

21/2/97

Revenue (1897) Department.

PRESS SERIES.

G.O., No. 802

Dated 22nd September 1897.

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80

[Despatch Abstract.]

Hamine batla.

Requesting, for reasons stated, a reconsideration of the existing rule regulating the grant of —.

No.	Department	Date	No.	Department	Date

FURTHER PAPERS.

No.	Department	Date	No.	Department	Date

View No: 802 d/22 Sept 1897

In Honble Mr. ...
to the Govt.

To
The Secretary to the Govt. of India,
Dept. of Finance & Commerce.

Mr. ...
11/11/97

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 Govt. servants at the ~~unequal~~ ^{unequal results} treatment, 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} ~~later~~ ^{allowing the matter to drop.}

Note for Honble members.

In the notes under Cr. & 603 21-7-97 the Honble Mr. ... decides against a further representation to the Govt on the question of the grant of famine batta. H.E. says that he would not be deterred from pressing the question afresh if we have a good case. I think we have a good case ^{which the Govt does not quite see.} Further I understand from Mr Meyer that although India has now decided to accept our suggestion its intention is to take up the question ^{again} when the famine is over. I therefore propose this draft.

11/9/97
28
13/9/97 A.H.
14.9.97

* In one way it is "equal treatment" no doubt. But it would be better, I think, to say "unequal results" - that is the real point.

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 12.4 seers to 22 seers per rupee in the several districts of the Presidency, and the limit of 12 seers per rupee prescribed in Art. 72 of

11/9/97

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 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 Canjam were drawing famine batta at the time, those employed in the Deccan districts where the distress was considerably more severe and ~~the~~ 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 *percentage increases over* definite 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 famine rates intended to warn district

and the scarcity rates indicating the stage at which it ^{is} ~~may become~~ necessary to open relief works, ~~have been~~ ^{were being} calculated on the principle of proportionate increases over the normal, and it was suggested that the same principle should be adopted in Art. 72 of the Civil Account Code.

2. In declining to ^{accept} ~~admit~~ 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 ^{establishment} ~~settlement~~ 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 dearth of provisions, (c) but that it would be prepared to consider any proposal of 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 to

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 para 2 of my letter of the 4th March and in Vizagapatam to which distress has since extended. This has enabled ^{to send} ~~the~~ ^{this} Government to sanction the payment of Indian rates in these five districts also without a special reference to the Govt. of India, but now, 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 ~~the~~ 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} ~~a~~ considerable section of the community the aggregate demand for which is ^{consequently} ~~com-~~paratively limited. The prices of these

grains rise much less rapidly in times of scarcity than those of staples largely consumed by the people, and it is doubtful whether it can be safely assumed that

for some time
se

the price of 12 seers per rupee. The grant of compensation does not arise till these prices rise from two to ten 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 Art. 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 Sec. 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 Govt. of India. This was fully exemplified

be 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 ⁴ 80 ² 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 sec. 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} ~~it is not necessary to~~ ^{adopted} ~~the special percentage~~ for regulating the grant of famine batta and that the scarcity rates may well be adopted for the purpose. These rates

price of 18 sesterlings... greatly reduce the inequalities in the treatment of the different districts. ^{their} ~~the~~ adoption of these rates makes the grant of batta permissible in some cases at an earlier stage than at present, and also puts off the grant till ^a ~~considerable~~ 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, notwithstanding the 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 price 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 re-

tion 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 from giving discretion to local
governments in some cases at an earlier
stage than at present is a serious
objection to the change I am to suggest
that it may be met by lowering the su-
perior limit of the pay of servants to
whom compensation is payable.

RA
10-7-97

1897

1897.

DEPARTMENT OF FINANCE AND COMMERCE.

From

The Government of Fort St. George.

Recd.

Regd.

} 1897.

Enclosures

Spare copies

Letter, No. 802, 22nd September 1897.

SEPTEMBER.

Famine batta.

Requesting, for reasons stated, a reconsideration of the existing rule regulating the
grant of -.

REVENUE DEPARTMENT.

From

THE HON'BLE MR. G. STOKES, I.C.S.,
Acting Secretary to the Government of Madras,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF FINANCE AND COMMERCE.

Dated Ootacamund, 22nd September 1897.

SIR,

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

Miscellaneous.

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 the 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 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 Ganjam who were severely distressed were drawing famine batta at the time, those employed in the Deccan districts where 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 district 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 establishment 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 to 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 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 66 $\frac{2}{3}$ 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 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.

I have the honour to be,

Sir,

Your most obedient servant,

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

Encl. Md. Pahlavan.

25 Copies.

Despatched in plain

By the Secy to Govt.

URGENT

Reference to G. No.

IN THE GOVERNMENT

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STATEMENT WITH DATES

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