

Revenue (1897) Department.

PRESS SERIES.

G.O., No. 439

DATED 4<sup>th</sup> June 1897.

Printed

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[Despatch Abstract.]

Grain Compensation.

Coming to the Board of Revenue, with remarks  
letter from the Government of India requires  
grant of — to Government servants on civil  
establishments.

# BACK PAPERS.

| G.O. | No. | Department. | Date. | G.O. | No. | Department. | Date. |
|------|-----|-------------|-------|------|-----|-------------|-------|
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# FURTHER PAPERS.

| G.O. | No.     | Department. | Date. | G.O. | No. | Department. | Date. |
|------|---------|-------------|-------|------|-----|-------------|-------|
| Ans  | 5565/97 |             |       |      |     |             |       |
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Rev. Dept.

Current Number  
4432

GOVERNMENT OF INDIA.  
FINANCE AND COMMERCE  
DEPARTMENT.

SALARIES ESTABLISHMENTS, ETC.  
Compensation.

The Hon. Mr. G. C. Press  
The Hon. Mr. G. C. Press  
The Hon. Mr. G. C. Press

Printed by Mr. G. C. Press  
4-6-97  
To  
THE SECRETARY TO THE GOVERNMENT OF  
MADRAS, REVENUE DEPARTMENT.

Receivd letter 136  
4-2-97  
Receivd c. 4432  
N. 439 of 4th June 1897.

G. C. (Press)  
31/5/97

No. 2287-Ex.

Dated Simla, the 20th May 1897.

Recd 27.5.97  
Regd 27.5.97

Communicated to the Board of Revenue.  
With reference to para 5 of  
the G. C. I letter read above the  
Board is requested to submit a  
very early report as to the desirability  
in which compensation for dearness  
of provisions is not urgently required  
accompanied by a tabular statement  
showing the course of prices in these  
districts.

18.5.97  
19.5.97  
60/3

Issued  
N. 439

Note. The tabular statement can  
be prepared in the office here but  
it will strengthen our position if  
we also send up the Board's opinion.  
With reference to para 3 of the  
letter. We have frequently  
to comply with applications

Suggested modification of the rules regarding  
the grant of grain compensation to Govern-  
ment servants on civil establishments not  
accepted.

228/5797  
Recd 19/5/97

grant of batta  
for ~~the grant of batta~~ from employees  
of Imperial Dept (Post and Telegraphs)  
in Malabar and Travancore, on the  
ground <sup>that there was no distress in the districts</sup> ~~that though the price of the~~  
staple grain had risen above 12  
seers; and ~~on the ground~~ <sup>that the discussion</sup>  
in our letter <sup>27 MAY 97</sup> ~~that the discussion~~  
rested in ~~our~~ <sup>the</sup> article of C. A Code  
only enables us to withhold compensation  
where it is allowable under the rules,  
not to ~~allow~~ <sup>grant</sup> it where it is not  
allowable ~~under the rules~~ though the  
distress may be undoubted & severe.  
The Govt I say that this is intended  
and desires to accept our proposal  
~~on the ground~~ that a fixed  
price is easier to work than per-  
centage increases. Reference is  
solicited in this connection to  
Mr. Meyer's D.O. to the Private  
Secretary attached with the original  
of ~~the~~ <sup>135-6</sup> ~~4-3-97~~ <sup>again</sup>. Whether these  
points shall be pressed upon the  
Govt I may be ~~definitely~~ <sup>considered when we</sup> get  
the Board's report

It will be fair to say that  
RS  
28-5-97 this function of granting this  
compensation Mr. Cunniff when  
the penalty rate fixed for any district  
is passed. It might I think be urged  
on India that at that point the  
Local Govt might be given discretion  
to that with the function. It is the arbitrary fixed limit of 12 seers which  
causes the trouble.  
18-5-97  
A.B.H.

under this  
plan Govt servants  
employed in such  
districts will be  
benefited. No com-  
pensation only  
when the prices  
rise much higher  
than the present  
limit of 12 seers.

What India fails to understand is that  
in those districts in which a slight rise in  
the price of the cheapest grain commonly used  
by the inferior servants of Govt brings it above  
12 seers, these inferior servants are at the  
best of times on almost starvation wages. If  
they are not prepared to accept our plan  
of percentage rises, they ought to be prepared  
to raise the pay of the inferior servants in the  
more permanently dear districts permanently  
instead of keeping them all at the same rate  
as at present.

RS  
31/5/97

Draft to the Indian Home Secy  
11/6/97

Yes - let us try to get discretion  
where the scarcity rule is relaxed by  
us. We should work up and down before the  
grain comes up and before the  
price goes below 12 seers per mahl  
in 17 of our districts & it is laid  
down in the Famine Code (Sec 2)  
that a rise to the scarcity rule is  
a sure indication of the existence  
of severe scarcity.

29/5/97  
To be sent to the Hon. Secy.

A.B.H.  
3.6.97

No. 2287-Ex.  
GOVERNMENT OF INDIA.  
FINANCE AND COMMERCE DEPARTMENT.  
SALARIES, ESTABLISHMENTS, ETC.  
Compensation.

TO  
THE SECRETARY TO THE GOVERNMENT OF MADRAS,  
REVENUE DEPARTMENT.

Simla, the 20th May 1897.

SIR,  
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 1889, and to observe that the price limits stated in the  
present rules should not be regarded as those beyond which Government employes  
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 compensa-  
tion 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 a 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.

I have the honour to be,

SIR,

Your most obedient Servant,

Offg. Depy. Secy. to the Govt. of India.

# Government {1897} of Madras. REVENUE.

Recd.

Reyd.

1897.

Enclosures

Spare copies

G.O., No. 439, 4th June 1897.

JUNE.

## Grain Compensation.

Communicating to the Board of Revenue, with remarks, letter from the Government of India regarding grant of — to Government servants on civil establishments.

## GOVERNMENT OF MADRAS.

## REVENUE DEPARTMENT.

READ—again the following letter to the Secretary to the Government of India, Department of Finance and Commerce, dated Fort St. George, 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

Miscellaneous.

No. 135, dated 4th March 1897.

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 general scarcity and distress, gives rise to anomalous results, and suggesting a modification of the present rules regulating the grant of compensation for dearness of provisions.

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 such distress to Government servants there employed as to warrant an increase to their pay sufficient to mitigate the hardship caused by high prices." The staple grains adopted by this Government for the different districts in accordance with the above resolution of 1888 are given in the annexed statement from which it will be seen that the normal prices of these grains as determined from the averages of ordinary years vary widely from 13.4 seers per rupee in Malabar to 32 seers in North Arcot. It will be obvious from an examination of these normal prices (column 3 of the statement) that the fact that the price of the staple adopted has risen to 12 seers per rupee in any district does not necessarily show that there is scarcity or pressure in the district, and that where it *does* indicate distress, the limiting price is reached at different stages of distress in different districts. Thus in Malabar and South Canara a small rise in prices over the normal entitles Government employes therein to famine batta, and in the districts of Ganjám, Nilgiris and Tinnevely, 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 Civil 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 employes 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.

Week ending 20th February 1897.

| Districts. | Seers per Re. |
|------------|---------------|
| Kurnool    | 14.2          |
| Bellary    | 13.1          |
| Anantapur  | 13.7          |
| Cuddapah   | 14.5          |

doubted inequality in the working of the rules which the local Government cannot rectify.

4. The object of the Government of India in framing the rules being to mitigate the hardship caused to its employes 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.

## APPENDIX.

| Districts.   | Grain.          | Normal price. | Scarcity rates. | Percentage rise above normal prices when compensation will be allowable. | 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                                                                     |
| Gódvári      |                 | 28.0          | ✓ 14.0          | 133.3                                                                    | 16.7                                                                     |
| Madras       |                 | 24.0          | 12.0            | 100.0                                                                    | 0.0                                                                      |
| Chingleput   |                 | 24.0          | 12.0            | 100.0                                                                    | 0.0                                                                      |
| North Arcot  | Ragi.           | 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        |                 | 81.0          | ✓ 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                                                                      |
| Tinnevely    |                 | 23.0          | 11.5            | 91.7                                                                     | ..                                                                       |
| South Arcot  | Cumbu.          | 26.0          | ✓ 13.0          | 116.7                                                                    | 8.3                                                                      |
| Coimbatore   |                 | 26.0          | ✓ 13.0          | 116.7                                                                    | 8.3                                                                      |

READ—the following letter from W. S. MEYER, Esq., Officiating Deputy Secretary to the Government of India, Finance and Commerce Department (Salaries, Establishments, etc.—compensation), to the Secretary to the Government of Madras, Revenue Department, dated Simla, the 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 1889, and to observe that the price limits stated in the present rules should not be regarded as those beyond which Government employes 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 a 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.

ORDER—No. 439, Revenue, dated 4th June 1897.

Miscellaneous.

Communicated to the Board of Revenue.

2. With reference to paragraph 5 of the Government of India letter read above the Board is requested to submit a very

early report as to the districts in which compensation to inferior Government servants for dearness of provisions is now urgently required accompanied by a tabular statement showing the course of prices in those districts.

(True Extract.)

(Signed) G. STOKES,  
Ag. Secretary to Government.

To the Board of Revenue (Revenue Settlement,  
Land Records and Agriculture).  
,, the Financial Department.

Mrd. Shaik Karim.

60 Copies.