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# **The Salaries of Public Officials in India.**

**BY**

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*"I think, if I may sum up my views about the present and future of the civil service, I could do so by comparing them to a very famous order—the order of St. Francis—which as you know was bound by a triple vow. I will make one change only and say I believe that the civil servant when he enters the service will in the future, as now take upon himself the triple vow of poverty, annonymity and obedience.*

*I should like to say as to poverty, that I mean poverty, not destitution. There is a technical distinction between the terms. I do not mean that the civil servant should not have enough to live on, but I do mean that he should not try to compete with the business world in profits and income. I think the civil servant will look upon his salary as maintenance adequate to the needs of himself and to bring up his family, if he has one, according to the highest standard of education in the country, and that is not always the standard of the business world and profit-making world."*

*Sir William Beveridge on the "Civil Servant of the Future" in "Development of the Civil Service" Ed. Lord Haldane.*

## PREFACE.

The Donoughmore Special Commission on the Ceylon Constitution (1928) record in their report the following significant observations with regard to the salaries position in that island.

“No one who examines the detailed financial statements of the Ceylon Government can fail to be impressed by the high proportion of expenditure which is devoted to the payment of personal emoluments of public officers. Our enquiries revealed that the cost of the personnel in Ceylon Services had of late years risen to such a degree as to constitute a serious embarrassment. We have already observed that Ceylon has now reached a critical state in its history, and is faced with vast social and economic problems which call for prompt and energetic handling. It is of the utmost importance therefore that no obstacle should be placed in the way of the Government in devoting to the solution of these problems the maximum of the funds it can make available. Yet we found that owing to the high cost of personal emoluments the Government was reluctant to propose additions of staff, however, urgently needed for the development of their policy, and that improvements and extensions of important public services which were characterised as urgently required were liable to be curtailed and even deferred.

This unhealthy situation is primarily due to the absence of any distinction between the salaries payable to Europeans and those payable to the Ceylonese. There was doubtless much to be said against any such distinction in the past, when the great majority of superior posts in the public services were held by Europeans..... But the pendulum is now swinging in the opposite direction and we must look forward to a time, in the not distant future, when the Ceylonese will be found organising, directing and staffing their own public services with the assistance of a comparatively small number of European officers...It would be contrary to the public interest and might indeed be fatal to the attainment of this ideal, if the Ceylonese public servants were to continue during this process of development to be paid at rates which are not only wholly disproportionate to local requirements but which constitute a severe strain on their country's resources and give a false emphasis to the national budget.”

All this may equally truly have been said of India. Indeed, in so far as India is a country poorer, on the whole, than Ceylon, its

social and economic problems more complex and the Indian Civil Service scales of pay higher than those of the Ceylon Civil Service the whole of the passage quoted may be said to apply to India with even greater force than to Ceylon. Again the "swing in the pendulum" referred to above has already gone far with us and we may expect in the near future a cessation of European recruitment. It is thus essential, and also fortunately possible, for us to envisage a system of manning and remunerating the public services of India with an eye exclusively to the internal conditions of the country. This involves an entire reassessment of the salaries of public officers in India and in the following pages an attempt is made to determine the basis of such reassessment. I have deliberately not concerned myself with the past and its controversies, except in so far as a historical review helps to a clearer understanding of the present position.

The future of India is intimately bound up with the extension on a very large scale of national social services in every direction and a radical salary reform is a condition precedent to such an extension. It is, however, not only on fiscal grounds that a salary reform may be pressed for. I believe that it will have highly beneficial and far reaching effects on many aspects of our national life. It will remove very largely the existing false emphasis on government employment, it will help to correct the many wrong notions regarding standards of living current among our educated classes, it may induce in the mind of the official class a saner outlook towards the people at large, it will narrow considerably the gulf between the educated middle classes who are the natural leaders of our society and the large mass of agriculturists and labourers and last but not least, it will considerably reduce the volume of middle class unemployment.

This problem of salary reform has not always been given the attention it deserves in recent times in India. The circumstances under which the Lee commission was appointed made it impossible to expect from that body an examination of this question from the point of view of the Indian tax-payer. But even the treatment accorded to it in the report of the Indian Statutory Commission is in sharp contrast with the prominence given to it in the Donoughmore Commission's report. In the report proper of the Simon Commission no reference is made to this question, not even in the chapter dealing with the "Future of the Services." The only discussion of

it is to be found in Mr. (now Sir Walter) Layton's report in a short paragraph written in connection with central expenditure. Mr. Layton admits that the cost of administration in India is very high owing to the standard of salaries in the upper grades, but goes on to assert dogmatically, "So long as British personnel is still required these standards must continue." How inadequate was Mr. Layton's appreciation of the total effect of the high standard of salaries on Indian finances is shown by the nature of the remedy he suggests. He writes, "the only way to meet the difficulty is to lower standard salaries throughout the service, but to increase the overseas allowance to British mem ers." Indeed, Mr. Layton does not seem to have thought the problem important enough to merit much attention. For, though in the paragraph indicated he briefly dismisses the question by saying that it, "however, affects the provincial budgets much more than the central budget," we vainly look for a consideration of the problem in the section devoted to provincial budgets.

Though Royal Commissions have ignored the problem, public opinion has been much exercised about it. All champions of economy have advocated reductions in salaries. But even the numerous Retrenchment Committees have not considered this question with the care it deserves. Perhaps it is but natural that this should be so. The Retrenchment Committees by their very nature are concerned rather with immediate economies than far-reaching reforms. And usually their suggestions take the form of some slight modifications of existing scales based on vague and indistinct notions. It is necessary that the problem of salary reform be probed more deeply than has usually been done. This short study of it is published in the hope that it may contribute somewhat towards clarifying current notions and help to indicate a proper approach to the subject.

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## **The Salaries of public officials in India.**

Various circumstances have combined to make the question of salaries of extreme importance in India to-day. The two most notable of these are: (i) the financial situation in which the Imperial and the Provincial Governments find themselves and (ii) the impending transfer of control over services to the Indian Government and Indians themselves, with the probable cessation of all foreign recruitment. Owing to the present universal depression the financial situation of all Governments is desperate enough. But what makes it seem particularly hopeless in India is that on the eve of Swaraj, when the rightful duties of a national Government will have to be shouldered by us, the large expansion of expenditure thus involved can nowhere be seen to be offset by a corresponding possible expansion of revenues. In this predicament the reduction of salaries is an obvious measure of economy and an attempt is made in what follows to indicate the extent to which such a reduction may reasonably be made. Again, the cessation of English recruitment removes the major disturbing factor in the mutual adjustment of the different grades of pay and it is now possible for us to consider what should be the proper relation between these different grades when they are all recruited from amongst Indians themselves. I have divided the consideration of the question into two parts. In the first part is contained a survey of the present position regarding salaries paid to Indians and how it has been reached and in the second an attempt is made to determine the independent criteria on which the new scales of salaries can be built up.

## PART I.

It is not necessary to go further back than the middle of the last century for a survey of the evolution of civil service salaries in India. We may well start this survey with the report of Mr. Ricketts of the Bengal Civil Service who was appointed in 1856 by Government to be Commissioner for the revision of civil salaries and establishments throughout India. This report was presented in 1858 and the Government of India in their despatch reviewing the report generally agree with the principles enunciated therein. As there were at that time no "natives" on the Bench of any Supreme or Chief Court, or in the Legislative Council or in the Civil Service the principles which Mr. Ricketts laid down concerned chiefly the question of the employment of Europeans in India. In determining their salaries Mr. Ricketts started with the highest posts within his purview and adjusted the other salaries to the scale he had fixed for these. The highest officers were the "Sudder Court" judges and as the Government of India remark Mr. Ricketts's "best consideration has been devoted to the subject. All his subsequent recommendations have reference to the salaries suggested for the Sudder judges." After being at much pains to collect opinions from all quarters as to the general principles on which salaries ought to be regulated, Mr. Ricketts decided that it would be fair and proper to calculate the salaries of the Sudder Judges partly with reference to the salaries allowed to the Members of the Legislative Council, partly with a view to provide an object of ambition to the Judges who may be selected for the charge of the English or Executive Departments and partly with reference to the elements which seem principally to have been considered in England, namely, "the condition of the country or colony to which the Judge was to be appointed, the income which would enable him to maintain a respectable position among those with whom he would have to associate, the attractions or disadvantages occasioned by climate, society, distance, necessary expenses and the many other circumstances on which the desirableness or unattractiveness of a place depends." In these views the Government of India generally concurred.

The finances of India which have always acted as some slight check to the extravagance in the salaries paid to British officers in



India had been mainly responsible for the appointment of Mr. Ricketts. The state of finances had also earlier necessitated some reduction in the salaries of the Commander-in-Chief and the members of the Council of India. The statute of 1853 had fixed the salary of each member of the Supreme Council at Rs. 80,000 p. a. and the salary of each member of the Legislative Council at Rs. 50,000 p. a. The Government guided by this standard had already ruled generally that no salary in India shall exceed Rs. 50,000. Taking all these considerations into account Mr. Ricketts recommended that the salary of the Chief Judge of the Sudder Court at Calcutta should be fixed at Rs. 48,000. We are not concerned here with the details of Mr. Ricketts's recommendations or of the variations made in them before they were accepted. We desire merely to indicate the principles on which it was generally agreed at this time that the salaries of Civil officers in India should be based.

It has already been noticed above that in 1858 no Indian was employed in the higher ranks of officials in India. Yet in considering the general question of the "Uncovenanted Services" Mr. Ricketts did theoretically consider the question of the salaries of Indian officials. Mr. Ricketts's views on this question were certainly, for his times, extremely liberal. He advocated the throwing open of a considerable number of higher posts to native recruitment. He was also emphatically of opinion that no difference should be made between the emoluments of Europeans and Indians. And he was evidently prepared to accept the full logical consequences of his position. For, he realised that when there was a sufficient number of Indians fitted to hold the higher offices the standard of remuneration should steadily fall. "There will then be less necessity for importing educated Europeans. The public service will be provided for without such resort to the expensive class as is now indispensable." He, therefore, recommended that the salaries of such offices as may be thrown open should be fixed with reference to the competition of qualified natives. The whole discussion was, however, highly unreal at the time, as Mr. Ricketts himself admitted, "though the office may be thrown open, I expect that it will be many years before a Native shall hold it."

Conditions in 1858 were simple enough. The salaries question was really a question of European salaries and the two main governing conditions were on the one hand the finances of India which

placed some check on wild extravagance and on the other the necessity of inducing the right kind of Englishmen to come out to India. During the next thirty years the question of the employment of the natives of India assumed considerable importance. This reform was advocated on grounds both financial and political and the chief object of the Public Services Commission, presided over by Sir Charles Aitchison, appointed in 1886 was "to devise a scheme which may reasonably be hoped to possess the necessary elements of finality and to do full justice to the claims of the Natives of India to higher and more extensive employment in the public service." It should be noted that though Indians had already at this time begun to compete at the Indian Civil Service Examination in London the recruitment of Indians through this channel had been very slow and there were in 1887 only 11 Indians in the I. C. S. The other method of recruiting Indians for the higher offices was nomination to the Statutory Service formed since 1870. The Commission, however, found that the Statutory system had failed to secure properly qualified men. As regards the conditions of pay, promotions etc. suitable to natives of India appointed under the Statutory rules, the Commission was clearly of opinion that the "general conditions of service accorded to officers of the Covenanted Civil Service, who are recruited in England, do not appear to be in any way suitable to the Natives of India obtaining office under the Statutory rules or otherwise appointed in India. These conditions were framed to meet the circumstances and requirements of an agency which it is considered necessary to import from England and seem to the Commission to be wholly inapplicable to such an agency as may be recruited in India." They concluded, "to apply to the latter agency the exceptional conditions found to be necessary for special reasons in the case of the former would appear to involve a charge upon public funds which is unnecessary and cannot be justified." Under the circumstances the Commission thought that the best way in which a higher and more extensive employment of the natives of India could be provided was by reducing the strength of the Covenanted Civil Service and transferring a corresponding number of appointments to a local service to be separately recruited in each province of India. The Covenanted Civil Service was to be reduced to a "corps d'élite"—a recommendation very similar to the suggestion made by Sir James Caird on financial grounds in 1880. Though it was generally felt that the one service would be mainly English and

the other mainly Native it was laid down as an essential condition of the scheme that "the conditions of each service respectively be the same for all who enter it to whatever nationality they may belong." But even though this principle was definitely laid down it was clearly recognized that the Imperial scale of pay was dictated by peculiar conditions and that this should not be allowed to influence the scales of pay of the Provincial Service.

The grades of pay in the new Provincial Service which would contain the best element amongst natives should be fixed, the Commission was strongly of opinion, "on independent grounds" and should bear "no relative proportion to those of the Imperial Service." "The simple principle which the Commission would adopt is to adjust the conditions of the Provincial Service by the consideration of the terms which are necessary to secure locally in India the desired qualifications." The Commission did not approve of the rule by which Natives of India appointed to a post were paid two-thirds of the salary fixed for Europeans holding a similar post. The Commission did not consider it within the scope of its terms of reference to discuss the details of the rates of pay etc., to be attached to the offices in the Provincial Service but it observed generally regarding this question that where the present Uncovenanted Service is graded, there would probably be no necessity for more than an addition in some cases to the higher grades, and in other cases the creation of grades above the present scale so as to absorb the higher appointments taken over from the Imperial Service. It is worthy of note that the Aitchison Commission recommended the term "provincial" with a view to avoid the invidious distinction complained of in the use of the term "uncovenanted." The Commission further recommended, "that as far as possible the members of the Imperial and Provincial Services should be put on a footing of social equality, and that when they occupy similar offices, they should be graded together in the official precedence list."

The recommendations of this Commission met with a curious fate. Though the Secretary of State generally approved of the recommendations he refused to take the most important step necessary to give proper effect to them, that of removing certain appointments from the Imperial Service schedule and incorporating them into the schedule of the Provincial Service, with the result that the pace of Indianisation became excessively slow and even in 1920 the full one-sixth of

the total posts had not been transferred. This was due, as pointed out by Sir R. Craddock in a minute to the Lee Commission Report, to (i) the Local Governments "not bearing the matter sufficiently in mind" and (ii) the fact that the recruitment to the Indian Civil Service was based not upon 5/6th of the superior posts but upon the total. This would not have happened if the recommendations of the Commission regarding the transferring of one-sixth of the posts from the Imperial Service schedule had been accepted. Further, the expectations of the Commission that the new Provincial Service would hold an equality of status and social position with the Imperial Service were, on account of various factors not fulfilled and the Commission thus failed to provide a solution of the questions of native employment in India which possessed any reasonable element of finality in it.

The next Royal Commission on public services in India appointed in 1912 had presented to it a problem the circumstances of which had changed considerably. The solutions they proposed were, therefore, also correspondingly different. They found that the solution of the problem of employment of natives suggested by the Aitchison Commission had failed. Three grades of services, the Imperial, the Provincial and the Subordinate had been brought into being but the expectation that the status of the Provincial and Imperial officers would be reckoned the same and that Indians would be satisfied with the posts thrown open to the Provincial Service were both unfulfilled. The Islington commission therefore, found it necessary to recommend the reservation of a certain proportion—which varied from service to service—of posts in the Imperial Services to Indians. Speaking, generally, in all those Services where they contemplated that the recruitment would be made partly in England and partly in India they indicated approximately the representation which they wished to give to non-Europeans. These proportions varied. They were the least in the Indian Civil and Police Services. While the Commission recommended an almost entire Indianisation of the Indian Finance Service. The recommendation regarding the policy of Indianisation raised naturally in an acute form the problem of salaries. The 1886-87 Commission could think in terms purely of English conditions with regard to the salary of Imperial Services and in terms of Indian conditions only with regard to Provincial Service pays. But such a clear cut distinction no longer remained and the question had to be squarely faced as to whether any differ-

entiation could be made between the salaries of European and Indian employees in a service.

The third chapter of the report of the Islington Commission is wholly devoted to this subject and deserves careful consideration. As regards the conditions that existed when they reported they found that the practice varied considerably. In many cases there was a differentiation made between the salaries paid to the Indian and to the European. In some services Indians appointed in England received a salary equal to Europeans while Indians appointed in India were paid at a lower rate. In the Indian Civil and the Indian Medical Services "a position of equality had been reached almost insensibly". The Commission confronted with this problem sought to apply to it the general principle that Government "should pay so much and so much only to their employees as is necessary to obtain recruits of the right stamp and maintain them in such a degree of comfort and dignity as will shield them from temptation and keep them efficient for the term of their service." But it can hardly be said that this principle was applied with any consistency by them. They point at the outset to the two different schools of thought on this subject, one advocated equal pay for all, the other favoured differentiation. Equal pay they admit would remove the suspicion of racial favouritism but on the other hand they urge that "to set in India for the Public Services a standard of remuneration which is in excess of what is required to obtain suitable Indian officers is to impose for all time on the country a burden which she ought not to bear." Not only is the question of direct cost involved but further, "If young men, who are statutory natives of India are paid at European rates owing to the accident of their electing for a service in which a certain number of Europeans are required, then similar young men, who elect for other services, like the Post Office, for which Europeans are not imported, will need to be paid similarly, if recruits of the same class are to be obtained as at present. The circle of financial obligation will thus go on widening and will finally touch the private market, particularly in the engineering and the educational fields." Thus in applying the general principle they adopted, they had to bear in mind these two considerations of removing suspicion of inequality and the position of the finances of the country. The Islington Commission proposed to get over this difficulty in the first place by fixing the standard of salaries of those services whose normal requirements they thought would

be eventually met in India at rates calculated to obtain the required recruits in India, suggesting higher rates for officers imported from Europe for the transitional period and for the other services by drawing up separate scales for Europeans and Indians. But these principles were not applied consistently. Some extremely important exceptions were made. The equality which already prevailed in the Indian Civil and the Indian Medical Services was retained and a special treatment of the superior educational service was recommended as it was felt that the *reasons of sentiment* which suggest equality of payment were stronger in the case of administrative posts generally and in the case of the educational service in particular. We shall see how this exception affected the whole situation later on. The other measure suggested by the Commission was that a common list for all officers should be drawn up with seniority dependent on the date of appointment without reference to salary. For, they felt that the existing grievances were due more to differences of dignity than of pay. [It is curious that this recommendation should have been made in spite of the experience afforded by the fate of the Aitchison Commission's recommendation regarding the status of the Provincial Service.] Another important recommendation made by the Commission on this behalf was that Indians recruited in England should not be treated otherwise than those recruited in India. "Such a policy", they opined, "must tend to retard the development of Indian education." But even this conviction of theirs did not affect the case of the I. C. S. and the I. M. S. For, the Indian members of the Commission urged that public opinion in India attached great importance to securing absolute equality between Indians and Europeans who had been through the same educational course; and further as the number of persons concerned was not large no departure from the existing practice was recommended.

Regarding the specific recommendations of a scale of salaries suited to Indians the Islington Commission admitted that there was no reliable guide in fixing it in the case of India. In the United Kingdom "where the ordinary well-educated individual in search of a career has a wide choice of alternative employment, their remuneration can safely be taken as a standard above which salaries in India must certainly be fixed." "But in India the competitive element of the problem is much less salient." "Here with the two exceptions of law and medicine, there is no calling the average

earnings of which may be taken as an indication of what the Government ought to pay in order to obtain service of the required type. Instead of being one of a number of rival competitors the Government of India is practically in the position of a monopolist employer." The Commission, therefore, proceeded solely on "principles governed by the ideal of cheapness." The scales they proposed ranged for the ordinary graduate class, from Rs. 250 to 500 p. m.; while for services requiring "higher initial qualifications" they proposed a scale as from Rs. 300 to 1050 p. m. It is not clear whether the Commission had undertaken any detailed or systematic enquiries before determining these scales. They seem merely to be adaptations of the existing Provincial Service scales.

The report of the Islington Commission was presented a year after the War had been in progress and it was not till the beginning of 1917 that it was even published. In the meanwhile circumstances had changed a great deal. Some decisions especially regarding the increase in allowances and salaries were taken in 1919-20 and new scales sanctioned. But the services continued to memorialize for higher salaries and politicians agitated incessantly for increasing the pace of Indianisation. In 1923 a new commission was appointed which investigated anew this question. The report of the Lee Commission is a comparatively short document which further labours under this handicap, that no part of the evidence on which the Commission rested its findings is available to the public.

The problem of Indianisation had, because of the new Reforms introduced in the structure of Indian constitution, assumed an entirely different aspect. In the provinces a number of departments had been transferred to the control of ministers responsible to the legislatures and a new distinction had now to be made as between the services in the reserved and the transferred departments. It was obvious that officers in the transferred departments should not continue to be recruited and controlled by the Secretary of State so that the ministers may have full control over them. The Lee Commission, therefore, recommended that no further recruitment should be made to All-India services as such, operating in the transferred field; this work of recruitment being in future transferred to the Local Governments. This meant that these services would in due course be completely Provincialised. This was with regard to the services serving within the sphere of Provincial Governments. With regard to

the central services some were to be transferred entirely to the control of the Government of India while in others recruitment by the Secretary of State was still to continue. The All-India services employed in reserved fields, viz. the Indian Civil, Police, Engineering and Forest services, ( and the I. M. S. which was specially treated ) it was recommended, should continue to be recruited and controlled by the Secretary of State. For the services for which recruitment by the Secretary of State was to cease it meant practically a cessation of non-Indian recruitment. In the All-India Services, however, increased Indianisation was to be obtained by the adoption of certain definite ratios of future recruitment of Indians which were recommended by the Commission.

When the Commission came to tackle the problem of salaries it took a line radically different from that of the Islington commission, in the case of the salaries of both the European and Indian members of the services. The Islington Commission in the paragraph entitled "Principles on which salaries should be calculated" note in the first instance the rise in prices that had taken place in India since 1905 and commenting on the difficulty of unravelling the extent of adjustment effected by various increases in pay and allowance conceded to various services from time to time, write as follows. "Nor is it necessary that such calculations should be made, as they depend ultimately on the assumption that salaries should be kept at the same level for all time irrespective of the operations of the law of supply and demand. Such a position is untenable. The only safe criterion is that Government should pay so much and so much only to their employees as is necessary to obtain recruits of the right stamp, and to maintain them in such a degree of comfort and dignity as will shield them from temptation and keep them efficient for their term of service. Whilst, therefore, we have noted the rise in prices that has taken place, we have not based on this any general recommendation." The Lee Commission on the other hand quote with approval the recommendation in the Montague-Chelmsford Report that "the present opportunity should be taken to do something towards restoring the real pay of the existing services to the level which proved attractive twenty years ago," and base their chief argument for a considerable increase in pays and allowances on the statistical argument of the rise in the index number of prices. (It should be noted in parenthesis that this argument was not held valid even in the case of postwar bonuses granted to



British Civil Servants. For, these bonuses gave a relief substantially in accordance with the rise in the index number of prices only to the lowest strata). It is especially with regard to this question of salaries that the entire lack of evidence and other material makes it impossible to judge of the findings of the Lee Commission. We are not concerned here with the pay of European members of the services. But when we came to consider the Commission's decision regarding the pay of Indians in the All-India services this lack of evidence causes some difficulty. For, their finding in this matter is opposed to that of the Islington Commission. While the earlier Commission was driven to concede equality of pay in the I. C. S. and in the I. M. S. it did so only as an unavoidable exception. The Lee Commission admitted that economy was one of the main justifications for "Indianisation." It pointed out, on the other hand, that Indian members of the services went so far as to claim an increase in their salaries. (It would be highly interesting if we could examine any figures or budgets that may have been presented to support this case). The Commission viewing these "divided counsels" (one wonders if they expected the Indian members of the services to clamour for a reduction of their salaries) came to the conclusion "that it would be inadvisable to reduce the basic pay of the services." The principle of equality was thus definitely accepted except that the overseas pays, the remittance privileges and the passage allowances were benefits to which members of the services of Asiatic domicile were not entitled.

We have thus reviewed the course of policy regarding the salaries of higher services in India over a pretty long period. In the early days with a fairly high rate of European mortality and with the considerable hardships that were the inevitable accompaniments of a stay in India the salaries were naturally extremely high. The emoluments of the Covenanted Services in these days were according to Lord Cornwallis so fixed that "with proper economy they may be enabled to return to Europe *with a competency after a moderate period of service.*" Everybody is acquainted with Thackeray's nabobs and the latter half of the 18th century and the first half of the 19th century were no doubt the palmy days of the English servants of India. The statute of 1853 first put a limit to the extravagance of the higher salaries and Mr. Ricketts's efforts later on systematised them as a whole. Till 1886 however, this was a problem of European salaries only. Heretofore, the salaries of the Natives were kept entirely

apart from those of the higher services. The lower scales were framed to a large extent according to the availability of suitably trained Indians. No doubt, even in these times the scales were comparatively high but they were not at all commensurate with the salaries paid to the Europeans and before 1885 only a few Indians had gained admittance to the higher services.

The recommendations of the Aitchison Commission were put forward with a view to creating two independent sets of scales of pay, one for the Europeans, the other for the Indians; but these recommendations as indicated above, failed in their purpose. And when the Islington Commission came to review the situation it had already become highly complicated. For, there was already a considerable number of Indians in the higher services getting equal pay with the Europeans and the expectations of pay of the superior Indian officers and their standards of living were fast rising; though curiously enough the supply of qualified Indians had very largely increased in the meantime. The Islington Commission were convinced of the impropriety of the principle of giving the same pay to Indians and Europeans alike. But they did not succeed in strictly working their conviction out in their detailed recommendations. They allowed equality to persist in the Indian Civil and Medical Services and newly recommended its introduction in the Educational Service. They thus set up in the three most important services a standard of pay for Indian recruits which was bound to affect every other service. It is also plain that the Imperial Service pays affected the height at which they themselves pitched the remuneration of the Finance Service. The years after the publication of the Islington Commission Report have seen an accentuation of all the evils of this artificially high payment of Indians. During the post-war period there has been a rapid Indianisation of all sorts of services and a rapid development of new activities, especially, educational in India. There has been also witnessed a much greater rush of Indian students to England largely because of the Civil Service examination and because English degrees have counted for much in getting the bigger jobs in various departments and services in India. And all the evil consequences which the Islington Commission had foreshadowed of the differentiation in payment of Indians recruited in India and in England on Indian Universities have naturally followed. The Lee Commission would not recommend reducing the basic pay of the All-India Services while recommending a very considerable increase

in the rate of Indianisation. Thus what could be treated as "exceptional and insignificant" by the Islington Commission became a major factor in the determination of rates of pay and conceptions of standards of living for the Indian middle classes. Recruitment to the Civil, Police, the Engineering, Forest and other services such as Railways etc., takes place on such a large scale nowadays that salaries everywhere even in the private market such as Port Trusts, Municipalities, Universities or the Native States have to be fixed and have all been fixed with relation to these Imperial Service pays. The Imperial Service pays which are fixed so high as to be able to attract the best type of British University recruit from his home five thousand miles away are thus the controlling factor in the Indian market. This has obviously no relation to Indian conditions and entirely flouts the principle of demand and supply on which the Islington Commission lays so much stress and to which even the Lee Commission pays lip-service. How this continued inflated payment has affected our conceptions is notoriously exemplified in the evidence of the Indian members of the Civil Service before the Lee Commission. Not only does this affect a single class but it has its effects throughout the scales. For, the remuneration of the Provincial Services, their allowances and even those of the Subordinate Services are necessarily affected by the inflated Imperial pays.

It is interesting on this point to summarize the opinions of some of the Provincial Retrenchment Committees appointed by several provincial Governments in the period of financial stringency immediately following the introduction of the reforms. The report of the Bombay Retrenchment Committee (1923) begins by pointing out that the general organisation of a cadre constitutes a commitment the consequences of which extend far into the future "the vested interests so created may absolutely preclude any remedy for many years even if the step taken is found to be a false one and the financial effect of any such decision is, therefore cumulative." Writing further on, about the Imperial Services they note as follows. "The fact that the Imperial Services are now to a very large extent recruited in India has in our opinion destroyed the chief reason for differential treatment so far as Indians are concerned. So far as we can observe the Indian recruits so obtained do not, as a class, possess any very marked superiority of qualifications as compared with those recruited into the Provincial Services on Indian rates of pay. In dealing with the Educational

Department we had occasion to notice that a number of officers have been transferred from the Provincial to the Indian Educational Service apparently with no other object than to secure the necessary percentage of Indian recruitment in the latter. We desire to record our emphatic conviction that if Indianisation merely means the substitution of very highly paid Indian Imperial officers for Provincial officers it does more harm than good, since an entirely false standard of pay is set up for Indian officers which will render the future administration of the country most unnecessarily expensive. We see some evidence of this inflation in the revised rates of pay which have recently been sanctioned for the Provincial Services themselves." The Committee, therefore, conclude "In our opinion the only basis of recruitment for Indians should in future be Provincial." Indianisation of services must mean provincialisation and "instead of perpetuating an arrangement which involves a meaningless distinction between the pay of Indians of the same qualifications a commencement should be made in building up in this manner real Indian Services under the full control of the Legislative Councils and on the most economical lines." "We would add that even where existing facilities in India do not provide the means of obtaining the training required for certain posts in the Imperial Cadres, we see no reason why the fact that a recruit has undergone a few years' training in Europe should affect his pay during the whole of his service. If European training is essentially necessary it would be far cheaper to pay the actual expenses involved of a Provincial officer to obtain that training wherever available." This Committee also took evidence with regard to what were the suitable rates of pay for Indians but the amount of divergence of opinion revealed by the answers clearly convinced them that not very much thought had hitherto been given to the matter from this point of view. They then proceed to frame their own scales of pay but do not while doing this explain how they have arrived at these scales. The highest pay for any individual office they allow is Rs. 2,000 p. m. for Commissioners or Secretaries to Government.

The Central Provinces Retrenchment Committee (1922) while making similar remarks regarding the necessity of Provincialisation of all services observe incidentally that "the further result of the present system has been that the pay of the Provincial services also has been put rather unnecessarily high in order to avoid too great a difference between the pay of Indian officers of an All-India Service and that

of officers of a Provincial Service." They propose, therefore, in addition to the substitution of provincialisation for Indianisation, some slight revision of the Provincial Service pay scales. The main recommendation of the C. P. Committee in this behalf is that no Indian should henceforth be recruited for the All-India services and all Indian recruitment should be in the Provincial Services only. The C. P. Committee formulate definite proposals regarding pays of posts and grades without giving any reasons therefor; and curiously enough the highest individual pay they recommend, that for the Divisional Commissioner, mounts up as high as Rs. 2,500 p. m. There are many minutes of dissent on particular points of pay etc., and it is interesting to note that in one minute it is frankly conceded that a particular figure recommended is due to the salaries paid to the Indian Civil Service. "If the scale of pay paid to the whole cadre is reduced, it would be possible to reduce the salaries attached to these posts."

The Bengal Retrenchment Committee follows much the same line of thought as the two mentioned above but its specific recommendations in certain respects go even further. It is emphatically of opinion that Indianisation to the extent of its advance should proceed on Provincial rather than on All-India lines. It is of opinion that much harm has already resulted from the present system of payment. "The recruitment of Indians to the All-India services has created an unnecessarily high standard of remunerations in the Provincial and Subordinate services and has led in some instances to the promotion of Indians from a Provincial to an Imperial Service without any increase of duties or responsibilities. We consider that the recruitment of Indians on the present terms to the All-India Service should cease, and that such Indianisation as may be determined on should be made from the sole stand-point of provincial conditions." The Committee also definitely recommend that in case Indians still continue to be recruited to All-India Services their pay should be two-thirds only of the pay of European incumbents and further propose a general reduction in the provincial Service pays which had been revised in 1920. They say, "the evidence we have received is whole-heartedly in favour of a reduction of pay and the general feeling is that unnecessary generosity was shown when the revisions were made." The reductions proposed vary from 5 p. c. in the scale Rs. 250-500 p. m. to  $33\frac{1}{2}$  p. c. for officers drawing more than Rs. 2,000 p. m. The highest office falling within the purview of

the Bengal Committee was that of the District Judge and the salary they recommend for this post is Rs. 1,500 p. m., the same as that recommended by the C. P. Committee for the post.

No substantial relief to the Indian finances, however, accrued as a result of the deliberations of the retrenchment committees or of the provincialisation of some services. For, in the post-reforms period the increasing recruitment of Indians in the Imperial services continued to exercise a powerful influence on the provincial scales; so that the mere provincialisations of a service by itself made no considerable economy possible. It may be enough to illustrate this by a quotation from a speech by Sir A. P. Patro before the services sub-committee of the Round Table Conference. "The difficulty with regard to the provincialisation of services is that in comparison with the All-India services the scales for the Provinces have had to be fixed, not altogether equal to that of the All-India Services, but in a certain approximation thereto. In Madras we have provincialised the Agricultural Service, dispensing with the All-India basis, but there was such an amount of protest from the people concerned, that their emoluments ought not to be cut down or their conditions worsened, that it has been necessary to make two classes, called the A and the B class. The A class has been allotted a scale very little below—a few percent below—that of the All-India Services. It has also claimed special privileges. The members of the B class have also claimed a higher ratio in proportion of what they were getting. Therefore, by dispensing with the All-India basis and provincialising the service, being desirous of getting the best men possible for the Provincial Service, we have not been able to effect any great saving."

## PART II.

What appears clearly from the above account of the evolution of Indian salaries is that they have ceased to bear or almost never bore any clear relation to either what Indian conditions necessitate or what Indian finances permit. It is possible that the earliest of the Provincial Service scales were really so framed as just to attract the new educated classes then coming into being to Government service and that they were not unnecessarily high.\* But evidently this has not been the case for many decades past. Even with a strictly limited number of Indians receiving English education, and while only the provincial posts were open to them the Provincial scales of pay were found to be attractive enough to obtain the best type of Indian recruit. The conditions in these respects have, however, been fast changing. The spread of education—especially of collegiate education—has been remarkable in modern times and the growth of the numbers in classes from whom Government officials in India are usually recruited has been tremendous. This has been followed, however, not by a diminution of the emoluments but rather by a very considerable growth both in the scales of pay and in the number of prizes open to Indians.

This has continuously affected the market, both Government and private, in other than Imperial Services. The payment of the Imperial services has set the standard which has had to be followed in all other services and employments. There is not, as has been often pointed, any considerable difference between the average attainments of persons who are fortunate enough to obtain Imperial Service posts and those who enter the Provincial Services. There has never been, further, in the case of the Indian Civil Service recruitment in India any of that type of monopoly enjoyed by any special type of education as is enjoyed by Oxford and Cambridge in the case of the recruitment to the British Civil Service. The successful candidate at the Delhi examinations has not undergone any specially expensive course of education. He hails just from the ordinary, inexpensive Indian College. But because the class

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\* See, however, on this point the account of Sir C. Elliott's views detailed below.

of those who are successful in this examination get a certain remuneration they set a standard for all the other Services also. Everything is adjusted to the Imperial Service pays. The Provincial and the Subordinate pays have never had an opportunity to find their natural level but have been continually buoyed up by the range of the higher pay scales.

When the Retrenchment Committees made the claim that Indianisation should also mean provincialisation, they were pleading for what was but fair. Such a tripartite division of the services is elsewhere unknown. It is wholly artificial, and due only to the peculiar conditions of India. The generally accepted model of Civil Service organization, that of Great Britain in prewar times had only two classes. Class I for recruitment to the higher administrative posts and Class II for mainly the clerical establishments. And even this rigidity of a twofold division was sometimes complained against. The threefold division in India has a justification only when an alien official class rules us, but is obviously meaningless when Indianisation takes place. The proposal, therefore, that there should be no Imperial Indian officers is eminently just and needs no laboured defence. We can only contemplate, as else-where two classes of Government service recruitments (i) higher administrative and (ii) clerical, in the case of all departments.\* But when it comes to the fixing of the pay of these classes we are still left with no guide. The Islington Commission or the Retrenchment Committees contented themselves with adding a little to the existing provincial scales. It is obvious, however, that there is no justification for this procedure, if, as is generally admitted, the provincial scales are themselves unduly influenced by Imperial pays. This influence is inevitable and how one type of service or grade scale can affect recruitment to another may be shown by the concrete example of the recruitment to the Educational Service in the first decade of this century.

Before the recommendations of the 1886-87 Commission were adopted Indians were given graded posts in the Educational Service on an equality with Europeans. The number of Indians occupying such posts was sometimes quite large for the times. We find, for example, that in 1880 in the graded Educational Service in Bengal

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\* What I urge here is not so much the necessary adoption of a twofold division of Civil Services as the abolition of the present artificial distinction between the Provincial and Imperial Services.



(corresponding to the later I. E. S.) 6 posts were held by Indians out of a total of 38. The Indians held a position of entire equality with Europeans and drew before 1881 the same pay also; but after that date according to the precedent of the Statutory Civil Servant they were paid two-thirds of the European's salary for the post. Now the curious effect of the Aitchison Commission's recommendations was entirely to bar Indians from the I. E. S. (The Islington Commission notes that only 3 Indians had been appointed to the I. E. S. during the period 1897-1915). Further, the grades in the Provincial Educational Service were distinctly inferior to those in the revenue and judicial services with the result that it could not attract the best Indian material. The situation indeed in this respect was so serious that in 1908 the Government of India addressed a circular letter to the heads of all provinces desiring them to ascertain whether dissatisfaction prevailed in the Provincial Educational Services, whether this was well-grounded and the remedies they would suggest for its removal. The Provincial Governments all agreed generally that dissatisfaction where it existed was mainly due to the fact, that the promotion in it was too slow and the higher paid posts far too few, (some also point to the greater prestige enjoyed by officials of other departments as one of the reasons for the inferior attraction of the Educational Service) and the remedy suggested everywhere was the bettering of the general grades and the addition of some listed posts as in the case of the revenue and judicial provincial services. It would not, we believe, be contended that the pay given to members of the Provincial Educational Service in those days was in itself too low. The case only shows too clearly what is the likely effect of low remuneration in any particular service which seeks to attract recruits from the same source as the more highly paid services. It is only too clear that this has been happening all along the line. With Imperial Service posts being open to Indians all other competing employments have had to offer similarly high salaries to attract Indians of the same type. A glaring example of this being the abnormally high salaries that are paid at present in the Indian universities. The new Indian universities with teaching departments, many of them manned almost exclusively by Indians, are paying salaries in some cases actually in excess of those paid even by the British universities. A professorship in a provincial English university may be worth anything from £ 800 to £ 1,000 per annum and will attract the best talent in England. A similar post

in India will be advertised at anything from Rs. 750 to 1250 p. m. Is it to be wondered that Indian university finances are nowhere very satisfactory? The evil effect then of the high Government salaries is all-pervading. It has resulted in creating an absurdly overpaid class of a fortunate few (those who get into Government or other services) side by side with very considerable unemployment and has resulted in India paying a price, enormously above the market price, to its servants while financial ruin stares it in the face.

If, therefore, we argue that the present scales whether provincial or imperial offer no basis for the determination of what is the proper measure of remuneration for public servants in India, we must seek some independent criteria which when applied to Indian conditions yield this result. We postulate, of course, throughout this discussion, a cessation of further recruitment by the Secretary of State in England. We take it for granted that the services are to be all purely Indian and that the conditions of services etc. will not be affected by any extraneous considerations. Presuming these changes it is obvious that what will determine the payment made to Government servants in India is in the first instance the financial resources of the country or what we may call the "demand" side of the question and on the "supply" side various considerations such as the cost of training involved, the need of attracting the proper type of recruit and giving him a proper social position etc.

Leaving aside for the moment the "demand" side, we may remark as to the question of the cost of training that this is a comparatively insignificant factor except in technical employment in India. We have already noted above that the results of the Indian Civil, Finance and other competitive examinations held in India show that in these examinations no particular advantage is held by any particular universities or colleges. The original ideal of the British Civil Service examination that of attracting the best talent from among the universities of Cambridge and Oxford necessitated a fairly high standard of payment. In India there are no educational centres holding the position or enjoying the prestige of Oxford and Cambridge and the ordinary colleges are so cheap that the raising of the cost of higher education has in some quarters been seriously put forward as a remedy for unemployment among the educated classes. No doubt the situation is somewhat different so far as technical qualification is concerned. The engineering, medical and agricul-

tural colleges are fewer and being situated in the bigger cities the cost of education in them is slightly higher than in the ordinary arts, science and law Colleges. What is more important, however, is the fact that for certain types of technical employment Indian universities do not afford an adequate training and that, therefore, a stay at some foreign university becomes necessary. This difficulty is specially accentuated by the fact that at present a degree from a foreign university is in itself sufficient in most types of employment to secure the candidate a superior claim over the best products of Indian universities. The resultant situation is that an unnecessarily large number of Indian students seek education in foreign lands involving an appalling waste of Indian money. The situation is worsened by the competition for the I. C. S. held in London and by the special privileges enjoyed by those called to the Bar in England. That it also weakens the respect for Indian universities and weakens the impetus for improving their standards is clear. The obvious remedy which has been long suggested is that Government should, when it requires a specially trained officer depute him and bear the cost of his training, instead of as now, paying him a higher salary throughout the period of his service for having got that training on his own initiative and expense and indirectly encouraging a very large exodus of Indian students abroad in the hope of considerably bettering their prospects of getting employment when they return. The cost of training has thus no determining voice in the remuneration of officials and we may lower the scales of pay a very great deal without affecting supply from this side.

There remains the question of social position and integrity in the service and the question of attracting the proper type of recruits in sufficiently large numbers. The first offers a problem which is almost insoluble. We cannot determine absolutely what social position a Government official ought to hold. That he should be above want is clear; that his salary should not be so low as to make the temptation of illegally increasing it too great, is also clear. But there is no absolute measure by which we can determine these things. For the "poverty line" varies from country to country and it depends on the prevailing conception of the "standard of living" whether a man will consider himself well-off or otherwise. As long as persons of similar standing, qualifications and attainments are on an average earning much more elsewhere there is bound to

be dissatisfaction. It depends, therefore, primarily on the prevalent standard of living whether certain scales of payment are suitable or not. In this connection it may be pointed out that the existing state of things provides us no guide whatsoever. For the whole situation is an artificially created one. The Imperial Service posts are the prize posts of the educated middle classes and the Imperial officers the aristocrats of this class. Their standards and conceptions in turn are a reflected image of the standards of the Europeans official. It is these European standards at second hand that thus influence our society most powerfully and captivate its imagination. For the large mass of the educated classes these standards are never attainable, but they exercise a powerful influence over their *expectations* and by holding up unreal ideals have been responsible for a considerable part of the prevailing economic discontent. In the existing type of social and economic organisation all over the world the Government official holds a position much above the labouring and somewhat above the skilled artisan classes. But apart from this general idea, the result of supply forces, no definite standard can be laid down. Our standards of living again, being themselves the *effect* of the present scales of pay, cannot be taken for granted. The "social position" criterion thus offers us no help except perhaps indicating the minimum below which the salaries cannot go.

There is then the further test of alternative employment. The difficulty of applying this is also very great. For, as the Islington Commission pointed out long ago, Government is almost a monopolist in this respect and it is rather the scale of official pays that sets the standard for other services than vice versa. The scales of pay of all other big employer bodies such as universities, corporations, port trusts etc., are shaped by the pays enjoyed by Government servants. There are very few types of regular employment open to middle classes in general of whom this could not be said. It may, however, be conceded that the earnings in the medical and the legal professions throughout the country are not, at least, directly affected by these scales and these may, therefore, be taken as true alternative employments. In this case, however, there is little data available about average earnings. Vague guesses may be made but they could not be taken as the basis of a valid statistical comparison. The profession of law is notoriously overcrowded throughout India and it affords but a scanty living to the majority of those who follow it. The medical profession though slightly better-off than

law, is still congested. The general impression, which is so strong as to be stated with some certainty as a matter of fact, is that in neither of these professions is the average earning to be at all compared with the average remuneration obtained by members even of the Provincial services. This would merely indicate that the salary scales are too high, a fact that is too well-known, without indicating the level at which they may well be fixed. We are thus forced to resort, because the Indian conditions are themselves so considerably affected by the present salary scales, to a comparison with other countries to find out the relations that the Civil Service salaries there hold to (a) the general financial conditions of the country and (b) the earnings in other occupations.

We may begin this part of our discussion by drawing the attention of our readers to a most important official document entitled "Note on the scale of salaries received by subordinate employees of the Government of India" written by Sir Charles A. Elliott in 1888. Sir Charles was induced to write this note because the whole question of native salaries had been opened up by the recommendation of the 1886-87 Commission which had held that Native salaries should be entirely independent of European scales. The note chiefly aims at presenting a comparative picture of the salaries obtaining in India and elsewhere. Sir Charles Elliott was able to collect reliable and detailed information through the British Foreign Office regarding the conditions regarding pay, pensions etc., and strength of cadres in the various grades in many other countries and the Appendix to his note contains fully tabled information about 17 foreign Governments. The note indeed is so interesting that no apology is needed for briefly indicating here the nature of its contents. Sir Charles begins by pointing out that there is in India no private employer who can or does compete with Government. He is of opinion that with regard to clerical work Government pays higher salaries than private employers in Bombay or Calcutta, though for menials it does not pay too much. In the main, however, he is concerned with the salaries of the native official class. He lays down at the very outset two general considerations: (i) India is the poorest country in the world; and (ii) education in India is spreading so rapidly as to make it reasonable to expect a downward trend in salaries. Actually, however, Sir Charles finds that "there is a constant tendency in the minds of Government officials to advocate a still higher scale." This extravagance in Indian salaries he attributes to (i)

their being modelled on Anglo-Indian salaries; and (ii) the alteration in the Indian's standard of living. Apropos of the latter Sir Charles writes that any one who compares the comfortable position of a village land-owner who enjoys Rs. 1000 of net rental with the poverty of a clerk in a Government office on Rs. 80/- p. m. will see the difference made by this alteration. Sir Charles then proceeds to draw a detailed comparison of Indian salaries with those obtaining in other countries. He points out that even though Indians do not fill the highest posts in Government employ yet the provincial service scales are higher than those of most of the highest posts in foreign Governments. He remarks, for example, "there is not a single one of these chief magistrates of sub-divisions on the continent of Europe who receives as large a salary as the lowest grade Deputy Magistrate or Collector in Bengal." The obvious conclusion is thus reached that the scale of Indian salaries and pension benefits etc., is the highest in the world. To conclude Sir Charles writes, "I do not expect that salaries can be lowered all round at one blow; but so far as new rates and scales have to be fixed for the Provincial Service, I think they should be fixed at a lower level and a steady and gradual process of reduction whenever an opportunity occurs should now be commenced." It cannot be imagined what incalculable benefits to the Indian Exchequer and to our national life in general would have resulted if this recommendation had been followed. It was, however, not heeded and most strange to relate this valuable document is not even so much as referred to by any subsequent enquiry into service pays or by any of the innumerable retrenchment committees. We wonder whether Sir George Schuster or the recent Committee at Simla knew of its existence. Any way we would certainly urge upon Government the necessity of collecting recent data on Sir C. Elliott's lines and bringing his note to date.

It is not easy for a private individual to collect this kind of detailed information. This is not, however, necessary. Firstly, our approach to the problem is somewhat different from that of Sir Charles Elliott, and secondly one can from the numerous reports, especially in the post-war period, of committee and commissions regarding officials' salaries in various countries and from the figures available in publications like the Year Books collect enough material to present in a proper perspective the position of official salaries in

foreign countries. An attempt is made in what follows to do this as briefly as possible.

We may well begin with Great Britain where modern Civil Service organization may be said to have originated and where the service is among the best paid in the whole world-always, of course, excepting India. The highest class, in the Treasury classes of the British Civil Service, is the Administrative class, the recruitment to which takes place by the same examination as that for the I. C. S. in London. The scale\* of salaries is £ 200 p. a. rising by annual increments to £ 500 p. a. The initial salary of the next grade above is £ 700 rising to £ 900 and there are, it is said, † good prospects of promotion to higher posts having a scale of £ 1000 rising to £ 1200. These are the graded scales. There are, however, higher posts with emoluments ranging from £ 1200 to £ 1500. Further the Deputy Secretary in each department receives a salary of £ 2200 and the Permanent Secretary, the highest post to which a civilian may rise, receives £ 3000 p. a. In contrast with the position of the Imperial Services in India it may be noticed that while the total strength of the British Administrative class is 1140, there are in the service only 96 posts above the rank of Assistant Secretary, a grade which receives a basic salary of £ 1000 to £ 1200. The Executive class formed on the recommendation of the Reorganization Committee (1920) has an initial salary of £ 100 p. a. rising by annual increment to £ 400 with prospects of promotion to the higher Executive grade with scales of pay of from £ 400 to £ 850. Next to it comes the Clerical Class. The initial salary of this class is £ 60 rising to £ 80 p. a. at the age of 18 and rising thence by varying annual increments to £ 250 with an efficiency bar at £ 180. The lowest class of desk employees are the Writing Assistants who are employed on hand-copying and transcribing work, on the addressing of letters etc. This class is recruited by an examination, the age limit for which is 16 to 17. The salary scale for this class is 18 sh. per week rising to 22 sh. at the age of 18 and then by annual increments of 2sh. to 36 sh. per week. These types of scales may be further exemplified by the schedules of pay for the Inspectors of Taxes (recruitment age 21-24) which are as follows; Inspectors and Assistants: £ 160 to £ 500

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\* Only the male salary scale is throughout mentioned; the female salary scale is always slightly lower.

† Barking and Martin :—*Careers in the Civil Service 1928.*

p. a. Senior Inspectors etc ; £ 550 to £ 900. The Deputy Chief Inspector receives £ 1200 while the Chief Inspector's salary is £ 1500. Or take the Educational Inspectorate. Here the Assistant Inspector of elementary schools receives a salary of from £ 300 to £ 550 p. a. The Inspector's grade of pay of Elementary, Secondary and Technical schools is £ 500 to £ 900. Divisional Inspectors receive from £ 1,000 to £ 1200 and the Senior Chief Inspector for England gets £ 1500 per annum. The grades for higher officers are much the same whether, for example, in the Post Office, the Ministry of Health or the Government Chemist's Department. One thing, of course, has to be noticed, which is, that the above scales usually do not include the war bonus. The war bonus is given according to a complicated sliding scale. It has the effect of giving a large increase of salary at the lower grades of pay and a comparatively small increase higher up. Considering, for example, that the cost of living index stands at 165 (which is the basis on which it was calculated after Sept. 1930), it would give a full 65 p.c. increase on all salaries below 35 sh. per week, about 43 p. c. at £ 200 p. a. and 33 p. c. at £ 400 p. a. There is no bonus on the amount of salaries above £ 500 and no bonus at all is paid to those who are in receipt of salaries higher than £ 2000 and, therefore, for salaries of between £500 and £2000 the same absolute amount of bonus will be given. This will amount approximately to £ 135 with the index no. at 165. It will be seen that the lowest salary at the age of 18, that of the Writing Assistant, would under these conditions approximately be £ 95 p. a.

As another example of the type of salaries thought to be desirable and proper in England and the relation held between the various grades of servants in a given department may be cited the recommendations of the Committee on Police Service in Great Britain which reported in 1920. (It should be noted that this Committee had a similar problem presented to it as the Lee Commission—the determination of rates of pay increase consequent on a rise of prices. The Committee, however, did not think it necessary to suppress evidence. It gives the most elaborate tables about the living conditions of the police and a series of specimen family budgets). The scale recommended by this Committee was for Constables 70sh. to 90 sh. weekly, for Sergeants 100 sh. to 112 sh. 6 d. per week; for Inspectors £ 325–375 p. a. Superintendents £ 550 to £ 700 and the highest salary recommended was that for Chief Constables in the Metropolitan Police, that of £ 1,000.



We may now turn to the other countries and briefly present the facts. In South Africa the public service scales of pay are fixed by an Act of 1923 and are given in the South Africa Year Book. In the administrative class the highest grade that of the First Secretary has a scale of £ 1400-40-1600 p. a. while the lowest grade in this class that of senior clerks is £ 475-25-550. In the clerical division the first Assistants have a scale of £ 370-20-450 while the (male) lowest grade of clerks is £ 140-15-200. In the professional services the graduate scale is £ 270-290-340-360-30-600 and the non-graduate scale £ 270-20-350-30-500 p. a.

In Canada\* the highest post to which a civil servant can rise is that of the Deputy Minister. All Deputy Ministers except those for Finance, Railway and Justice were in 1924 in receipt of a salary of \$6,000 p. a. † Only the three latter received a salary of \$10,000. Officials of the type of the Director of Forestry, Controller of Currency, Director of Fisheries etc., received salaries varying from \$4,500 to \$4,800. The senior clerks' scale of pay was from \$1,500 to \$2,000; of clerk-stenographers, \$960-1,200 and the lowest grade of Junior clerks got from \$600 to 900. The general Canadian scales are very low and a revision thereof is repeatedly demanded. A Recent Royal Commission (1930) recommended entirely revised scales regarding the payment of technical and professional officials. The salaries proposed range from the lowest grade \$1,800-2,160 to the highest \$5,700-7,200 with some special posts of \$7,500 and upwards.

The payment of public officials in U. S. A. and Canada is not made on the system of general Civil Service grades but is based on a detailed classification of the different individual posts of officials, clerks etc. in the various departments and fixing the pay scales for each type of post. A series of service monographs published by the Institute for Government Research on various U. S. A. Federal Government Departments contain detailed appendices giving the schedules of salaries obtaining in these offices. The following are some typical salaries abstracted from these monographs. An idea of the annual salaries of officials will be conveyed by them. *Department of Justice*:—Attorney General \$15,000; §

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\* Figures taken from the Budget estimates for the year 1924.

† 1 \$ is equal to Rs. 2-12 approx.

§ This is a cabinet post. The salary of all ministers in U. S. A. is \$ 15,000 p. a.

Solicitor General \$10,000; Assistant Attorney Generals \$7,500; District Attorney \$3,000-10-000; Marshalls \$3,000-6,500. *General Accounting Office*: Controller-General \$10,000; Assistant Controller General \$7,500; Chiefs of Divisions \$3,800-6,000; Chiefs of sections \$2,400-3,600; Investigators \$3,000-5000; Auditors \$1,680-3,000: *Federal Trade Commission*; Commissioner \$10,000; Chief Economist \$7,500: *Civil Service Commission*: Commissioners \$7,500; Chief Examiner \$6,500; Chiefs of Divisions and District Secretaries \$3,800-5,000: *Tariff Commission*, Commissioners \$7,500; Special Experts \$3,500-5,000: *Bureau of Internal Revenue*: Commissioner \$10,000; Deputy Commissioner, \$5,000; Revenue Agents \$4,200-*Bureau of the Budget*: Director \$10,000. *Federal Board for vocational Education*: Members \$5,000. Chief of Trade and Industrial Education Service, \$5,000; Chief of Agricultural Service \$4,500; Chief of Commercial Service \$4,000. The monograph on National Government and Public Health gives the salary of the Surgeon General as \$7,500, of Assistant Surgeons as \$2,000-4,000 and the scales for the Professional and Scientific services as \$1,860-7,500 and the sub-professional services \$900-3,000.

Below the officials are a series of clerical grades including senior clerks, typists, stenographers, clerks for special duties etc. The most typical of the clerical grades are as follows: \$1140-1500; 1320-1680; 1500-1760; 1680-2040; 1860-2400 p. a. \$1140 seems to be the lowest salary paid to a clerical employee. Among the labouring class employees are to be observed the following grades: Under mechanic \$1140-1500; Senior labourer \$1020-1260; Junior labourer \$900-1140; Messenger boys, \$600-780.

The salaries of public officials in Germany have been regulated by an act of the Reichstag passed in December 1927.† The officials engaged in general administration i. e. in departments other than the departments of Army and Police have been divided into two classes: (i) The higher grades, with fixed annual salaries, for the highest type of officials and the ministers and (ii) The administrative services, with incremental scales, for the vast bulk of the civil servants. There are 8 higher grades. The lowest has a salary of 14,000 R. M. p. a. and the highest a salary of 45,000 R. M. p. a. (The salary of the President is fixed at 60,000 R. M. p. a.)\* The Administrative

† Industrial and Labour Information, 30th January 1928.

\* 1 Re is equal to 1½ R. M. approx.

services have a series of grades the nature of which may be illustrated by a few examples. The highest grade that of the Ministerial Councillor has a scale of 8400-12,600 R. M. p. a.; Grade 3: Principal Secretary, 4800-7,000; Grade 4c: Superintendent or Senior Secretary, 2,800-5,000 Grade 5b; Head of the clerical department, 2,300-4,200; Grade 7: Secretary, 2,350-3,500; Grade 9: Chauffeur, clerk, or head mechanic, 1,700-2,600; Grade 11: Office messenger or postal clerk, 1,500-2,200; Grade 12: Fireman, Hall-porter or Rural postman, 1,500-2,200.

Before the passing of the 1927 legislation the salaries of the high officials of the German republic were as follows.† Chancellor of the Reich, R. M. 36,000 plus R. M. 18,000 allowance; Reich Ministers, salary 33,000 R. M. plus 4,800 R. M. allowance; State-Secretaries, 22,900 R. M.

For Japan the figures supplied by the latest year book are as follows. There are two main grades of the Civil Service. The scale of the 2nd grade is from 40 to 160 yens\* per month and of the 1st grade of the Civil Service from 1200 to 4500 yens per annum. Among the high officers Parliamentary Councillors receive yens 5200 p. a. Prefectural Governors, yens 5200-6,000; Heads of Departments generally and the Privy Councillors, yens 6,500 p. a. Ministers of State, yens 8,000 and the Prime Minister, yens 12,000.

The French grades of pay are in a fluid condition at present. The Martin Committee which did its work in 1927 and so completely overhauled the system that it was able to bring the number of different salary scales down from 483 to 42, drew up the salary scales between the limits of 8,000 to 80,000 francs.§ There has been since further clamour for a revision on account of exchange variations. There are two rival trade unions, the National Federation of Civil servants and the Independent Federation of French Civil servants. Towards the end of 1928 the first was claiming a re-drafting of scales between the limits of francs 9,000 and 100,000 and the other which enunciated the general principle that "the revision of salaries should be based on the needs of the lowest rather than the highest grades" resolved for a minimum of 10,800 francs and a maximum of 100,000. It will be observed that the proportion of

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† Europa Year Book 1928.

\* 1. Yen is equal to Rs. 1-6-0 approx.

§ 1 Re. is equal to 9.4 Francs approx.

the highest to the lowest in one case is 11:1 and in the other less than 10:1. In 1929 the Chamber of Deputies adopted the revised Government proposal of francs 8,500 minimum and francs 110,000 maximum. The National Federation has in the meanwhile increased its demand to 10,800 minimum 125,000 maximum, the rival federation stoutly opposing the higher maximum.

No doubt these comparative statistics could be indefinitely multiplied but the figures given above should suffice to convey a clear idea as to the conditions in the various countries. We intend to examine these figures from two points of view. (i) what proportion does the payment of the lower type of official bear to the earnings of the labouring classes of that country and (ii) what is the range of variations in the salaries of the official class from the lowest clerk to the highest administrator. It would have been also valuable if we could have compared the official salaries in the various countries with the earnings of the professional classes etc. from amongst whom the bulk of the officials are recruited. We have, however, so little statistical evidence available on the subject of professional earnings that this type of comparison cannot be made. But in this connection the results of investigations embodied in a publication regarding the position of engineers in Government employ in the U. S. A. will be of interest.\* It is pointed out here that security of tenure and the opportunity of public recognition are two important advantages in public service. After a detailed survey the conclusion is also reached that the lower grades of engineering work are better paid in Government service than in private practice and that the salaries are on an average better in the beginning in Government service but are poorer later on. The number of high-paying positions in Government service is few. Again "National Governments, states, cities, technical schools salaries, while closely corresponding with those paid by railroad companies during the first 20 years, are materially less after that period : other corporations and private companies pay considerably higher salaries and the largest incomes are those of consulting and contracting engineers." The authors of "Careers in the Civil Service" write of British Civil Service salaries as follows :—"The scales of salaries in the Civil Service do not at the present time, compare unfavourably with those of employees in analogous occu-

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\* "Engineer in Public Service" Bureau of Municipal Research (1916).

pations in the commercial world.....It is quite true that the highest prizes offered in the business world greatly exceed, from a financial point of view, anything which can be attained in the civil service. It is on the other hand, undeniable that the remuneration obtainable by the majority of employees in the Civil Service is higher than that of the majority of those in business world *who enter as employees without capital or influence.*†"

Except such general remarks as quoted above we have no material for a comparison of official salaries with professional earnings. We can, however, compare them with the earnings of the labouring classes. To begin with England, the average earnings of males of all ages classed as wage earners in 1924 was estimated at £ 115 \* a year. This average included both boys and the superannuated and the average earnings of men at full work came up to £ 132 p. a. The results of Bowley and Stamp's enquiry into the position of salaried persons are also interesting. The enquiry revealed that most of the salaries were above the level, £ 150. The material for the enquiry was obtained from a number of firms, companies and local authorities. It showed that the largest number of low salaries were recorded in banks, where a quarter of the total number of male employees got a salary of less than £ 150, while the lowest ( 3.2 p. c. ) was amongst teachers employed by local authorities. These figures give us some idea as to the relation that salaries of the lower grades in public employ bear to the earnings of the working classes. The lowest grade of the public official starts at rather an early age and has a lower starting pay than that of the manual worker. Even the highest grade of the Writing Assistant does not bring him up to a scale that is higher than the middle class of skilled workers. It is also fairly clear that £ 150 was in 1924 the lower limit of the earnings of the salaried classes in general. This is only a little higher than what a member of the Clerical Class of the British Civil Service would have got in 1925 § at the age of 18. Further " In the Army and Navy the number of salaries less than £ 150 appears to be negligible." Among the Professions are included the clergy ( "very few of whom are below the minimum," ) and as classes among whom there may be earnings

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† Italics mine.

\* This figure and the figures that follow are taken from Bowley and Stamp's paper " National Income " (1924).

§ With the index no. at 180.

less than £ 150 are noted "teachers other than those employed by local authorities, professional sportsmen and clerks attached to professional men." Of the total number of those enumerated under the heading "Professions" at the Census of 1921 it was taken as a safe assumption that not more than 15 p. c. earned less than £ 150. To put the correspondence between the earnings of the two classes in another way, it may be said that the average earnings of the male adult labourer at full work was up to the lower limit of the earnings of the salaried and professional classes.

For further comparison the following scales of wages of skilled and unskilled labour in England obtaining in 1925 may be noted.

		( weekly )	
		s.	d.
Labourers : Engineering	—	40	2
„ : Shipbuilding	—	38	5
Bricklayers	—	73	6
Bookbinders	—	73	4

This would show that in 1925 the wages of the unskilled labourer were a little higher than the starting pay of the Writing Assistant, while the wages of the skilled labourer were somewhat higher than the Writing Assistant's highest grade, or equal to the lower grade of the Clerical Class.

As regards the range of variations it may be noted that the highest grade as such of the Civil Services is £ 1200-1500; there being, of course, a few specific posts such as that of the Deputy Secretary and Secretary which go far above this. If we take then £ 150 as the lower limit of salaries there is for the highest payment of a regular pay grade in the Civil Service a range of ten times the lowest or if we take the salaries of the Secretary a range of up to twenty times. In the individual departments for which we have cited figures the salaries of the highest and lowest posts do not show even as large a range as ten-fold.

In South Africa the problem of comparing the salaries with the earnings of the working classes presents some difficulty as the working classes there are the Negroes. But some figures may be given for the earnings of the European skilled labourer. The following are the figures for July 1925:—

	s.	d.
Engineering (per day)	20	0
Typesetting (per week)	134	9
Other printing ( „ )	122	6

These wages it will be seen show the income of the skilled worker to be equal to the higher grades of the clerical class of the South African Civil Service. The lowest scale for the male clerk is somewhat lower than the average earnings of the European skilled labourer in South Africa. The proportion of the salary of the highest administrative post to the salary of the most junior clerk is to be observed as being 11 : 1. It may further be stated that in South Africa the salaries of Ministers are £ 2500 p.a. and the highest salary that of the Prime Minister is £ 3500. It should be noted in this connection that the Public Service Commission enquiry into South African Police which investigated into the grievances of the service in 1919 recommended a scale which was as follows:—Constable £ 140-210; Sergeant £ 260-350; Inspector £ 500-600; Deputy Commissioner £ 800-1,110; Commissioner £ 1,750-2,000.

In Canada we have detailed evidence as to wages earned by urban industrial labour in the year 1925 in the records of the House of Commons, Select Standing Committee on Industrial and International relations. This records the earnings of ordinary labourers in civil employ as \$955 p. a. and of labourers in the building trades as \$1,076. The average wages of semi-skilled and skilled factory labour were respectively \$1,241 and \$1,610. And highest amongst the wage earning classes, printers earned \$2,053 p. a. and bricklayers \$2,311 p. a. This shows that the junior clerks got less than ordinary labourers and the senior clerks much less than the bricklayers. The range here again in the service scales is about tenfold for the ordinary scales. The Ministers' salaries in Canada are \$10,000 p. a. and the highest salary, that of the Prime Minister, is \$15,000 i. e. about 15 times as much as the earnings of the ordinary labourer!

For a comparative study of the U. S. A. scales we may use Paul H. Douglas's figures.\* These show approximately the following average earnings for the various classes of manual workers for the years 1924-1926. (i) Unskilled labour, \$1075 p. a., (ii) Manual workers in manufacturing and transportation, \$1280 p. a., (iii) Workers in the building trades, \$2182 p. a. These figures reveal the comparative position of Government employees in U. S. A. as being better than in Canada. Here the lowest paid clerk is on a level

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\* Paul H. Douglas : Real wages in U. S. A.

with the manual worker in manufacturing and transportation and the average earnings of senior clerks are the same as the average earnings of workers in the building trades. The range in the general service scales is nowhere more than 10 : 1. The salaries of the Senators are \$10,000 each and the salary of the Chief Justice of the Supreme Federal Court is \$20,500. This is 20 times the earnings of the unskilled labourer.

In the case of Germany the figures given above of official salaries themselves contain some material for comparing the earnings of different classes. The designation of Grade 9 is in this instance instructive. These may be supplemented by information for the earnings of industrial labour. These were for January 1928 as follows:— Unskilled labour (average weekly wage) 37.43 marks and skilled labour (average weekly wage) 49.82 marks.

For Japan the following figures for the wage rates obtaining in Osaka in July 1925 may be utilized: Bricklayers 3.50 yens per diem; Printers etc. 2.72 yens p.d. and Building Labourers 2.40 yens p. d. And the annual wage of a farm labourer during the same year in Japan is given as 450 yens. Thus the average earnings of the building labourer would about equal the average earnings of the Second Class Civil servant while the earnings of a bricklayer would approximate to the pay of the lower grades of the First Class Civil servant. The salary of the Prime Minister represented an amount somewhat less than 27 times the annual wage of the farm labourer.

It will be noticed that the position of the civil servant is distinctly better in England than in any other country. He is very poorly paid in Canada and is not much better off in U. S. A. The Japanese grades also do not show his position as compared with that of the labouring classes very high. The position in Germany is slightly better and it is much better still in England. The same thing may be observed regarding the variations in the scales. The reason for these differences is perhaps mainly historical. But it may be pointed out that England has during the larger part of the 19th century been in a peculiar position. The vast extent of its dominions has called for the services of a large number of public officials who were naturally very well-paid. The same was true of a large number of the members of the professional classes. The British Civil Service in its highest ranks further has always aimed at



recruiting the best type of the English University trained man; and the demand for this type has been peculiarly large for many decades past. This demand has affected not only the general level of payment necessary to be made by the services in England and the Dominions but also the scale of payment in the universities themselves. The Royal Commission on Oxford and Cambridge Universities (1922) write as follows in this connection. "The usual type of "don" is now a person who could command a high salary in many different walks of life. His choice no longer usually lies between the church and the teaching profession. Well-paid professorships all over the English speaking world are frequently offered to Oxford and Cambridge men. Excellent business openings are now available to successful students, especially in science, sometimes with enormous salaries attached." The higher grades of salaries and the greater inequalities found in England may thus be explained as chiefly arising out of the very considerable demand all over the British Empire for the university trained Englishman. It is interesting to note in this connection that the first item in the recently formulated common programme of British Civil Service organizations is the obtaining of a minimum wage of £ 3. 10s. a week inclusive of bonus, no demand being made for increasing the maximum.

A review of the figures given above indicates that in most countries a certain relation exists between the earnings of the labouring and the salaried and professional classes and the figures further show the measure of the inequality between the various grades in the Civil Services. The general impression is one of the proximity of the position between the labourer and the lower class of officials and of a comparatively small inequality in most service grades. It may be well to pause and enquire the extent to which the type of relation disclosed by the study of earnings and salaries in foreign countries is to be found in India. We do not mean to imply that any invariable or universal relation is discernible but would only point to the fact that the relation that holds in India is immensely different from the one that obtains elsewhere. Before considering whether there are any special reasons justifying this we may append herewith some representative types of salary gradations in India.

We may exemplify the Indian scales by the following figures of salaries that obtain in the Bombay Presidency. For purposes of

illustration examples of salaries from three different departments have been cited. These are (i) General Administration (ii) Police (iii) Education.

( i ) General Administration.

	Rs. p. m.
Governor ... ..	10,000
Members of Council ... ..	5,333½
Commissioners of Divisions...	3,000 to 3,500
Secretaries of Departments ...	3,000
Collectors & Magistrates ...	1,150 to 2,500
Asstt. Collectors & Magistrates	450 to 1,600
Deputy Collectors & Magistrates	300 to 1,200
Head Clerks ... ..	200 to 250
Clerks ... ..	30 to 200
Servants ... ..	15 to 27

( ii ) Police

	Rs. p. m.
Inspector General... ..	3,000
Deputy Inspector General ...	1,750 to 2,150
Divisional Superintendents ...	600 to 1,450
Assistant Superintendents ...	325 to 675
Inspectors ... ..	180 to 400
Sub-Inspectors ... ..	75 to 160
European Sergeants ... ..	150 to 200
Head Constables ... ..	28 to 50
Constables ... ..	20 to 24

(iii) Education.

Inspectorate.	Rs. p. m.
Director of Public Instruction	3,000
Inspectors ... ..	1,300 to 1,500
Deputy Inspectors ... ..	250 to 800
Asstt. Deputy Inspectors	50 to 300
Teaching.	
Principals & Professors (I. E. S. Select Grade)	1,350 to 1,750
Professors etc. B. E. S. I.	320 to 1,200
B. E. S. II.	250 to 800
Assistant Masters (higher grade)	200 to 300
Ordinary graduate assistants	70 to 200
„ undergraduate „	40 to 150
Primary school teachers (permanent qualified)	20 to 60
Primary school teachers (unqualified).	15

The differences in the various grades are more marked than anything to be found in the other countries. There is further a much wider gulf between the earnings of the labouring classes and the salaries of Government clerical staffs than is to be found elsewhere. This will be made clear by a few figures regarding wages in the Bombay Presidency. The Bombay Labour office enquiry regarding wages in the cotton mill industry in 1926 shows the average monthly earnings of two loom-weavers in Bombay to be Rs. 49-9-1; in Ahmedabad Rs. 49-10-3 and in Sholapur Rs. 43-6-6; the average monthly earnings of a full-time male sider were in Bombay Rs. 27-9-11 and in Sholapur Rs. 19-10-9. The model average of male monthly earnings for the whole industry showing frequencies of earnings was Rs. 25 for Bombay and Rs. 19 for Sholapur. Further, the average daily wage of urban unskilled labour was in 1929 Rs. 0-10-8 and that of the urban skilled labourer Rs. 1-9-3. The highest wage obtained by skilled workers such as masons and carpenters being given as being approximately Rs. 2 per day. The initial salary of the most junior clerk in Government service is thus seen to be much above the average earnings of the urban unskilled labourer and the highest earnings of the skilled labourer do not take him above the lower grades of the junior clerk's earnings. It should further be noted that while in the industrial countries the unskilled urban worker is among the lowest economic classes, this is not so in India. For, here the average income of the large mass of agriculturists is much smaller than the earnings of industrial labour. The scales of salaries obtaining in the other Provinces and in the central services are similar to those given above for the Bombay Presidency. It may be noted that the salary of the members of the Executive Council of the Governor-General is Rs. 6666-10-8 p. m. and the salary of the Departmental Secretaries with the Govt. of India Rs. 4000 p. m.

A very striking illustration of the peculiar influence of British standards of payment on Indian scales and of the enormities of the differences between the various grades thus created is furnished by the salaries in the educational department in India. For purposes of comparison we may first cite the British scales. We have already noticed above that almost no teacher employed by local authorities in England was paid less than £ 150 in 1924 which may be thus taken as the lower limit of the payment of primary school teachers in England. For 1925 again the average salary for assistant masters in

secondary schools is given as £ 390 and of head masters as of £ 763\*. The emoluments attached to University chairs in most universities in England vary from about £ 800 to £ 1200. We may in this connection also note the recommendations of the Royal Commission on Oxford and Cambridge Universities (1922). The Commission recommended that the minimum stipend for a fellowship should be £ 200 and the ordinary scale they proposed was a salary of £ 300 p. a. rising by quinquennial increments of £ 50 to £ 500. The Commission find that the emoluments attached to professorships still remained at their 1877 level ( £ 600-£ 900 at Oxford and £ 600 to £ 850 at Cambridge ). They emphasized the need of raising this and recommended that as a rough general rule the normal stipend of a whole-time professor should be about £ 1200 in addition to any allowance upto £ 50 a year as a maximum paid to him as fellow of a College. This it should be observed, is a variation of from £ 150 to £ 1200 from the primary teachers to the highest paid University Professor.

Compare with this the conditions obtaining in India. The average salaries of teachers in primary schools in the various provinces of India are given by the Hartog Committee. For Bombay the average is Rs. 47 p. m. which is most exceptionally high. The normal level in India is represented by the figures for the Punjab, C. P. and U. P. which are Rs. 25-8-0; Rs. 24-8-0 and Rs. 18-8-0 p. m. respectively. The lowest average Rs. 8-6-0. p. m. is to be found in Bengal. The Bombay undergraduate and graduate teacher scales ( 40-150 and 70-200 ) previously given are fairly representative of the payment of secondary teachers in Government employ. This no doubt is very high as compared with what is paid to the primary teacher but the real absurdity is reached in the payment of college and university teachers. The I. E. S. scales are on the old Imperial model but even the new provincial scales are yet surprisingly high. Thus the Bombay Educational Service class I-a scale framed and announced in December 1930, only a few months before the time when the Government was proposing an all-round salary cut-has a scale of Rs. 320-40-1200 p. m. It is easy to see that this actually exceeds the level of payment at present current in Oxford and Cambridge. The usual scale of payments made to university professors in India varies from about Rs. 750 p. m. to Rs. 1500 p. m. When it is realised that English recruitment has practically ceased for almost

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\* Cyril Norwood : The English Educational System.

a decade in the Educational Service in India and that the incumbents of university chairs throughout India are, with few exceptions, Indians it will be perceived how persistent and universal has been the effect of the Imperial salary scales and what an enormous drain on our financial resources in every sphere is involved in the continued payment of these salaries.

We have purposely refrained throughout from mentioning the question of allowances, pensions and leaves. These are as liberal or extravagant—so even Sir C. Elliott found them—as the salary scales. Even the Inchcape Committee, which would not touch the salaries, recommended a general re-consideration of all sorts of allowances. Then there are such things as specific salaries attached to special posts. The grades themselves are liberal enough, but it is usually found that a number of officers, especially in the Imperial services, are getting much more, with one thing and another, than the time scales would lead one to believe. The allowance and pension costs are directly observable. But not so with leave. A moment's reflection will, however, suffice to show that the more liberal the leave concessions the larger must be the staffs to be entertained. All these are the adjuncts of the salary standards themselves and a salary reform will naturally proportionately affect them.

A relation so unequal among the various grades and a salary level so much higher than the income of the masses in India could be justified only on one of the following grounds. (i) That the supply of the recruits of the type required as public officials is restricted, (ii) That there is, as a fact, greater inequality amongst various strata of Indian society than elsewhere, (iii) That the social position held by the official is traditionally higher than elsewhere. None of these contentions can, however, be held to be valid for India. As regards the first contention it may be conceded that in India, say about 50 years ago, the English-educated community was so small that almost all that came out of the universities could find a place in Government service or lucrative jobs, or a considerable professional income outside. The state of affairs has, however, been changing steadily and for the last two or three decades at least the supply of university trained men has rapidly tended to outgrow the demand for them \* The situation has, indeed, become so serious during the

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\* It is relevant also to note that while the demand for the services of similar classes of the Imperial nations—especially England—is much wider than the home demand, not even the whole of the Indian demand has hitherto been available to Indians.

last decade that in most provinces of India committees have of late been appointed and have reported especially, on the question of unemployment in the middle classes. The number of graduates etc. has been steadily on the increase, so has the percentage of the unemployed amongst them and the remuneration that they have been able to secure outside Government service has steadily diminished in amount. Definite figures for unemployment are not available but calculations such as those made by the Madras Unemployment Committee are conclusive enough on the point. There is not the slightest reason for postulating shortage. The supply is by all accounts far in excess of the present demand. This refers, of course, to general clerical, judicial, administrative and educational services in particular. For some of the technical posts this may not be true but we are here concerned with the general question. Exceptional treatment can obviously be given to any special type of post for which special recruitment is necessary. We have already dealt with above with the allied question of the cost of training in our educational institutions.

On the second ground also there is no reason for believing that in India inequality in the distribution of the national income is greater than in other countries. Our income-tax statistics are so incomplete, on account of the high exemption limit and the exemption of agricultural incomes, that it is not possible to obtain from them any idea as to the distribution of income in India. India, however, is predominantly an agricultural country and a country of small holdings and small peasants. Presumably, therefore, the national income with us is on the whole more evenly distributed than in the highly industrialised countries. It may be that we have a few exceptionally high individual incomes. But so far as the inequality between the various social grades is concerned this cannot be very large i. e. apart from the effect that the level of salaries itself has had on the situation. At any rate there is no reason for believing that there are any inherent economic inequalities in the classes which have to be or are naturally reflected in the salary levels. Neither is it true that there are any special circumstances about the official class in India which require a considerably higher scale of comparative payment than is the case elsewhere.

A plea that is likely to be put forward in favour of high salaries is the desirability of making officials proof against temptation. This may be easily granted. But it may be questioned whether it is

necessary to pay the present salaries to achieve this end. What is important to bear in mind in this connection is that discontent with one's economic condition, which may be said to be the basis of the temptation, arises of what we may call a comparative view. Above a certain minimum which can, for Indians in general, be put very low, there are no absolute necessities. Above this minimum what governs us are the general standards of our social class. If one set of servants obtains low payment as compared with others more or less similarly situated socially and educationally they may well feel aggrieved. But if the whole scale is absolutely depressed there is no fear of increasing the temptation in the service. No doubt, with present scales and present conceptions discontent is sure to arise on a lowering of pays. It is, therefore, the present conceptions that need to be radically changed.

We must, therefore, in recasting the service scales proceed rather from the bottom than from above. The question has to be initially approached from the standpoint of fixing the minimum wage for the lowest grade of Government officials as, for example, is done in the report of the Madras Salaries Committee (1920). This Committee, was of opinion that the starting pay of clerks, copyists etc. should be fixed at Rs. 30 p. m. Of course, this was fixed after taking into consideration the price level of the post-war, 1919-20, period and after considering certain budgets and dietaries. Having in this way arrived at a minimum the framing of the grades above the minimum should follow in such a manner as not to put any scale at a level higher than what is just necessary to attract the higher type of recruit. And there seems no reason that when we do this our inequalities in scales will have to be any greater than what are found to exist in the other countries. Looked at from this point of view the limit of Rs. 500 in the Congress resolution does not certainly appear as absurd as a number of solemn people have tried to make it out to be. Perhaps the transition from the old to the new scales may take a little time but that is no reason for not looking the issue straight in the face immediately and trying to determine what is on a review of the whole question the proper salary for us to pay.

In this connection it is necessary to make it clear that, in our opinion, it would not do in this matter to start with any preconceived notions of a middle class standard of living. The standard

of living is always an entirely relative conception. Take the "poverty line" as defined in pre-war or post-war England, say by Rowntree or Bowley. This is an extremely useful and a perfectly valid measure so far as England is concerned but would certainly have failed in giving proper results if applied to any of even the other European countries. In the same way we have the Douglasses\* dividing the budgets of the poorer classes into (i) The poverty level (ii) The minimum of subsistence level (iii) The minimum comfort level. Translated into money terms at 1921 prices and the prevailing American standards these three types could concretely be put at average families having an annual income of (i) less than \$1 500 (ii) about \$1 600-1700 (iii) about \$2000-2400. Now these terms describing the types of budgets may do for all countries but their concrete monetary expression will vary extremely widely. For, standards reflect national conceptions and these latter are to a large extent formed by the national income. There may be a lower limit of physical sustenance but even this is found to vary with the dietary of the people and the minimum on which men have not only subsisted but thriven and built up civilizations is so low that the question of standards of living need not materially concern us. (It may be, however, admitted that the conception has a validity when determining special allowances such as housing allowances under special conditions). Indian members of the Imperial services argued before the Lee Commission that there was no such thing as an Indian and a European standard of living. There was only one universal desirable standard (the English or perhaps the American). They further contended that Indian universities being inefficient they were compelled equally with their European colleagues to send their children abroad for education! Such are the limits to which the nebulous concept of the absolute standard may drive one and it need not, therefore, detain us.

We have, of course, heretofore entirely neglected the demand side. What is it that the Indian exchequer can afford to pay? In this connection there is also no way of determining the comparative capacity of Governments. A study of the recent budgets or the existing financial position cannot help us much. For, the variations in contemporary circumstances or in the expansion of activities and the number of employees of the different Governments are enormous.

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\* Paul & Dorothy Douglas :—What can a man afford? 1921.



A vague indication of capacity may be found in the comparative estimates of per capita national income of the different countries. The most widely used and convenient account of these available, that of Stamp's gives the annual national income per head in 1914 approximately as follows. U. S. A. £ 72 ; U. K. £ 50 ; France £ 38 ; Germany £ 30 ; Canada £ 40 ; Australia £ 54 ; Japan £ 6. We have no comparable figure for India. Various calculations have been made, most of them in the post-war period and most of them open to objection. The most famous pre-war figure is Lord Curzon's estimate of Rs. 30 i. e. £ 2. To bring this up to the 1914 level it would be necessary to make an allowance for the rise in prices that took place between 1905 and 1914. This according to Mr. Datta was 35 p.c. There is no reason then for believing that the per capita annual income in India was in 1914 in any case greater than £ 3 ; probably it was much less. There are further no grounds for believing that the comparative position of India has become any better since 1914. Indeed, if anything, it seems to have worsened. It would have been very convenient, if we had later figures of per capita income sifted by someone of Stamp's authority; further unfortunately such figures as are available do not all relate to the same year and are, therefore, not readily comparable. The figures that are available are, however, given below. For U. S. A. we have Mr. King's estimate for 1918 as \$586 and the later figures by the National Industrial Conference Board are for 1920, \$697; 1924, \$619 and for 1928, \$676. For Great Britain we have Professor Bowley's estimate for the year 1924 as £ 93.\* For Germany the Europa Year Book (1928) gives a figure of total national income which when resolved into a per capita figure gives the result of R. M. 800 or £ 39 approximately for the year 1924-25. A similar calculation based on the figure for national income for the year 1925 given in the Canada Year Book gives a per capita figure of \$ 518 for that country. And for Japan the latest Year Book gives a figure of per capita national income of yens 218. It should be noted that the same year book gives the comparative figures for U. S. A. and Great Britain as yens 1,374 and yens 862 respectively. For India the most elaborate calculation yet made has been that of Messrs. Shah and Khambatta. Their figure for the year 1921-22 is Rs. 74 or roughly equal to £ 5. Exact

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\* Economic Consequences of the Great War .

comparisons are unnecessary for our purpose. But all these statistics taken together emphasise the depth of our poverty. The western countries are all immeasurably richer ; but if we take Japan it has according to the latest figures a per capita income of nearly Rs. 300 per annum to our possible Rs. 75, even if we take the 1921-22 figure as holding good to-day, an extremely liberal assumption. A difference that of at least fourfold ! It should further be remembered that the taxable capacity of a poor nation is more than proportionately less than that of a rich one. It is not implied that the proportions of the national income should be exactly reflected in the proportions of the salaries. But it is certainly expected that there would be some correspondence in these two relations. As it is India has had *not comparatively* but *absolutely* the highest scales of pay for Government officials in the whole world for more than a century !!

An argument based on the desirability of encouraging an increased standard of living may also be introduced in this controversy. It is really doubtful how far a desire to live better results in the obtaining of a higher income. But anyway the argument could be made applicable only to those engaged in the materially productive occupations. With a higher concept of the standard of living the agriculturist may strive harder, adopt better methods and thus adding to the national income entitle himself to a larger income than before. This sort of reasoning could, however, hardly be adopted in the case of the activities of Government officials in receipt of fixed salaries. There is here no payment by results and though the officials' activities may prove highly productive in the best sense of the term, they are only indirectly so. And further their results take a long time to come to fruition. It would thus be not proper to pay high salaries to Government officials to increase their standard of living. Their scales should wait on the movements of the national income and cannot be made to precede it. For there is no guarantee that a movement of these salaries in a particular way will result in a movement affecting the national income in a similar direction.

Salary reform is one of the most vital problems of contemporary India. It is a reform most urgently needed. The financial reasons for it are most obvious. The finances of almost all the Provincial Governments and of the Central Government are in a parlous condition. It is difficult for most of these to make both

ends meet even in ordinary years. A future Swaraj Government which will stand committed to land revenue reform and a policy of prohibition and in which the democratic machinery will have become more complicated and elaborate will be presented with a problem that is almost insoluble. It will at the same time be under the necessity of increasing considerably its expenditure on "nation-building" activities. One of the most obvious and considerable means of economy is the revision of salary scales. As the above discussion may have made clear this is a matter in which the present conditions are most conspicuously at variance with what should and need be. It is a gratuitous waste of public funds to keep on paying the high salaries that are paid at present. The effect of these scales on public finances as well as the national economic life are extremely harmful. It enables a few to live exceptionally well by impairing the capacity of the State to undertake larger activities and employing much larger numbers. It gives an artificially elevated position to the official where he comes to consider himself as an altogether superior person. It gives an entirely wrong turn to the notions of young men in India. It has often been complained that the educated Indian is extremely fond of a salaried job and would not look at commerce, industry or agriculture. But this is certainly not to be wondered at. As long as the service pays are considerably larger, larger out of all proportion to the income that can be obtained in agriculture or in industry and commerce with their need of capital or influence and their uncertainty, young men will flock in as large numbers as they do at present to obtain a salaried job. The high scales of pay are thus responsible for artificially diverting the attention of our young men from other fields and concentrating it on Government service. It is only when a job is not available that most among the educated classes will fall back on something else. It is obvious that Government service will not prove as attractive in the future as it does to-day, but we need not as pointed out above fear a dearth of sufficient recruits. To-day the attraction is fatal from the point of view of larger national interests. India suffers from a considerable number of handicaps in almost all directions as compared with other countries. Its resources as compared with its needs are deplorably poor in all directions except that of labour and especially brain labour. This latter is cheaper in India than anywhere else and we should utilise this advantage fully in building up large national services.

The high salary has not only made the superior official feel entirely apart from the bulk of the populace, it has also given a peculiar turn to the demand for consumption of goods from this rich official class. Their standards of living have become largely Europeanized as evidenced conspicuously in the matter of dress. This has as pointed out above resulted in creating greater unemployment and in deepening as well the discontent arising out of it. It has made current amongst us ideas of a standard of living which have no correspondence to the facts of our economic life and which cannot be adopted by others than those who are being grossly overpaid.

It may well be asked what the magnitude of the total issue involved is. The most direct way in which this could be answered would be by giving the amount of the total salary bill of the various Indian Governments. This figure cannot be ascertained with any ease but we have available in the income-tax reports, statistics which enable us to form a fairly accurate idea of the position. The Indian income-tax statistics embrace all non-agricultural incomes above Rs. 2,000 a year. The following table shows the total income assessed and the income assessed that was paid in salaries, for the different years.

	CRORES, RS.		
	1927-28	28-29	29-30
Total income assessed ...	232·97	244·50	253·15
Salaries income ...	70·23	72·11	74·52 *

This shows what an important position in the richer non-agricultural classes do the salaried classes hold in India do-day. The

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\* The following table of how this figure is distributed among the various grades of incomes may perhaps interest some readers.

Income Grade p. a.	Total Income assessed.
Thousands	Crores
2—5	27·05
5—10	18·39
10—20	16·65
20—30	6·46
30—50	3·49
over 50	1·23
unclassified	1·25
Total ...	74·52

salaries income figures, of course, include salaries paid both by Government and private individuals and associations. There is unfortunately in these returns no differentiation made between salaries paid by Government and by others. There is, however, another return—that of income-tax demand—which gives the necessary details. The gross income-tax demand for the years 1927-28; 1928-29 and 1929-30 was Rs. 13.18; 14.13; and 14.40 crores respectively. Out of this the income-tax demand on salaries paid by Government and by local authorities for the corresponding years amounted to Rs. 1.70; 1.76 and 1.82 crores. The income-tax demand on other salaries during these three years averaged at a little over Rs. 1.30 crores. If then we assume that the rough proportion of about 7 : 5 which is to be observed in the demand figures as between salaries paid by Government and by others holds good of the income figures also, the total salary bill of Government may be taken to approximate on average figure of Rs. 40 crores.† A salary reform initiated by Government will directly affect the whole of this huge figure all of which being above the Rs. 2000 p. a. limit is capable of the most drastic treatment being

† The Ad Interim report of the latest Retrenchment Committee of the Government of Bombay gives interesting figures of the total cost to Government of salaries in 1928-29. They are as follows:—

	Rs.
Pay below Rs. 40 p. m.	150 lakhs
„    40 to 59 p. m.	41 „
„    60 to 199 „	144 „
„    200 to 499 „	67 „
„    500 to 999 „	44 „
Above Rs. 1000 „	91 „
	<hr/>
Total	537 lakhs

This was out of a total expenditure of approximately Rs. 14½ Crores. The total salary bill for pays above Rs. 2400 p. a. is equal to Rs. 2.02 Crores. To arrive at a figure for salaries above the income tax exemption limit some few lakhs will have to be added to this figure. Roughly the cost of salaries above the Rs. 2000 p. a. limit represented an amount a little over one-seventh of the total expenditure of the Govt. in 1928-29. The total expenditure of the Central and Provincial Governments and local authorities was in 1928-29 above Rs. 270 Crores. If one-seventh is here also assumed to be the similar proportion Rs. 40 crores is not wide of the mark.

applied to it. Such a reform is also bound to have repercussions on the salaries paid by other public bodies and individuals.

The favourite argument of Government spokesmen that after all the high salaried posts are but few and the total economy effected by revising the scales will only save a little money has depended on the underlying assumption of a small percentage cut. But such a cut will not meet the situation. What is wanted is a far more radical step; and the conclusion to which this study forces us is that the extent of the reform needs must be more extreme than is usually thought of or advocated—except in the Karachi Congress resolution. We must look at the whole structure of Indian official machinery and the salary scales dispassionately and from a new angle. We must break the prejudices born of a long period of high salaries and take advantage of the imminent cessation of European recruitment to recast all scales in a form more consistent with what we need pay and what we can afford. The high Provincial Service pay of the earlier decades, the acquiescence of the Islington Commission in the equal pay cry and the highly culpable omission in not taking advantage of the Reforms to revise all scales, have cumulatively resulted in creating a serious situation for our national finances. A radical reform of the salary scales is a condition precedent to putting our finances on a safe basis and it is a reform which is bound to have a highly beneficial effect on our national life—economic, social and political.

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TABLE I.

[NOTE :—The subjoined table brings out at a glance the salient points regarding the salaries position in the different countries. Column I contains figures of per capita national income. They all relate to the post-war period. They do not, of course, all relate to the same year nor do they all represent the same degree of accuracy. The sources from which they are taken are indicated on page 43. The second column shows the figures for the average income of the urban unskilled labourer. The figures for Canada and U. S. A. are explained on page 33. The others are rough estimates based on information given above and other wage statistics. The third column represents the lowest initial salary of the junior male clerical grade. The details regarding the grades are to be found in the text. The fourth column gives the highest salary possible for a civil servant in each country. The salaries of ministers or of judges have not been taken into account. In most cases this highest salary is attached to the office of the permanent official head of a department. In South Africa it is the office of First Secretary; in U. K., Permanent Secretary; in Canada, Deputy minister; in Germany, State Secretary; in Japan, Head of Department. In U. S. A. precisely similar posts do not exist. For that country, therefore, the salary of the highest paid offices such as the Commissioner for Internal Revenue or the Director of the Bureau of the Budget has been taken. In India the obvious equivalence to the post in other countries is that of the post of the Departmental Secretary with the Government of India. The salary of that post has, therefore, been indicated in column 4 below. This has been done for presenting the comparative data accurately, even though members of the I. C. S. hold Executive Councillorships in Provincial and Imperial Governments and also hold the post of Provincial Governors.]

( all figures are annual. )

	National Income, Per Capita.	Wages, urban un- skilled labour.	Lowest salary, Govt. male adult clerk.	Highest salary of administra- tive post.
South Africa—£	...	...	140	1,600
United Kingdom—£	93	100	95	3,000
Canada—\$	518	955	600	10,000
U. S. A.—\$	676	1,075	1,140	10,000
Germany—R. M.	800	1,750	1,700	22,900
Japan—Yens	218	500	480	6,500
India—Rs.	74	240	360	48,000

TABLE II.

[NOTE :—The approximate equivalence in terms of rupees of the amounts in the above table have been given below. Two columns showing the approximate proportion between the salary of the highest administrative posts and the lowest clerical salary and the earnings of unskilled industrial labour have also been added.]

*Rupees (all figures are annual.)*

	National Income, per capita.	Wages, urban unskilled labour.	Lowest clerical salary.	Highest administrative Salary.	Proportion between columns 2 & 4	Proportion between columns 3 & 4
South Africa	...	...	1,866	21,333	...	1 : 11
United Kingdom	1,240	1,333	1,266	40,000	1 : 30	1 : 32
Canada	1,420	2,620	1,650	27,400	1 : 10	1 : 17
U. S. A.	1,850	2,950	3,125	27,400	1 : 9	1 : 9
Germany	520	1,140	1,110	14,960	1 : 13	1 : 13
Japan	295	675	650	8,800	1 : 13	1 : 14
India	74	240	360	48,000	1 : 200	1 : 133