work spots and ~~that~~ their wages are charged to the cost of the works concerned; ~~and~~ it is not stated whether the pay of these men has been fixed with reference to normal circumstances. In para.3 of his letter under G.O.No.781 d/ 13th September 1897 the Accountant-General expressed the opinion that punkah pullers belonging to hot weather establishments are not entitled to famine batta under Article 72 of the Civil Account Code, because they do not draw any fixed pay from Govt. but are remunerated by wages which are charged to contingencies. It was decided in G. Orc. No 6436, Rw. d/15.12.97 that the case of men whose pay is charged to the works and who do not form part of any organized ~~number~~

Temporary works establ.ts are paid, 9 minutes, Pub. W. Code rates: Otherwise there wd be no title to batta

para 2 of letter d/15.6.98 No 6622 p. 19 of printed file.

Everybody cannot be compensated at the cost of the general tax-payer! The proposal wd involve ~~a quick process of precedent~~ an educational "relief" and merely famine relief. Education must go to the wall when existence itself is at stake. The proposal seems wholly inadmissible

21.

~~whether the remuneration paid to these establishment~~ was analogous ~~men can be deemed as pay with reference to that~~ of punkah pullers. ~~to Article 72 Civil Account Code.~~

The Director of Public Instruction suggests that opportunity may be taken in revising Article 72 of the Civil Account Code to extend the concession to stipendaries in training and technical schools. He states that the holders of stipends in such schools mostly subsist on their stipends, and that the present scale of such stipends is inadequate to meet the increased cost of living when famine and scarcity prevail.

22.

In the case of Government servants drawing consolidated rates o pay, part of which has been expressly granted for the up-keep o a horse or camel, should not the question whether they ar eligible for grain compensation be decided according as their ne pay, excluding the abovementioned allowance, falls within without the limit prescribed for ordinary Government servants Thus, taking the present rates, if a man has to maintain a hor for the performance of his ordinary duties, but does not recei any special allowance therefor as part of his consolidated pa he would fall under the R25 limit; but if he receives a hor allowance, such allowance should be excluded, and the test to applied for determining his eligibility for the allowance is whethe his remaining net pay is in excess of R16 or not.

It is reported that there are no servants of this class in Madras. The opinion of the officers who have reported on the question is that batta should be granted with reference to the net pay.

The A... India ... of the Com...

Orl. Proc. May 1899

The Ag. Commissioner of Police thinks that horse allowance should also be subject to compensation, as in a time of famine horse food is as prohibitive in price as the staple food-grain consumed by the people.

Mr. de. Winton considers that in the case of servants such as channel Supdts. on Rs.20 or so who ought to keep a pony for the proper discharge of their duties but who are not specially remunerated for it, an allowance of one to two rupees may be granted according as the price of gram rises by 50, 75 or 100 pre cent above normal. To such who draw special horse allowance, he does not recommend any additional batta.

RS
1-11-98

Secy

A time of famine had for ale: there seems reason why Govt servants shd not share in the hardships of the General population. The State relieves [illegible]

Letter d/20.4.98 No. 46
p. 3 of file.

para 6 of Note d/6.7.98.
p. 7 of file.

We cannot well consider the case of officers who ought to keep a pony or horse, only of those who are bound to do so & where pay includes expressly computed to include such upkeep
RS

35

But even if this were universally true, it is not a factor in the question. The argument is equally open that there you Oh? pay them better to obviate their starving the public.
RS

very poor.

Probably no Government servant getting more than 5 Rs and ever think of State relief. Besides these men manage to get perquisites everywhere. [illegible]

Submitted that who shd be the superior limit of pay to which [illegible] compensation in dearness of provisions shd be admissible.

In other respects the Bd's views appear to be those already adopted by the Govt.

As regards grain compensation in respect of horse allowance it is submitted that officials who have to keep a horse and are unable to bear [illegible] share of [illegible]

Dy. Secy's note 11/11/98

3b

pusare of former on the commins

HLL
22/11/99

(Indeed in this file in Madras vde margin: but the office a packing up the records tied it with another file & after a long search it has only now been found — the after the Board & he had been asked & send duplicate)

Hey vdes in the margin show the view I take & these may be either adopted or the file sent to H.M.

S.H.E 7/7/99

H. HLL
7/16/99

Our great districts are so dissimilar in parts and communication is still so imperfect that a strong case can be made out for making the taluks the unit.

For the reasons given by the Board in para 5 I incline to think that this should be advocated.

Reason to the contrary is that this charge relies in consistent with the present plan of taking the district for purpose of fixing the general rate

Mr Hy A
The state remains as it was

This cant be disposed of on my opinion. File must be circulated.

I agree with the Board.

The one rupee allowance should be granted when the average price of the recognised staple food grains is at or above the average recognised scarcity ratio of the said grains.

The allowance of Rs 1-8-0 shd be granted when the said average price is more than 100% over the average normal price.

Existing discretion to be vested to Govt.

Present limits of pay to be maintained.

Part time servants not to receive.

Temporary hands to receive ½ on normal rate of pay.

H.S.
26-6-99.

I do agree with the Bd.
HA 30.6.99 Jud 27.6
Asst Sec 2.7.99

(1) The Hon'ble Mr Arundel C.S.I
(2) H.E. the Governor

HLL
29.6.99

Draft urgent please
a.g.p. sents agreement to
letter stating mine is felt
more strongly in favour
of Secondment opinion
than mentioned
to forward mine opinion
to India.
See his private arrangement
of the read opinion to the post

To the Secretary

Please see draft below. The read papers will be re-arranged and printed in the order in which they are shown at the head of the draft.

RS
8-7-99

Secy The draft letter & statement forwarded Bd's are based upon B.P. Mins No 1708 & 30 June 98 & flagged 1 in the file of current pencilled together below

HLL
13/7/99

Copy of draft sent 22/11/99

Read again G.O $\frac{295}{19-1-98}$

Read also O.M. from Chief Engr. P.W.D (Rly. Br.) dy 9.2.98 No 67-RM.

Read also letter from the A.G dy 11.2.98 No 59

" - - - Survey Engr No $\frac{235}{16.2.98}$

" I.G. of Prisons Chs $\frac{740}{20.2.98}$

" Regr. High Ct No $\frac{490}{3.3.98}$

" Surgeon-Genl $\frac{245}{}$

" Commr. of police No 46 $\frac{}{16.3.98}$

" I.G. of Regn G No $\frac{2531}{2.5.98}$

" Supdt. Rev Survey No $\frac{65-9}{21.5.98}$

" I.G. of Police No 1970 dy 28.5.98

" Dir of Pub Instn 6622 dy 15.6.98

" P.P. 1708 dy 30.6.98

" Chief Engr P.W.D 587-D dy 6.7.98

Order 530 98/8/99

The Govt accepts the views expressed by the Board of Rev.

2. Ordered that the following letter be addressed to the Govt. of India.

13/7/99

letter.

To

The Secretary to the Govt of India

Dept of Fin & Com

To the Bd of Rev. (R.S).
" Depts of the Secty.
" Supdt. Madras Survey
" Bd of Rev. LR
" - - (Sep Rev)

6-9-99

Dept from Govt-Gen dept's note attached 27/8/99

A separate list is attached, showing the orders in which the Pp are arranged with reference to the date of the orders.

All the Depts Bds to read first letter now addressed to Revs 13/7

Revenue Department

Sir, I am directed to acknowledge the ~~with reference to the~~ receipt of the Resolution of the Govt of India No 4 Ex dy 5.1.98 Dept of Finance and Commerce, calling for the opinions of Local Govts and Administrations on the proposed revision of the rules regulating the grant of compensation for dearness of provisions to Govt employés in the Civil Dept. In reply I am ~~to~~ to communicate the ~~following~~ views of H.E. the C. in C. on the questions enumerated in para 2 of the Resoln.

2 Question 1. — Are the limits of Rs 12 and 10 seers per rupee of the common staple food grain of the district which must be reached before the rate of compensation at present admissible can be drawn, suitable, having regard to the normal prices of these grains in ordinary times?

In G to 295 19-1-98 M.
R S
Letters 136 dt 4.3.97 & 802 dt 22.9.97
horrid work Servants
In G to 597 P. 16-7-89

28

If not, what modification of the rule should be made, and on what grounds?

It has already been brought to the notice of the Govt of India in the marginally noted communications from this Govt that the present limits are unsuitable owing to the wide variation of normal prices in the different districts of this Presy and that the application of these limits to all grains and districts alike is productive of anomalous results and often defeats the object of the rules. If, as explained in Mr. Scrimshaw's letter No 3040 dt 18.6.89, the intention of the rules is to make the grant of famine ballá permissible when the price of the common food of the people indicates a general scarcity and pressure in the district, the limit of prices determining the grant of ballá should

vary pr each district with
reference to the normal
prices. ~~prevalent therein,~~
~~and~~ The proper limit in the opinion
~~obviously~~ of H.E. the G.M.C. is
the scarcity rate
which is determined from
time to time pr each dis
trict under fixed rules (al-
100 p.c. above normal rate
in the case of dry grains
and 66⅔ p.c. in the case of
rice) and which is taken
as indicative of (the existence of
severe dis-
tress calling pr the immed-
iate introduction of relief
measures. (vide ** sec 2 of
the Madras Famine Code).

Re 3 ~~section~~ No compen-
sation is payable anywhere
in the district under the
present rules, until the
average price, for of the district
the taken as a whole, rises
rea above the limit prescribed.
con The large districts of this
adm presidency are so dissimilar
in their parts and communi-
to cation is still so imperfect
grain prices vary very

5

much in different parts
of the same district, and it
not uncommonly ~~is~~
happens that they approxi-
mate to the normal in one
taluk, while being
dearer than scarcity rate
in another taluk of the
same district. Thus, in the
month of July 1877 the price
of ragi in Hindupur and
Madakasira ~~taluks~~ of the Anantapur
pur dt was 17·52 measures
and 18·0 measures per
rupee, while in Tadpatri
taluks of the same district
Gooty
Yadiki and ~~Gooty~~ it was
12·67, 12·61, and 12·65 measures respectively per rupee.
~~Such considerable variations in the~~
~~exhibits of prices in various taluks where scarcity prices~~
~~prevail from average prices~~
~~that the district average~~
~~has not much value in~~
~~indicating~~. H.E. the
G.M.C. is therefore of opin-
ion that the taluk and
not the district should be
taken as the unit for

granting compensation.

4. Question 2. — Would it be fairer, and equally consistent with economy, to substitute for the price of the common staple food grain of the district, a test based on an average of the prices of the principal food grains in common use? — The grains that now regulate the grant of compensation are not the grains used as food by the Govt. servants interested, but the cheapest grains used by any considerable section of the community. This Govt. is of opinion that it would be fairer to these servants to substitute a test based on the average prices of principal food grains in common use in the district. [illegible] State [illegible] shows [illegible] to d grains recognised

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as staples in the various districts, the averages of the normal and the scarcity rates of these grains, and the scarcity rates of the grains, the prices of which now regulate the grant of famine batta; and statement No. 2 shows the period during which the payment of Compensation would have been permissible in each district during 1897 under the present rules, and under the modifications now in Contemplation. It will be seen from the latter statement that in the famine year of 1897, Compensation would have been payable to a larger extent if granted on the average price of the principal food-grains in a district than if granted on the price of the staple food-grain. But were Compensation made payable as proposed in para 2 above on the average price of the principal food-grains — not as exceeding 1 Re. for 12 seers the present test, but as exceeding the average of the scarcity rates fixed for such food-grains, the result would, it is believed, be more economical than

5. The recommendations of this Government in connection with Questions (1) and (2) are:—

that the taluk and not the district should be taken as the unit for granting compensation;

that the average price of the principal food-grains in common use should be taken as the test instead of the price of the cheapest staple in common use, and

that compensation should be payable at the discretion of the Local Govt when the average price of the principal food-grains rises above the average of the scarcity rates fixed for them.

If these proposals are accepted, this Government is of opinion that the lower allowance of one rupee should be paid when the average of the actual prices rises above the average of the scarcity rates, and that the higher allowances of Rs 1½ should be paid when the average price rises above the average of the normal rate by more than 100 p.c. If while accepting the recommendation to adopt the scarcity rates in place of the present price limits, the Govt of India should maintain the present system of paying compensation with reference to the price of the cheapest staple in common use, this Govt would suggest that the lower allowances should be paid when the price of the staple rises above the scarcity rate, the higher allowance being paid when such price rises above the normal rate by 150 p.c in the case of dry grains and 100 p.c. in the case of rice.

6. Question 3.— It is necessary to extend the benefits of the compensatory allowances to avoid

5. The recommendations of this Government in connection with Questions (1) and (2) are:—

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that the average price of the principal food-grains in common use should be taken as the test instead of the price of the cheapest staple in common use, and

that compensation should be payable at the discretion of the Local Govt when the average price of the principal food-grains rises above the average of the scarcity rates fixed for them.

If these proposals are accepted, this Government is of opinion that the lower allowance of one rupee should be paid when the average of the actual prices rises above the average of the scarcity rates, and that the grain prices comprised

the higher allowance of Rs 1½ should be paid when the average price rises above the average of the normal rate by more than 100 p.c. If while accepting the recommendation to adopt the scarcity rate in place of the present price limits, the Govt of India should maintain the present system of paying compensation with reference to the price of the cheapest staple in common use, this Govt would suggest that the lower allowance should be paid when the price of the staple rises above the scarcity rate, the higher allowance being paid when such price rises above the normal rate by 150 p.c in the case of dry grains and 100 p.c. in the case of rice.

6. Question 3.— Is it necessary to extend [illegible] of the compens[illegible] allowance as

done at present, i.e. do not the existing limits — Rs 16 in ordinary cases and Rs 25 in the case of men who have to keep a horse or camel — include Govt servants who ought to be in a position to meet the extra expenditure caused by the vicissitudes of seasons, without special allowances? If so, what limits of pay should be substituted? — This Govt considers that the present limits of pay are not excessive and should be maintained.

in italics.

7. Question 4. — It has already been ruled by the G of I.[x] that grain compensation allowances should not be given to men absent on leave. Should not the same privilege be extended to part-time servants who are only engaged by Govt to specific duties which must prevent their earning their means in other ways? On the ground it is urged that the grain compensation is supposed

[x] vide Note in this dept d/17-5-70 No 465

made clear that the allowance is admissible to acting men and temporary hands, provided always that they are drawing rates of pay which have been fixed with reference to normal circumstances? — This Govt considers that part-time servants whose duties do not prevent their earning money in other ways should be excluded from the benefit of the rules. The allowance should be declared admissible to acting and temporary men subject to the proviso that their rates of pay have been fixed with reference to normal ~~circumstances~~ conditions

8. The class of officers referred to in question (5) does not exist in this Presy

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